The Seven Deadly Sins of CI

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Although competitive intelligence has existed as a discipline for decades, only a minority of CI functions consider themselves fully established in their organizations. The majority of CI teams are either in start-up mode or are looking for guidance on how to grow and provide greater value.

For all of these growing CI functions, I offer up my personal list of the seven deadly sins most often committed by CI teams in the hope that you can avoid many or all of them.

1. TAKING A PASSIVE APPROACH

If I had to identify the number one obstacle to the growth and longevity of CI functions, this would be it. It is a broad issue that covers many areas. In fact, several of the *sins* which are listed below are subsets of this one.

In a nutshell, most CI practitioners are not nearly aggressive enough in how they do their jobs. As a rule, we tend to be an introverted and overworked bunch. CI team leaders tend, therefore, not to do the things that have proven to be among the most important for success:

- marketing CI within their organizations
- building personal networks to collect primary-source information
- providing early warning
- **producing** forward-looking analysis that challenges conventional wisdom

The next time you attend a CI conference, listen closely to the presentations of those who lead the most well-established CI teams. What you will likely discover is that the real pros have an approach that is more aggressive and outgoing than the norm.

2. FAILING TO MARKET THE CI FUNCTION

Marketing seems to be a dirty word to CI practitioners. It strikes many as unseemly, time-consuming, and unprofessional. Whatever your opinion of the concept, however, the truth is that it works.

Because CI is not yet a well-established function within most organizations, intelligence users need to be made aware of the benefits CI provides. This requires more effort than sending out a memo announcing the formation of the CI unit and bombarding users with CI emails. Successful CI teams have an organized marketing plan that includes:

- road show presentations around the organization
- presentations to management on recent intelligence successes and return on investment
- intelligence products that are visually distinct and branded as CI

3. NEGLECTING EARLY WARNING

When top executives are asked about the benefits they expect from a CI function, the number one answer is early warning. Yet very few CI teams have any sort of systematic early warning process. If early warning happens at all, it tends to be because of luck rather than a careful approach to collection and analysis.

Ironically, focusing too closely on management's Key Intelligence Topics (KITs) can sometimes contribute to a lack of early warning. While KITs are a great way to capture the issues that management believes are most important, they can't always encompass the new and emerging issues that management has not yet identified as a threat or opportunity.

Successful CI teams, therefore, go beyond management's KITs and build their own list of emerging issues that could be significant in the future. They then use this list to develop early warning indicators and the corresponding collection and analysis plans.

4. SUBSTITUTING SYNTHESIS FOR ANALYSIS

Distilling one hundred pages of information into two pages is not analysis, it is synthesis. Using those two pages of information to postulate what is likely to happen next, and what your company can do about it, is analysis. Actionable intelligence is created, not collected.

Although synthesis is often a necessary precursor to analysis, the two are not interchangeable. For a decision-maker, the distinction is critical. He or she can rarely act on synthesized information, but can often act on analyzed information because it is forward-looking and predictive.

Too often, CI teams deliver only synthesized information to executives, because that is what the executives believe CI to be and that is what they ask for. In the press of day-to-day business, many CI practitioners don't feel that they have the time to take the extra step to go beyond the original request and deliver more forward-looking analysis.

5. USING ANALYTIC TOOLS AS A SUBSTITUTE FOR CREATIVE THINKING

There is a persistent myth within the CI community that successful analysis depends on the mastery of a set of analytic techniques. While techniques, such as Porter's Five Forces or SWOT are certainly useful, they will never do the analysis for you. In fact, most of them are tools to organize or array your information in a coherent fashion.

Analytical techniques are not formulas that allow you to plug information in at one end and have analysis flow out the other. They only apply in a certain set of situations, and even then it always falls to the human brain to do the analysis.

I have taught several courses on analytic techniques, and inevitably a few participants leave the course disappointed that I did not reveal *the secret* of analysis. That's because there is no secret, and no single technique that works for all situations.

In fact, some of the best analysis I have seen was done without using any of the most commonly taught analysis techniques. In most cases, all you need is a whiteboard, a marker, and a few good brains. Learn the analytic tools, and the best situations for using each one, but then use them to support your creative thinking, not stifle it.

6. USING ONLY PUBLISHED INFORMATION SOURCES

While most CI practitioners will publicly proclaim the importance of primary-source information, the truth is that only a few devote enough time or effort to collecting it. In most cases, it's easy to get by in the CI world by using only published sources of information. That is, until you get blindsided by a development that you could have – and should have – seen coming.

Primary source networks are especially important for early warning, as they provide the best way to get the information that is either too new, or too important, to appear in published sources. This is how most top executives get their own information — through their networks of contacts and sources. If you deliver a piece of published information (branded as intelligence) to an executive who knew about it weeks before from his or her own sources, your credibility is going to suffer.

7. BUYING SOFTWARE TOO SOON

Technology has become so integral to modern business that the first step most companies consider when starting or growing a CI function is selecting the software they will need. Their reasoning is straightforward; since we all use software to manage and store the information we use in our jobs, it only makes sense to have the software in place from the very beginning so that everything we do can be captured and organized. This is a good theory, but a bad practice for CI.

Intelligence is, at its core, a tailored, human function. I have worked with dozens of CI teams across industries, and not one of them works in the same way. Before you consider buying software, first determine the goals for your CI function. Then use these to set the criteria for selecting software. This sounds simple, but I am always amazed at how few people follow this advice.

Instead, CI teams evaluate software based on technical issues, look and feel, etc. The result is that the software ends up dictating how the CI team works, rather than vice-versa. I have seen several new CI initiatives literally derailed because team members bought software too soon and spent many months and thousands of dollars trying to customize the software to fit a situation for which it was not designed.

The second reason to delay your software purchase is that I have yet to see a product that is versatile enough to fit all CI situations. But there are a host of software tools that can be adapted to help a CI function. This distinction is critical, and you should choose with care the tools that are best suited for your needs.

It often takes months of running a CI operation before you even know what your CI needs are. Just as a carpenter selects different tools to build a fine jewelry box than he would to build a house, you need to choose the tools that are most appropriate for your objectives.

Hopefully, this list will help you to avoid the sins that have plagued many CI units in the past. Please contact me if you have others that you think should be added. If there is a sufficient response, I will publish an additional list in a future article.

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