



CI Education Harvard Style?

By Ben Gilad, Fuld-Gilad-Herring Academy of Competitive Intelligence

Why is Harvard Business School (HBS) so revered? Why is it the dream of so many young people going there for their MBAs? The subjects taught at HBS are not very different than those at any other MBA program. Innovations in curriculum are always at the margin, anyway. Accounting, economics, organizational behavior, finance, marketing, and strategy remain the core curriculum and are taught everywhere. Yet if a manager had a choice of going to HBS or UCLA's Anderson Business School or Rutgers Graduate School of Management, which school do you think that manager would prefer?

Sure, the allure of Harvard has a lot to do with its history. But not all old schools are equally revered. All Ivy League has its aura of higher class, but Harvard still reigns supreme among the Ivy League schools. Why?

While the full explanation of the Harvard Phenomenon is a complicated issue and may involve emotional aspects (read: reasons not yet fully understood), part of the explanation is rational and easily observed. It has to do with HBS' unequivocal emphasis on the quality of teaching and the externalities of its networks.

What is so unique in HBS teaching? We can list a few factors comprising the total quality of Harvard teaching. Its faculty:

- 1) has the best subject matter experts who love to teach
- 2) is involved in significant outside consulting
- 3) devotes significant effort and time to developing and using the case study approach, to the point of making it an art form

The result of the three factors above is that Harvard actually offers more than education — its students get training as well. To understand that crucial added ingredient,

one needs to appreciate the difference between education and training. This difference is not well articulated in academia. Many think it is a semantic difference only. It is not.

EDUCATION VS. TRAINING

Most MBAs offer education. According to experts, education focuses primarily on acquiring and understanding general or specific areas of information. On the other hand, the focus of training is on “the behavioral aspects of acquiring and doing some specific action with the information provided.” (Towle 1996) Most academics have little real interest in the latter, but not at Harvard. There, students are consciously trained to apply the theoretical body of knowledge they acquire to hundreds of cases, in projects, and even in class discussions based on the teachers' real world experience rather than abstract knowledge.

It is not that other schools do not have experienced faculty who use case studies or consult occasionally. All schools have projects and team projects and even company-sponsored projects. But none make it such a core aspect of the student experience as Harvard does. The promotion of a faculty member in a typical university is primarily based on research published in a list of *A* journals – all of them at the forefront of theory (sometime quite esoteric theory). Only a few 'stars' do significant consulting to major corporations. Exciting teaching is secondary and the exception. Exciting teaching, to those who did not experience it in their college days, gets students involved in practicing what they learn.

This difference between education and Education plus Training (E+T) is not always that important in some disciplines. In others, institutional insistence on *Plus Training* makes all the difference in the world.

CI AND FILMMAKING

Take for example filmmaking. Several notable filmmakers have expressed their opinion about education and training in the context of filmmaking. (Quotes are taken from Film and TV Connection’s website, www.film-connection.com/film-education-quotes.html.) Peter Cattaneo, the director of the critically acclaimed movie *The Full Monty*, said: “The experience of making this film far exceeded any amount of formal education I could have received in a lifetime.” Robert Townsend commented, “When planning to apply to film school I asked how many of their instructors had actually made a feature motion picture. When I was told none I decided to pass and went to work as a production assistant to learn the business.” Steven Spielberg remarked: “It occurred to me many years ago that the only way to learn this business was to be in it.”

Competitive intelligence, for better or worse, is closer in essence to filmmaking than to mathematics or literature studies. That is clear to anyone who has tried to study collection techniques from textbooks alone. Moreover, aspiring CI managers come to the field already possessing substantial educational backgrounds. They do not need a semester long military history course or three years of organizational management to do intelligence analysis.

Subjects such as time management or improving presentations won’t make these candidates CI professionals either. What they need is to *make a film*, apply their collection skills and the relevant competitive analysis frameworks to real industries, real companies, and real decisions. They need to gain a first-hand experience in deriving insights from disparate facts (synthesis skill), and

they need to be mentored in managing early warning roles inside their company’s environments. If they want to do

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intelligence work (as opposed to information or library or market research work) they also face a few demanding tasks for which they need to train. (See Table 1.)

