
CI Transformation Day: A REPORT

Summary by Ben Gilad

The Fuld-Gilad-Herring Academy of Competitive Intelligence (ACI) recently held a unique one day seminar in Cambridge for seasoned ACI's alumni. The topic was CI transformation: how to move the profession and its professionals to the next level. This was an interactive dialogue between several of ACI's faculty, Leonard Fuld, Ben Gilad, Jan Herring and Michael Sandman and 18 participants. This report sums up the gist of the several discussions taken place during that day. (The gist, that is, not the whole shebang!!)

A clear disclaimer from Ben Gilad, the hard-of-hearing note taker:

Trying to make this piece readable and semi entertaining to the *CI Magazine* reader, the comments and discussions are abbreviated to the maximum. A lot of input from participants got lost in the process of summation. Whole sentences were reduced to essence: I went for the flow rather than keep the syntax correct. The shouting and excitement in the room are hard to replicate and my off the cuff remarks should not be replicated.

Comments in the body of the text are mine and represent solely my biased opinion on what was said. To make it easier for the reader to follow who is saying or thinking what, I use the third body, Ben, when it is my turn. It is not grandeur illusions, and I do not refer to myself as "Ben says" in normal conversations. Those interested in the full and unbiased manuscript are advised to attend next year's seminar.

This article was made possible by the participants of that exciting day. For various reasons of privacy and confidentiality, we decided against publishing their names, but they know who they are. We are grateful for them making the day such a smashing success.

TOPIC 1: WHAT IS CI?

Ben wanted to know once and for all what CI was all about. It is one thing to teach people about what CI should be and how it should be done, which he has been doing diligently for 20 years. But what was the actual experience for practitioners? What do they actually do 8, 9, 10 hours a day? How far was it from the ideal?

Ben started by proposing two definitions from two leading sources.

- "Knowledge and foreknowledge of the world around us" (Jan and the CIA, a well know rock group).
- "The legal and ethical collection and analysis of information regarding the capabilities, vulnerabilities, and intentions of business competitors." (SCIP)

Jan: You omitted the end part from my definition, the most important part: Knowledge and foreknowledge of the world around us – the prelude to management decision and action. Intelligence is actionable information.

Ben: OK, I'll put it in. But is actionability the difference between information and intelligence? What if management is blind as a bat, are we responsible because they did not act?

Jan: Yes we are. Our argument was not convincing enough; it was not presented right.

Ben: But blind spots means no argument can actually be presented that will convince them to act. I suggest Time is a more important distinction and intelligence is about future events, something information can never be. We don't have information about the future.

Comment: Jan and Ben disagree as usual. They never agree on this topic, which makes it fun to be with both of them in the same room. The crowd seems to lean towards Jan's definition. Ben, desperate to save the point he is driving, throws in SCIP's definition and asks what they think about it.

S: How important are new unexpected competitors?

D: An executive knows the current situation. They want a future perspective.

E: Next 6 months. Then 1-2 years. That's what they say to analysts.

B: CI as consulting. CI as catalyst for action based on trends. Connecting the dots.

Comment: B's "connecting the dot" theme will repeat itself in the dialogue. It gains momentum. It is an important metaphor.

R: But CI must be integrated with decision process.

C: CI as perspective on your company's position in the world.

Comment: Ben likes this definition a lot, so he pushes C to be exact. What position? Relative to whom – competitors only? C does not like Ben's aggressive move and shuts up. But he is good, he will come back.

J: CI is about the intelligence gap between assumptions and reality. An intelligence signal lets you know something has changed in how you perceive the world.

T: Business Intelligence = Industry Intelligence + Competitive Intelligence + Regulatory Intelligence + Market Intelligence + Demographic Intelligence. The key is to connect with senior leaders in a positive way to outline BI Issues.

Comment: Ben is allergic to management concerns. He asks: What if management isn't concerned about something it should?

K: If they are not concerned about anything, it is the role of the BI to identify those issues.

J: CI looks for things no one is looking for such as blindspots, and their underlying assumptions. Information becomes intelligence when you provide something upper management hasn't thought of.

F: Bigger perspective.

C: Consequences.

D: Implications. Uncommon perspective is about covering holes and gaps between reality and perception.

Comment: The discussion has taken a very intriguing direction. CI is about what management can not see. About things wrong. About what should be considered but isn't. Ben is excited. He writes down feverishly those key words.

A: Leading a discussion.

M: Info broker. Before you ask (anticipatory intelligence).

Comment: A and M lead the discussion in a bit different route now. It is reality – A talks about setting the agenda for organization's deliberations. M talks about showing CI consumers what's out there that might be of importance to them, even before they ask. Both are still consistent with the previous thread, though.

L: Filling the unknown – what management does not know.

R: Management sees day-to-day reality – we expose "behind-the-scenes" reality.

Conclusion:

Ben is truly thrilled. He says: Look guys, we came from somewhat formal definitions of CI as centered on competitors, decisions, actions, to finding a niche, a niche no one else defines as *his own*.

