Competitive Intelligence: From Being the “Eyes and the Ears” to Becoming “the Brain” of Companies

by Christophe Bisson and Avner Barnea
1. Competitive Intelligence Today

It is commonly accepted that Competitive Intelligence (CI) as a science and an art rose in the 80s (Prescott, 1999). For instance, one of the first CI units was established in Motorola in the mid-1980s. The first professionals who practiced CI were librarians and marketers, but gradually some CI specialists, CI units or departments appeared. CI can be construed as a multidisciplinary field encompassing strategy, management & organization, computer science, and marketing.

Competitive Intelligence focused mainly on environmental scanning of information about activities that happen around firms and have an impact on their performance (Aguilier, 1967). Thereby, it can be defined as the process involving the gathering, analyzing, and communicating of environmental information to assist strategic decision-making (Dishman & Calof, 2007). As a product, CI delivers actionable intelligence (Pellissier & Nenzhelele, 2013).

![Figure 1. The Intelligence Society](image)

Source: Denieul F., translated from French

Furthermore, what one defines as intelligence should be new knowledge allowing new understanding as underlined by Liam Fahey (Fahey, 2009). Thus, when nothing is new about markets and competition, it is about knowledge and not intelligence (see Figure 1). Intelligence is what can provide a competitive advantage, not only through strong knowledge, but mainly due to new acumen and new knowledge that enlightens decisions.

It has often been said that CI allows actions. But isn’t it a science as well? Hence, science is a seamless questioning cycle. The leitmotiv, “I doubt then I am” can help companies to test the status quo, detect blind spots, and anticipate. To consider CI only through actions is a tropism, and time has come to also consider it as a science.

It has been redundantly said that CI must help companies to anticipate since to react is a long process to be implemented in big companies. It can take several years to implement changes in a big company. But the capability of anticipation can also allow one to get a competitive advantage, avoid a threat and that’s true for any type of company and any sector (see Bisson & Dou, 2017). Moreover, in such tough competition, the first mover can be the winner and most of the time it gets a big market share that extends toward monopoly or oligopoly as a paradox of the market economy.

As underlined by Derek Sugalski during his talk at the SCIP Europe 2016 conference, Competitive Intelligence (CI) triggers less research online. If one performs research with Google trend (trend.google.com), one would find similar results. On the reverse, machine learning searches, trends are quickly rising.

If Israel is often shown as an example for its intelligence practices, surprisingly, Barnea in a longitudinal study emphasized during the SCIP Europe 2016 conference that, at best, we can analyze 0.5% of Big Data. Thus, a pure computational approach would lead to wrong strategic decisions. There are already a few significant progressions in Israel for instance that integrates AI capabilities within intelligence analysis and predictions to support decision making.

By creating an open organization, optimizing the flow of information, knowledge from its external and internal stakeholders, augmented by Machine Learning and AI mainly for strategic purpose but also for tactical, CI would position itself as the brain of the company!

That’s what we should aspire to if we do not want to see CI perish as Machines rise!
In fast moving and highly uncertain competitive environments, blind spots end more and more frequently by a business failure (e.g. Kodak, Nokia, Alcatel). Therein, a “business as usual” mentality can no longer cope with hyper competition, faster innovation cycle, and the huge increase of data/information which will dramatically soar with the Internet of Things.

References


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