A TRAINING APPROACH TO CI

When the Academy established a certification program leading to the Competitive Intelligence Professional (CIP™) certificate, we had the Harvard experience as a vision. We know it may sound pretentious, especially since none of us is a graduate of Harvard, and one of us is even a former professor at a lowly state university (Rutgers). The fact that our campus is in Cambridge, a stone’s throw away from the Harvard campus, is just a coincidence.

However, we did not want to patch together a series of random courses, teach a laundry list of theories and techniques, and hope for the best. We wanted to create education plus training, and we wanted to do it with Harvard’s total focus. We had a holistic student experience in mind and we stuck to it regardless of higher expenses and time commitment (the CIP™ program requires two weeks of courses, although they can be taken in installments).

Looking back three and a half years later, we note that many changes instituted over the years (out of trial and error, deliberate decisions, or fluke) all had the same consistent theme behind them of creating E+T, rather than education alone. Though we never consciously decided this, we based it on the fact that the three of us *made our own films* for many years. Using the criteria from Mr. Towle’s article, we let the reader judge if we were consistent. Sidebar 1 sums up our program’s components of Education plus Training.

GOALS

Towle suggests four main areas of difference between education and training: goals, content, role of faculty, and perspective. On goals: “Education is commonly a long-term investment with a long-term goal as the target. Training, on the other hand, is ordinarily a short-term investment with a short-term objective.”

From the start, we focused on giving the students tools they can use immediately on the job. By the definition above,

TABLE 1: TASKS TO BE PERFORMED BY CI PROFESSIONALS

- Go beyond internet searches: collect from human sources.
- Go beyond public databases: collect hard-to-get information (e.g. on private firms) from less obvious sources.
- Go beyond competitors: analyze whole markets and industries.
- Go beyond static analysis and current market statistics: predict change.
- Go beyond marketing intelligence: understand finance and cost accounting.
- Go beyond marketing, finance, and cost: understand strategy.
- Go beyond strategy: understand risk.
- Communicate effectively with (impatient, knowledgeable, intimidating) senior managers.
- Manage the politics of the whole intelligence operation.

| SIDEBAR 1: ACI CERTIFICATION BASED ON EDUCATION + TRAINING | | |
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| Towle's Criteria | Educational Foundation | Training Foundation |
| Goals | Create long-term careers for CI professionals | Short-term objective: give students tools they can immediately use |
| Content | Learn principles, concepts | Create skills based on cases, experiences, exercises |
| Role of faculty | Experts and authoritative teachers | Socratic approach, coaching, mentoring, role models |
| Perspective | Learn from past knowledge and build subject matter expertise in CI | Provide ability to draw implications of future events, early warning |

that's training. However, if that was all, a collection of random but applicable subjects would have been sufficient. We wanted to create intelligence professionals. *For us that meant moving people away from mere information search roles and into analysis and management of the CI process.*

This program required a logical sequence — going beyond sources and collection, building over time on knowledge acquired (the existence of prerequisites in analytical courses), and ending up with a whole that solidified the pieces and managed the whole intelligence cycle in the most effective way. Graduates must have a rigorous basis regardless of their more immediate tasks. By the definition above, that's education. To combine E+T, therefore, we set the goal to give the students tools they can use on the job to *achieve a level of performance their managers did not expect from them.*

The managers of many CI professionals expect them to have information-providing roles. Teaching the CI students the bases of strategy and giving them practice in applying high-level analytical tools of scenario-construction, wargaming, and blindspots mapping may not have an immediate impact, but over the longer run it will make their output much more valuable to their companies.

We encourage our students to apply the more sophisticated techniques regardless of the scope of their

current assignments. Then, even if they do mostly data searches, they can add a line or two of insights driven by blindspots analysis, or forensic scrutiny of financial data, or value chain relative costing. Organizing a wargame can also give their analysis much needed visibility. If their analysis is good, management may ask for more, transforming their current jobs to better ones if they apply their new skills discretionally.

