



World Class Market Intelligence – From Firefighters to Futurists

GIA White Paper 2/2009

This GIA White Paper introduces and discusses Global Intelligence Alliance's "World Class Market Intelligence Development Framework". The model finds its base in GIA's extensive consultative experience, and also relies on research into how hundreds of large organizations conduct intelligence activities on a global scale.

EXECUTIVE SUMMARY

The World Class MI Framework created by Global Intelligence Alliance (GIA) has been developed to help organizations achieve three types of benefits from a systematic intelligence operation:

- Better and faster decisions
- Time and cost savings
- Organizational learning and new ideas

The World Class MI Framework builds on six Key Success Factors that an organization needs to develop in parallel in order to bring their MI operation to a level where it compares to the most advanced companies in the world. The Key Success Factors are defined as follows:

1. Intelligence Scope: Start from small and redefine the Scope along the way
2. Intelligence Process: Design and implement MI Processes that are integrated with decision making, i.e. Decision Point Intelligence
3. Intelligence Deliverables: Design and produce concrete MI Deliverables
4. Intelligence Tools: Adopt a specialized MI Tool that enables global sharing of intelligence
5. Intelligence Organization: Build a results-driven Organization with optimized resourcing
6. Intelligence Culture: Create an intelligence Culture in your organization

The World Class MI Framework further divides each six Key Success Factors of MI development into five levels of maturity, where the levels range from "Firefighters" (Level 1, the beginners), to "Futurists" (Level 5, the most advanced organizations with regards to the level and maturity of their intelligence activity). Ideally, all success factors will be developed in parallel, since they are highly inter-dependent. However, most organizations find it easiest to first build up the "technical" MI capabilities, while the softer success factors such as MI organization and MI culture, often lag behind.

How the World Class MI Framework can be leveraged for successful MI development in practice is demonstrated in the end of the paper through two case examples, Vopak and another European multinational company.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
TABLE OF CONTENTS	2
1. INTRODUCTION	3
2. THE WORLD CLASS MI DEVELOPMENT FRAMEWORK	7
3. HOW TO GET STARTED – DEVELOPING AN INTELLIGENCE SYSTEM	18
4. CASE EXAMPLES	20
5. CONCLUSIONS	27
REFERENCES	28

1. INTRODUCTION

Definitions and Terminology

Market Intelligence (MI, frequently also used interchangeably with “Competitive Intelligence, CI” or “Business Intelligence, BI”) is a distinct discipline by which organizations systematically gather and process information about their external operating environment (such as customers, competition, trends, regulation, or geographic areas). The purpose of Market Intelligence is to facilitate accurate and confident decision making that is based on carefully analyzed information about the above mentioned topics.

Market Intelligence as a discipline is both old and new. All organizations operating in a competitive environment have always needed intelligence to learn about what the market wants from their products and services, and what is being offered to customers by the competition. Traditionally, the intelligence activity has often been narrowly perceived as “keeping an eye on the competition”, which has sometimes even earned it a shady reputation. Yet more recently – as dictated by the complex requirements set for modern strategic planning, sales, marketing, and innovation management - Market Intelligence has reached a position in the organization that compares to other vital support functions such as accounting, PR, or sourcing. To be successful, an increasingly knowledge-intensive enterprise simply cannot do without an organized intelligence operation as one of its support groups.

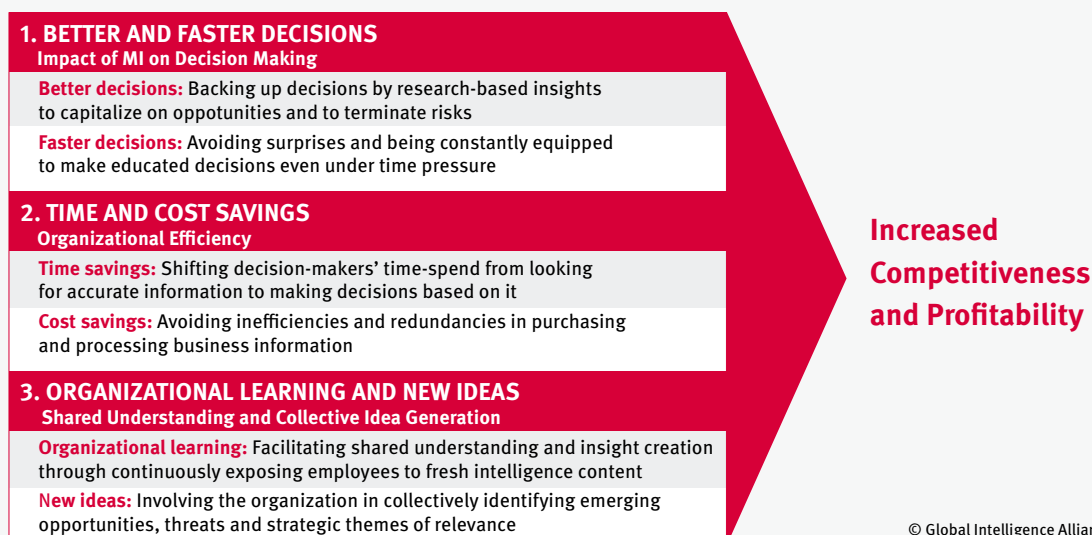
Benefits of Systematically Organized Market Intelligence