Looking at the role of CI professionals as those who find the holes, those who look at things others don't is a much more concrete perspective than we started with. It is actually a strategy defining how we differ from say marketing or finance or strategic planners.

It does not matter if one looks at a competitor, or works on a project, or coordinates the discussion on strategic and competitive topics. Knowing that we are responsible for uncovering hidden aspects of the situation that are overlooked or ignored but can have serious consequences for the decision at hand, the planned strategy or the performance of the organization is a great way to differentiate our mission.

Looking for the reality behind the obvious, looking at omissions and overlooked important aspects of the issue at hand is a strategy that can serve the professional in any assignment he or she is thrown into.

Thank you, guys. It was enlightening.

TOPIC 2: CI SAVVY

Lenny Fuld presented the results of the Academy's survey of CI professionals about what constitutes a CI savvy

company. Lenny has a lot of experience with this subject – he was the one leading the SCIP charge to elect the CI Savvy CEO. He then throws the question to the seminar attendees: so what is CI savvy management in your eyes?

C: Management is open to intelligence. Seek it, act on it.

A: Put resources into it, embrace it.

Lenny and Ben: But resources are not 1:1 with savviness. Example: Kodak vs Pergo.

F: Senior management can be savvy, collect intelligence itself, but it does not flow to CI unit.

Comment: F is absolutely right. CI savvy does not mean CI unit savvy.

P: Cultural acceptance.

R: Management provides CI professionals with what is needed to become CI savvy – open doors. CI unit provides back up when they need.

A: Management that gives you visibility. Savvy depends on how much audience time you get with management to bring awareness to competitive issues.

Comment: Lenny shifts the discussion. Just having CI at the CEO office isn't enough, he says. People agree.

F: You have to weave it into planning process.

N: Everyone knows what CI is, everyone contributes. That's savvy.

G: But at times, vice presidents keep CI savvy to themselves. They don't want to share their secret weapon with potential competitors for the CEO's position.

Comment: Lenny throws in the monkey wrench, the red sheet in front of the bull. He asks: But how do you measure savvies? ROI? Staffing? CI report card? The room erupts. The comment below sums up the shouting.

W: You can't do ROI. SCIP tried and failed.

Comment: Lenny does not give up. The man is tenacious if anything. He says: But CI savvyness is related to the performance of the CI unit. Can't avoid measuring it. Ben is seething. He suggests the only valid measure is the simplest one: Zero surprises (as a goal).

J: Yes, just like safety, the goal is zero bad incidents. The actual result from good CI is an avoidance or reduction in risk which is very difficult to measure.

B: Also counterintelligence.

Comment: B has a tendency to shift discussions. I suspect it's one of the reasons she lasted that long in CI.

Lenny: Higher savvyness seems to be related to higher counterintelligence.

Jan: How did senior management measure CI in companies where it was eliminated? Management was looking for CI to make the companies do something. So savvy CEOs are those that do something with CI.

Comment: Jan's actionability raises its ugly head again. But his approach is brilliant: look at the opposite of savvyness to define savvyness.

N: You need to talk management talk – time saved, risk reduction, whatever ticks them. It is a matter of packaging.

B: Agree. And once you are established you need not justify or measure CI.

Comment: N made a hugely important comment, even though the discussion has shifted subtly from "CI savvies" to what makes CI units successful. The issue of talking management talk is paramount in the success of CI units. Interestingly, N and B share similar experiences, coming from the same industry. Are there industry-specific secrets to CI success?

Lenny changes the track a bit again, moving the discussion along. He suggests CI professionals need to keep track of success stories. Jan agrees wholeheartedly.

R: CI people need to share success stories among themselves. Have a network.

N: But 'not invented here' syndrome will prevent adoption of 'best practices.'

Comment: The exchange between R and N is interesting. Benchmarking CI best practices is a big industry, and one assumption lying at the core of SCIP. N raises an unexpected perspective. Is it unique to her industry? It is a sobering comment.

Ben is happy – he is deeply against benchmarking and best practices (for different reasons than N, though). Lenny steps in to prevent the mood from sinking. He asks: What is common to savvy programs?

F: Continuous process.

R: Critical success factors.

N: Know what CI can do for your organization.

P: They are all paranoid.

Comment: P's summary statement is wonderful. In one strike he characterizes successful CI cultures. One needs to remember — the fact that you are a paranoid does not mean they are not coming after you!

Lenny asks the last question: Why do CI departments fail?

N: Not diplomatic enough. No political skill.

Comment: N is consistent. Her advice – need to know to talk management talk is in perfect fit with the need for political skill. While she might not reflect the experience of every professional, at her level, politics becomes paramount.

L: Lack of visibility.

B: Inappropriate resources, junior people.

Comment: B just wants more money. Ben agrees since he thinks all the money should go to hire him anyway. But as an explanation for CI failure it is dubious. He asks: How come CFOs positions are not eliminated if they fail (even though the CFO himself might be fired)? How come CI is so vulnerable?

B: If management comes in that thinks it knows what the market wants, then competitors don't matter. So they get rid of CI.