CONTENT

According to Towle, "Usually the content of education consists of knowledge, principles and concepts, and the content of training normally consists of skills, abilities and techniques."

CI E+T must first consist of teaching principles, then creating the skills and the self-confidence to apply them to tasks that can determine the manager-student's career. In our program, we wanted to make sure that practicing CI under real circumstances would always follow theory, but that confidence building will also follow the practice. (See Sidebar 2.) The first basic course in intelligence collection, 'Sources and Techniques,' comes with a simulation exercise of trade show human information collection. Students role-play sources and collectors, critique each other's performance, and can see the results instantly.

'Competitive Blindspots' begins with two hours teaching the three main theoretical frames, Porter's industry and competitor analysis, and Gilad's blindspots analysis. It then continues in a six hour exercise in applying them to a case study. Students have to actually analyze an industry and a competitor and identify blinders. This ratio is deliberate — training takes much more effort and time than education.

The case selected is *classic* on purpose. Knowing what happened allows the students to build confidence in their ability to produce synthesis out of separate facts, and check their predictions against real outcomes.

FACULTY

Towle on the role of the faculty: "The educational instructor generally serves in the role of an authority figure, specialist or expert, while the training instructor commonly serves in the role of a coach, facilitator, model or, sometimes a mentor."

The typical teaching experience consists of an instructor frontal teaching or using a PowerPoint presentation, and a passive audience. With a Q&A session, the audience gets involved for a short period. CI E+T must go way beyond this model. The vast majority of our class time is spent in the Socratic method of interaction. In our analytical courses, we

coach the students while they apply the techniques themselves. In our collection and management subjects, our faculty serves as mentors, sharing with the students a wealth of personal experience built over decades of work.

Mentoring does not stop here. We become involved in our students' careers, and we provide references when they need them and placement when we can. Our students can approach us by email anytime, and will usually get an answer regardless of the nature of their question.

Finally, while we differ among ourselves in style and personalities, we do not regard ourselves as aloof experts. We share a common assumption: the real experts are the student-managers themselves. They come to us with deep knowledge of their companies, their industries, and their technologies. We just arrange their knowledge in such a way that they can apply it effectively to do intelligence work. When you respect your students as experts, you are no longer the authority figure on a pedestal.

PERSPECTIVE

Towle on perspective: "Education normally starts by examining the past and reviews accumulated subject matter knowledge with students. Training usually starts by addressing the future and reviews what the learner will do differently with the newly acquired skills or abilities."

This last point made by Towle is appropriate because this is one difference we stress between reporting the news and producing actionable intelligence. The ability of a CI professional to draw *so what* implications about future events from present facts is what makes him more valuable to his firm than say, a syndicated news service. The role of early warning, for one, is all about future-looking assessments.

Beyond this parallel between education-training/news-intelligence, we push students to do things differently once they go back. The emphasis is on being intelligence professionals rather than human search engines or low-level coordinators of information flows. Otherwise, why spend so much time and money?

NETWORK EXTERNALITIES

Harvard's graduates become part of one of the most powerful networks of graduates who occupy influential positions in business and government. Harvard's alumni feel



SIDEBAR 2: SAMPLE PROBLEM SETS THAT COMBINE "EDUCATION-PLUS-TRAINING"

IDENTIFYING BLINDSPOTS

The reality of industry's evolution (gradual changes in the way the industry's five major forces affect the company's profitability) does not always register with companies. The reason is that companies and their management have black holes in the way they perceive risk in their industry. These black holes — the so-called Competitive Blindspots — affect the way companies react (or do not react) to the signs of early warning (and the CI that comes with them). Identifying these black holes is crucial for the survival of the firm and the effectiveness of the CI effort.

Questions to be answered

1. Is there an analytical methodology that will allow you to identify your management's blindspots?
2. Is there a way to identify a competitor's blinders?
3. If you could identify a competitor's black holes, what can you do with it?
4. What is the role of culture and executive background in promoting (or discouraging) blindspots? Can you do something about them in your own company?

