

# WHITHER ANALYSIS?

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I've had the privilege of writing The Analyst's Corner column for more than seven years. During that time, I've seen dozens of companies in the United States and abroad use — or try to use — competitive intelligence (CI) analysis to improve strategic planning, competitive positioning, and overall competitive effectiveness.

Though the discipline of CI has matured and grown in sophistication over that time, it still seems that intelligence analysis — to me, the most critical component of the entire cycle — struggles to find legitimacy, purpose, and meaning within many companies. This leads me to ask, What is the future of competitive intelligence analysis?

To answer, let's first look at the prevailing trends. CI analysis today is characterized by five trends:

**1. Most competitive intelligence produced by CI departments or practitioners comprises mostly facts, data, and research findings, and contains less in the way of analytical insights and conclusions.**

As a result, competitive intelligence is often confused with news reporting, and CI practitioners have come to believe that they are expected to report on new competitor, industry, or market developments; summarize recent external events; or compile existing data or research on particular topics.

Periodic newsletters, press summaries, and lengthy research reports make up the vast body of competitive intelligence reports and deliverables disseminated within companies — products that tend to be historical, after the fact, and of limited value. It is more the exception than the rule that CI deliverables focus on forward-looking, competitively relevant

conclusions drawn from available evidence by a trained analyst. Rarer still is a clear description of the implications of such insights to company plans and strategies.

**2. When presented with well-reasoned, anticipatory judgments about the strategies and intentions of key market players, including competitors, most managers don't know what to do with them.**

Decision-making in most companies is made on the basis of quantifiable analysis, whether it is market share projections, financial forecasts, product demand, or other similar metrics. Little room exists in the decision-making calculus for speculative analysis of qualitative information that carries some degree of uncertainty.

It is hard for managers to act on an analyst's logical hunch that a competitor is in a position to outmaneuver her company on the basis of moves that competitor has made, such as recent partnerships, hiring patterns, and acquisitions. Absent documented, confirmed, numerical data, management often is paralyzed.

**3. Intelligence analysis is not a well-supported corporate function.**

When I advise clients to hire intelligence analysts to improve the effectiveness of competitive intelligence functions, it's as if I'm speaking a foreign language. Few organizations have the managerial experience, human resource support, and corporate culture to support an intelligence analysis function.

Recruiting good analysts can be a frustrating exercise for many companies because the necessary skills for such a position differ from

organization to organization, depending on their intelligence needs. Further, the intelligence analysis career path is virtually nonexistent outside of the government, making such positions unattractive to high performers looking for career growth. As a result, companies are hiring the wrong kinds of individuals to do intelligence analysis, or are failing to task good analysts properly.

Unless intelligence analysis is recognized as a full partner in strategy development and decision-making, organizations cannot create the environment in which good analysts can thrive.

**4. Management is not doing its fair share to develop and promote competitive intelligence analysis.**

The delivery of analysis too often is a one-way street: competitive intelligence practitioners either respond to a poorly framed request for information or generate a report they think is of interest and send it up the line to management, only to receive little or no acknowledgment of the report or an assessment of its value.

Analysis succeeds only when analyst and user can do the following:

- Strike a partnership and together define intelligence problems and issues.
- Debate and discuss findings and judgments.
- Collaborate on an ensuing plan of action.

Instead, intelligence users see CI analysts as a personal research staff that is expected to take an order, meet a deadline, and not expect to be included in any discussion of strategic response.

**5. When organizations believe they do not have quality intelligence on external matters, they usually seek out new or different information sources, or solve the problem with technology.**

Organizations prefer to invest in new information sources, such as news aggregators, newsletters, or research vendors, rather than bolster the analytic function. Unfortunately, the newest information source can't provide the unique set of relevant insights and implications of external developments that an organization needs to develop its own particular response to industry and competitive changes.

Similarly, technologies that assist with storing, retrieving, sharing, and displaying information, while helpful to the analytic function, do not replace it. If given the choice, I'd invest in hiring and training a new intelligence analyst to improve the quality of an organization's competitive intelligence over subscribing to a new newsletter or installing a new piece of software every time.

**AN ANALYTICAL FUTURE**

To be sure, these trends are less than encouraging. They do not, however, portend the death of analysis. Then what can analysts, managers, and SCIP do to ensure a sound future for competitive intelligence analysis?

**First, to the analyst:**

You are not a researcher, news reporter, or database manager. You need to produce intelligence products that go

beyond reporting or summarizing facts and apply your gray matter to generate insights, conclusions, and implications. What you produce must be unique, incorporate your own thoughts and experience, and directly relate to the decisions and actions you believe your company must take or wishes to take.

If this is not the sort of product your organization wants or expects from you, you have two choices: remove the intelligence analyst label from your job title and enter the research and reporting business, or find another position.

**Second, to the decision-maker:**

You have a potentially valuable resource at your disposal. Quality intelligence analysis can warn of impending competitive developments, frame complex issues, and help you develop strategy and actions to enhance your company's competitiveness.

But to take advantage of this resource, you must view your intelligence analysts as partners in competitive decision-making. Together, you must define intelligence problems, discuss and debate judgments, and determine a course of action. Your CI department is not your personal research staff; it is an important decision-support tool that can partner with you to set strategy and make effective decisions.

**Third, to SCIP:**

You need to create an environment where analysts can network, learn, and thrive. Intelligence analysis is a distinct function from collection and

library research. Through training programs, special interest groups, and other venues, SCIP must offer a distinct value proposition that supports analytic tradecraft and enhances analytic professionalism.

This marks my final Analyst's Corner column. I've enjoyed sharing my perspectives on intelligence analysis with you these last seven years. However, it's time to turn my publishing energies to other endeavors. While I hope to continue to comment on matters of competitive intelligence and strategy with an occasional article, it's time to bring the column to a close. Thanks for reading.

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