Comment: B has hit a very raw nerve. The root problem of CI acceptance is that if CI is mostly about competitors, it will always be vulnerable. Many senior managers (and companies in general) think what's important is not what competitors are doing, but what the company is doing. If the company comes out with a better product, a better service, or both, it will win (regardless of competitors' moves).

That ego-centric perspective means that as long as CI is about competitors, it will always be in a tentative position. The solution is to create an early warning process, not fall into the trap of competitors' monitoring and reporting. Early warning was the last topic of the day (it is not reported here).

TOPIC 3: THE FUTURE OF CI AND THE FUTURE CI DIRECTOR

This topic is Jan's baby. He presents his vision of CI and the characteristics of the future CI director, and then opens it up to comments. His gist — CI is done everywhere, in many functions — purchasing, sales, etc. In the future, these will all be connected into a virtual CI Network.

R: I discovered four other units in my government doing market intelligence. I will now connect them all by IT so they can at least exchange info.

A: We have cross-functional teams including senior management, standing teams, doing competitive analysis. We've developed an internet site where information is shared. It is not the team members' main job. The results of the teams are our predictions of where competitors' are going with their strategies in the future.

Comment: A's description of the CI network in her company raised a lot of commotion and interest from many around the table. Ben likes it a lot since it focuses on the future, his baby.

D1: So why do they do it?

A: Management nominates them and supports the effort.

N: The danger in having VP on the teams is that it can devalue the analysis, change the discussion.

A: But our teams are richer that way. CI floats ideas, issues, and gets feedback.

Comment: Jan brings the discussion back on course. He points out the future CI director will be a member of the management team: a business person first, CI professional second. That is what is great about Jan — though a former government senior-spook, he clearly grasps the limits to intelligence background alone and is not afraid to expose it.

K: A new manager that will succeed in my industry will have to understand the *why*. Intelligence in context. (She

cites some important lessons from Liam Fahey's previous seminar about strategy and intelligence.)

- F:** Speak the language of business. Integrate intelligence with strategic planning process.
- E:** Not only strategy, but finance, operational, investment, marketing, distribution . . .

Comment: Do we see a push for MBA as a required degree to become CI professional? The mood in the room is definitely in favor. Analysts, not collectors is the direction, but high level or general analysts that need to know about all business areas. In this vision, companies will have to compete with McKinsey to hire such expert CI analysts! . . .

TOPIC 4: TURNING ANALYSIS INTO ACTION

Mike Sandman took the next lead with his topic: turning analysis into action. Technologies come from the outside (sometime from dissatisfied customers). There are too many obstacles for incumbents to develop or adopt them. Process improvements come from inside. Disruptive technology may take a long time to disrupt, but there is a threshold when large customers start adopting it that means the older industry is about to die. What is the CI manager role in predicting this tipping point?

- P:** Watch the innovators in your industry. There are always those known for it.
- J:** Watch customers.
- L:** Monitor alliances.
- H:** Watch articles in scientific journals.
- D:** Watch discussion groups on the net (executives do that!)
- N:** Assemble panels of experts and kick up discussion.
- C:** Know the industries you serve.

Comment: Indeed, two tracks here. For disruptive technologies, CI managers must watch what it can do for their customers (yes, five forces on customers' industry! Hallo?? Why are you running out???) or end users. For process technology, watch competitors' cost-quality improvements.

- H:** We (USDA) are watching the technology of growing meat from cells. It will make veterinarians redundant.

M: Small companies are doing a lot of the innovation. They use large companies to fund their scaling up operations.

K: Small companies have a greater potential for innovation, but once large organizations recognize this innovation, they have the size or scale to make the innovation work faster and cheaper.

Lenny: Watch early adopters. There is this story of how cellular phones affected beer consumption in North Africa. Both served same purpose to make the younger users cool. So when cellular started to catch up, beer consumption went down!

FINAL COMMENT

What was special about this day? For me it was to observe how the ideal CI model and the reality-based CI model coalesce. True, there are many aspects of CI in corporate practice that I don't like. It is under-used and under-appreciated. But the practitioners in the room, overall, did not express desperation.

Yes, they were aware of political obstacles. Yes, they were short on resources (some more than others). But that was because they wanted to do so much more. The majority seemed quite happy at the position they held, and the effect they had on individuals in their organization (if not the whole organization). Their only concern was more influence at the top. That should come, I believe, as CI transforms itself more and more into early warning and broadly speaking, risk management.

This group of people actually felt good about themselves and the role they played in their companies. For once, I was more concerned about the road to the airport in frozen Cambridge than the road to CI success. Next meeting will be held in Barbados. Enroll early.

[This a joke of course. That's why Ben's off the cuff comments are better left out (Ben). Unless they are actionable! (Jan)]

Ben Gilad is a former strategy professor at Rutgers University, the president of Fuld-Gilad-Herring Academy of Competitive Intelligence and a consultant to many Fortune 500 companies and their CI units. He has written several books on competitive intelligence, including Business Blindspots (UK: Infonortics, 1998), and won SCIP's Meritorious award in 1996. He can be reached at bgilad@academyci.com.