STRATEGIC BIDDING . . . ANTICIPATING YOUR RIVAL'S BID

Your company makes light rail vehicles — also known as LRVs or trams. These are \$2 million vehicles used in urban public transportation systems. In the last decade, LRVs have been chosen as the most cost effective public transportation solutions for new systems in San Jose/Silicon Valley (California), St. Louis (Missouri), Portland (Oregon), the London Docklands and an addition to the public transportation system in Rome. Existing LRV systems all across Europe and the Far East have been extended or upgraded.

You're bidding on a \$400 million upgrade for Boston's Green Line, parts of which date back to 1980. You have competitors from three continents. Each one has a unique set of competitive advantages and disadvantages.

Questions to be answered:

1. How will you figure out what each company is likely to bid?
2. How will you structure your own company's bid?
3. Which company is most likely to take home the \$400 million prize?

Source: Fuld-Gilad-Herring Academy of Competitive Intelligence

empathy towards each other and they help each other. The more graduates in powerful positions, the more value Harvard provides to each graduate, as each one can find more opportunities for help and cooperation.

Our program creates bonds between the graduates as they learn from and help each other. We built a program that can be taken piecemeal, but is much easier to take in two large blocks of a week each. When students spend three, four, or five days together, in an intensive learning environment, their ties to each other and the institution are much stronger. The majority of our students spend at least a whole week together. A small but significant part spends two weeks together. (Yes, these are the ones with the glazed look in their eyes.)

Our students practice skills in teams of five and six. We deliberately rotate the seating arrangement each day, so each student gets to spend time with new team members, increasing the networking and learning opportunities. This was one lesson we learned from the students themselves who asked to interact with as many of their peers as possible.

Once we reached a critical mass of graduates, we created an alumni operation, which assists graduates with jobs, advice, or just mental support. We've been publishing alumni newsletters since 1996 to keep students current on each other's career moves. We invest in creating network externalities, so the larger the network the more value is to each individual in it. Our graduates may have yet to achieve the broad recognition of Harvard's, but they're creating it within the CI field.

WHERE WE SUCCEEDED; WHERE WE YET TO SUCCEED

The CIP™ certificate program is a whole program, not a random collection of pieces. It covers the intelligence cycle completely and has a beginning, middle, and an end. It flows logically from subjects to more advanced ones, and the material is coordinated among the various courses and faculty members. It is very applicable (as measured by formal students' evaluations) yet rigorous (the percent passing the qualifying exam for the CIP is 75%).

CIP is the first and only accredited program in CI education: we accredited the program with the International Association of Continuing Education & Training. It gives structure and system to the various tasks a CI professional needs to perform in a typical corporate position. Seeing how our model is now being adopted by SCIP for its own training, we feel proud in being the first to create and perfect it.

Our other measurable success is student satisfaction. It is not easy to satisfy managers. It is even harder when it comes to a body of students with diverse backgrounds and experience levels. We accept novices, seasoned managers with

15 years of CI experience, junior and senior analysts, senior directors and even (a few) top executives of smaller firms. We succeed in surprising them all with new tools and rigorous frames which far exceed their vision of CI. This is our highest achievement.

We measure our performance formally with detailed evaluations students must fill out after each course. (They do complain, to be honest, but we insist.) We teach how CI should be done, not how it is done, and what it can achieve, not what it normally achieves. Since very few CI managers know how it should be done — having been thrust to the role without any formal training in it — we give them new knowledge.

But we have not yet succeeded in one major goal — drawing senior users into the program to raise the visibility of CI among major corporations. The majority of our graduates come from the Fortune 500 (global and domestic). We have been hoping to attract their bosses as well, so they can get a feel for the optimal way to use their CI professionals. Yet the VPs of the Fortune 500 have yet to show up with their CI managers.

This is a major issue for the field, not just the Academy. In the near future, we plan on offering a course specifically geared towards senior decision-makers, the users of intelligence. This is our next challenge:

CI education must touch the user as well as the provider if our profession is to grow and develop.

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