Market Intelligence is business critical for two reasons above others:

1. Companies' business environment is getting increasingly complex and dynamic, and, as a reflection of this complexity, accurate business information is needed not by one or two organizational functions but by virtually all of them.
2. At the same time, decision makers are challenged by “information disconnect” that is not caused by lack of information as such, but by lack of time to digest it and to distinguish and process what is truly relevant for business.

Resulting from the above challenges, Market Intelligence operations have by now been established in most large companies around the world. However, MI Directors still often find it challenging to clearly communicate the hard and soft benefits that the investment in a corporate MI capability is expected to yield, especially at times when budgets are under scrutiny.

The benefits of systematically organizing an MI operation can be grouped under three categories as has been illustrated in Exhibit 1.

Exhibit 1. Benefits of a systematic Market Intelligence operation

1. Impact of MI on Decision Making: Better and Faster Decisions

What the corporate MI process yields as a result should be demonstrated by the organization's competitive success in its operating environment. The intelligence activity should be able to continuously produce deliverables that respond to true information needs and provide such valuable business support that timely and educated decisions are being made as a result.

In its eventual impact on decision making, the financial worth of a well-organized MI operation may be enormous, yet it is hard if not impossible to point out and quantify exactly which MI efforts contributed to which successful decisions and by how much. These benefits are therefore considered qualitative in nature.

Even though it is often hard to put a finger on exactly how big an impact MI efforts have had on the quality of a single decision, it is safe to say that an organized MI operation improves the average quality of decisions made: When decision topics regularly go through a systematic process of research and analysis, the resulting decisions will be based on solidly grounded insights into aspects covering anything from the anticipated competitive response to compliance with the governing laws. Over time, this tradition makes an intelligent organization, and business literature continuously brings us success stories of how such organizations have survived even critical periods of transition.

However insightful and well grounded the decisions are in an organization, they may be worthless if made too late. One of the characteristics of an organization where the intelligence operation is deeply rooted is that it is capable of reacting fast, i.e. capable of reaching decisions by the time its slower peers may still only be digesting the original surprise. The speedy process of course should not compromise the quality of the related analysis; again a reason to have an intelligence infrastructure in place that can handle rapidly emerging topics for research and analysis.

2. Organizational Efficiency: Time and Cost Savings

The impact of a Market Intelligence operation on decision making is of course the primary justification for its existence. However, regardless of what its eventual impact is, in today's corporate world it is safe to assume that almost every organization gathers and disseminates business information somehow, which brings us to the efficiency perspective: If time and resources are being put into collecting and analyzing information in any case, it makes a big difference

whether this process is organized and cost-efficient - or not. While the impact of MI on the quality of decision making is hard to quantify, the efficiency of an intelligence process can be quite accurately measured in both time and money.

Accurate information is needed to back up decisions, and without a systematically organized intelligence process, decision makers repeatedly find themselves in situations where they have to dig for missing pieces of information. Over time, this collective search by executives becomes very expensive for the company, and organizing the MI process therefore yields measurable benefits in the form of liberating decision makers from searching for to actually using information. The related cost savings can be derived from the amount of expensive hours that executives save by always having the information they need at their fingertips when they need it.

Another form of very measurable benefits of MI is cost savings through optimizing the purchases and processing of information. A large organization easily spends hundreds of thousands or millions or euros/dollars annually on different forms of business information, and several people may be analyzing the same topics internally without knowing of each other's efforts. If this activity is not centrally coordinated, overlaps are hard to avoid, and it may be that no-one knows exactly how many budgets are being tapped into at different levels of the organization. Coordinating the purchases and processing of information therefore helps the organization to control the overall MI budget, to negotiate better deals with consultants and information vendors, and to eliminate redundancies.

3. Shared Understanding and Collective Idea Generation:

Organizational Learning and New Ideas

Finally, the third category of MI benefits highlights the role of MI in facilitating the development of a shared understanding in the organization about its operating environment and that way involving a large part of the organization in generating valuable new ideas.

Organizational learning and collective idea generation contribute to the eventual impact of MI on decision making described under point 1., but refer more to the process of constantly having a collective radar out for potentially relevant topics for decision making rather than to the actual decision making itself. Having many ears on the ground also contributes to the company's ability of driving through decisions rapidly, as the organization, being collectively aware of the developments in its business environment, is prepared for and even expects swift reactions from the decision makers.

