

## **I cracked it**

By Ben Gilad

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I cracked it. After 20 years in the field, I believe I cracked it. I believe I know what makes some CI managers successful. Moreover, I know what makes the career of others look like a dead end.

### **Has CI changed since 1982?**

Bonnie Hohhof, a long time friend whose passion for CI matches mine, asked me to write an opinion column. I can't say No to Bonnie, so I asked: Opinion about what? She said: Opinion about how CI has changed since you became involved in it. That means ancient history, back in 1982. A lot has changed since then. My hair grayed significantly. You can buy Sushi in some supermarkets now. And, I know it for a fact that some CI functions have become powerhouses.

At the same time, many more CI functions have either faltered or outright disappeared under cost cutting, re-organizations and other corporate follies. I think I know what made the difference.

During the past two years I have been offering a new service to my clients, most of them CI managers in large firms. I would spend one to two days with them and their colleagues in the BI/CI team, and anyone else they wanted to invite such as heavy users or their bosses, and we would review together the status of CI in their organizations. Following the review, we would then brainstorm on how to take it to the next level, because I always believed in having a *next* level. I called it a CI Strategy workshop, a tool for CI managers to develop a strategy for the growth of their influence. I figured a short one to two days visit will be a powerful incentive, as no one should listen to me for more than two days straight, not even my wife.

I was right. As a result, I visited a diverse group of firms over the past two years: Pharmaceuticals, consumer products, energy, old industrial as well as new high tech. I concluded that there was a chasm between effective CI and standard CI and that chasm has become quite well defined over the past 20 years. Not all CI managers have fully understood or internalized what made for "good" CI, and what would advance their careers. Those who did, though, were clearly rewarded, even though the profession as a whole has not proven too rewarding for many of its practitioners.

### **The ultimate answer: To be the only one**

What is "good" CI, then? I believe Karl Rose, Royal Dutch Shell's manager of strategic intelligence has the ultimate answer. Karl delivered a brilliant presentation at the Competitive Intelligence Professional certificate program of the Fuld-Gilad-Herring Academy of Competitive Intelligence – a public training program run jointly by the Academy, Fuld & Co., and Herring Associates. Karl was a guest speaker at our

“Managing the CI Operation” capstone course, which sums up our collective wisdom as to what is necessary to create and run a world-class CI function. He started his presentation with a simple motto: “Not to be just the best of the best ... but to be considered *the only ones who do what we do.*”

“To be the only ones who do what we do” sums up concisely what has made the difference in the careers and influence of CI managers across the world over the past 20 years. This “motto” places several demands on the CI manager. It requires developing expertise that other don’t have, not just executing tasks others can do as easily and as well. It requires making specific strategic choices in managing one’s career and job activities.

A fully developed CI department will have three distinct “areas of expertise”: Information services (library and search functions), human collection (running a network) and competitive intelligence analysis. In many companies or their SBUs, one individual CI professional will have to do all three. The point is, he or she must strive to be in a position where management knows no one else in the organization does what (s)he does. This would make the person (or the function, if there are more than one person) indispensable. This also makes the CI professional “promotable”. In every workshop I ran, the task was to identify those *exact* activities that can *differentiate* the CI professional(s) given their organizations’ structure, decision processes, politics and culture, as well as the most significant risks it faced.

### **This area of expertise does *not* differentiate**

As the theory teaches us, differentiation strategy requires the customer to perceive the “difference”. It is the perceived differentiation that matters, not the real one. And here lies a catch. The expertise developed by the CI manager and /or his unit must be *perceived* as essential to management. In other words, a manager may have an ability to converse freely in Swahili, but if the company does not do business in the bush country, the fact that she is the only one who can do that means nothing to top management. More relevant to our profession, skills in information services are at the bottom of the totem pole in western corporations. They don’t make people indispensable. Skills in collection from human sources are more unique in corporate environments, but even they do not always receive the attention they deserve from the top. Given the paranoia accompanying human collection in some hysterical companies, this is a touchy skill at best.

So what is the essential skill that makes a CI person one of a kind? I’ve learned over the years that the right tools, the right jargon, the right personality, and the ability to communicate are all very important for success in CI roles. And no one should underestimate the power of colourful PowerPoint presentations. But I believe the bottom line is that it is analytical expertise that tends to be recognized, and rewarded.

Not much of a discovery, you say. Where is the beef? You say.

### **CI strategy matters**

Well, these findings from my CI Strategy sessions with managers of CI functions across the country (and the continents) mean more than just a call for CI managers to add analysis to their tasks. Their importance is in implying that the strategy adopted by the CI unit matters. During the early days of CI we all fought for the legitimacy of external information collection roles. We toiled to get corporate management interested in collecting, storing and distributing competitive data. Over the years that strategy paid off: The CI function has gained institutional blessing. However, it did not protect its occupants from cost cutting or seasonal reorganizations. The decline of SCIP's membership may reflect recession trends, or a more permanent drop out rates in the field perhaps by those CI practitioners who could not differentiate their roles. On the other hand, we also witnessed the emergence of several powerful CI positions in some pharmaceutical, energy and high tech companies. What caused the different outcome?

For starters, it definitely helped that those successful individuals who built powerful CI functions had a zeal for intelligence, and the talent to promote it well within their organizations. But I know of many enthusiastic CI managers who are not that successful. Enthusiasm alone is not enough.

It definitely helped that economics was on their side, too. The Pharmaceutical industry invests billions in R&D every year and launching a new drug is a very costly business. High margins allow the industry to deploy relatively abundant CI resources in protection of those investments. The energy industry too enjoys relatively high margins, especially in the 90s (with the short exception of the \$14 a barrel anomaly). High oil prices for most of the 90s and 2000s, and the huge bets oil companies must make in exploration, production and distribution created enough incentive to sustain serious CI efforts. However, in some Pharma and some energy companies, CI efforts have not stood out (to put it mildly), while in others, CI reached an influential position. The difference, therefore, cannot be attributed to economics alone. My conclusion is that the difference has been in the strategic choices made by the person in charge of the CI operation.

Many managers think that strategy is a set of choices of what to do. The truth is, it is as much a choice of what *not* to do. One of the most important choices of successful CI managers has been a *refusal* to be satisfied with the role of just an efficient “organizer and coordinator” of information flows – a role almost any middle manager can assume successfully. Instead, the individuals I met who built powerhouses insisted on contributing something to these flows, thereby establishing their job *de facto* as the chief competitive analyst for their organizations. This role comes with several specific activities, committees one sits on, processes one gets involved, and as important, activities one does *not* undertake, committees one does *not* sit on, and processes one stays away from like they were poisonous. In analysing the “nodes” where CI has been pushed through in those companies where it flourished, it became clear to me these were nodes of *perceived* strategic importance to the organization. In sum: the choices CI managers made mattered.

## **CI career choices**

But what about those dedicated CI professionals who do not get a chance for analytical input? What about those who don't have the knowledge or industry experience or training to make analytical contributions? What about those whose role is chiefly to transport data from one place (data base, internet) to another (decision maker, bystander user)? Is my message that they have no future?

Not at all. They just don't have much of a *profitable* future. And that's *my* opinion, too.

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