

Chapter 6.15

Leveraging What Your Company Really Knows: A Process View of Strategic Intelligence

Donald Marchand

International Institute for Management Development, Lausanne, Switzerland

Amy Hykes

International Institute for Management Development, Lausanne, Switzerland

ABSTRACT

Strategic intelligence is about having the right information in the hands of the right people at the right time so that those people are able to make informed business decisions about the future of the business. Thus, in order to improve a company's strategic intelligence process, management must take a critical look at how effectively they manage information. Effective information management requires specific information-processing practices, employee behaviors and values, and technology. The information orientation (IO) framework is a tool that managers can use to determine the company's level of effective information management and to identify areas where they can make improvements. By achieving IO ma-

turity—aligning processes, people behaviors, and technology practices with business strategies—a company can derive a competitive advantage and future leadership. IO mature companies are most successful at collecting and openly sharing the strategic intelligence that their employees need in order to successfully monitor and proactively react to future market trends or events.

INTRODUCTION

Strategic intelligence is about having the right information in the hands of the right people at the right time so that those people are able to make informed business decisions about the future of the business. Thus, information is the basis for

strategic intelligence. Without the right information, it is difficult for employees to make the decisions needed in order to achieve and sustain market leadership. Companies with effective strategic intelligence processes are typically ones that can manage and use information to successfully anticipate and respond to future trends or opportunities.

In order to shape a company's future, management must understand what that future is likely to look like. This requires the assimilation of diverse sources of business, market, political, technological, environmental, and social information. How effective a company is at gathering and managing all of this information depends upon three key capabilities: information processes, technology, and people. All managers should consider the following tasks an important component of their jobs:

- Developing information processes that enable and encourage people to effectively identify and leverage strategic business information
- Providing the right technology to enable effective information use and delivery
- Building a culture that encourages and guides employees in their use of information

It is critical that executives not only understand the key role strategic intelligence can play in achieving future success, but that they continue to find ways to improve their approach to strategic intelligence. Some questions that should be asked include: How well do we collect, manage, process, and use information in making strategic decisions? Are we able to anticipate and proactively respond to trends or opportunities to ensure future success and avoid crisis situations? Are we able to adapt fast enough to successfully compete in today's dynamic environment? Do we have a culture that encourages employees to effectively share,

manage, and use information to make informed business decisions?

WHAT IS STRATEGIC INTELLIGENCE?

Strategic intelligence should provide a company with the information it needs about its business environment to be able to anticipate change, design appropriate strategies that will create business value for customers and create future growth and profits for the company in new markets within or across industries. Strategic intelligence should not be equated with:

- **“Competitor” intelligence**, which is focused on understanding a company's existing competition.
- **“Competitive” intelligence**, which is prepared by small groups of intelligence analysts working for senior executives to help them make key decisions such as whether to enter a joint venture or acquire another company.

The purpose of strategic intelligence is illustrated in the Sigmoid curves in Figure 1. Sigmoid curves have long been used to illustrate the product cycle of a company where a new product or service is launched and then goes through a period of rapid growth until the market matures. Unless a company is able to develop another new product or service to reach new markets and customers to start another journey along the Sigmoid curve, its growth and profitability as well as its competitive position will suffer and the success of the company will decline.

The main objective of strategic intelligence is to avoid the situation at point C when a company may see the future clearly but cannot respond fast enough, or has to use repeated waves of restructuring and downsizing to bring its capabilities and

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