Three Guiding Principles for Successful MI Efforts

In an organization where Market Intelligence activities have been orchestrated carefully, decision-makers receive the right information at the right time, information costs are under control, and current awareness exists in the entire organization about the important developments in the operating environment. As a result, both long and short term planning is based on homework done carefully, threats can be avoided, and opportunities leveraged swiftly for tangible business benefits.

The benefits and Key Success Factors of MI can be summarized into three overarching statements that will be echoed in everything that is discussed later on in this paper about developing World Class Market Intelligence activities:

1. Market Intelligence is not about merely responding to what decision-makers initially tell the MI specialists they need. Instead, MI professionals should proactively anticipate emerging MI needs based on what requirements different business processes set for decision making. In other words, for best results MI professionals should assume a consultative role in getting to the roots of each MI assignment that lands at their desk.

2. Market Intelligence without insightful analysis will not have an impact on decision making. Continuous monitoring of market developments is one of the cornerstones of any world class Market Intelligence operation, but MI is incomplete without conclusions and implications derived from the findings.
3. Market Intelligence does not function in isolation from the rest of the organization. A World Class MI operation successfully involves the end users in “co-creating” the intelligence that the organization needs in order to stay competitive. This involvement will have a positive impact on the quality of the entire decision making process: The more people contribute to identifying and sharing market signals that are relevant for decision making, the fewer competitive blindspots will develop, and the easier it is also for the organization to accept decisions based on the market signals.

Developing a World Class Market Intelligence Operation

Based on the above argumentation, Market Intelligence is business critical and, when properly implemented, yields benefits that far exceed the cost of developing and maintaining the activity. Yet many organizations have found it troublesome to structure their efforts around Market Intelligence once it has been decided that the activity should be invested in. Lack of structure, in turn results in many challenges over time: How to prioritize efforts, how to move to the next level, how to measure success, and, ultimately, how to win the continued support by top management to the investments in MI?

As a response to the need of companies to structure their MI development efforts, GIA has built up a two-dimensional “World Class Market Intelligence Development Framework“ that lists out the Key Success Factors in developing an MI operation, and the levels of maturity that organizations typically go through with regards to each KSF. The framework has already been adopted by a number of large organizations to guide their MI development efforts and to provide concrete yardsticks for measurement of success, as will be illustrated by two case examples later on in this paper.

Chapter 2 will introduce the World Class Market Intelligence development framework in detail, describing the Key Success Factors and the related sub-frameworks. The levels of maturity that organizations typically go through along each of the development dimensions will also be discussed.

The World Class Market Intelligence framework is static by nature in that it describes stages of MI development at a given point in time. In contrast, Chapter 3 will address the “How to get started” question by presenting GIA’s development road map for setting up an intelligence operation based on a needs analysis that will direct and sequence the efforts around each of the KSF’s presented earlier. Finally before the Conclusions, Chapter 4 will present two case examples that illustrate how the development frameworks have been put into practical use.

2. THE WORLD CLASS MI DEVELOPMENT FRAMEWORK

The GIA Framework for developing World Class Market Intelligence, illustrated in Table 1 and later on simply referred to as the “World Class MI Framework”, finds its base in a vast pool of GIA’s consultative experience, and also relies on several extensive research studies on how hundreds of large organizations conduct intelligence activities on a global scale.

Table 1. Framework to World Class Market Intelligence

Level Description	Informal MI “Firefighters”	Basic MI “Beginners”	Intermediate MI “Coordinators”	Advanced MI “Directors”	World Class MI “Futurists”
Intelligence Scope	No specific focus has been determined. Ad hoc needs drive the scope.	Limited scope, seeking quick wins. Focus typically on competitors or customers only.	Wide scope with the attempt to cover the current business environment comprehensively.	Both wide and deep scope covering not only issues of HQ interest, but also those that interest business units.	Future-oriented scope that also covers topics outside of the current micro business environment.
Intelligence Process	Reactive ad hoc process puts out fires when they emerge. Uncoordinated purchases of information.	Needs analysis made. Establishing info collection from secondary external sources. Little or no analysis involved.	Secondary info sources complemented by some primary info collection. Analysis included with still a limited scope.	Advanced market monitoring and analysis processes established. Targeted communication of output to key people.	MI integrated with key business processes and utilized in key decisions. Future oriented analysis is being conducted, and an early warning capability exists.
Intelligence Deliverables	Ad hoc deliverables quickly put together from scratch.	Regular newsletters complement ad hoc deliverables, little analytical ambitions.	Various reports and profiles emerge as new, structured MI output.	Two-way communication is increased in both producing and utilizing the MI output. The level of analysis increases.	High degree of future orientation and insight creation in the process of producing and delivering MI output. Workshops and seminars in regular use.
Intelligence Tools	Email and shared folders as the primary means for sharing and archiving information.	Corporate intranet is emerging as a central storage for intelligence deliverables. Email still in use for distribution.	Web-based MI tool established that provides access to structured MI output. Users receive email alerts about new info in the system.	Sophisticated channeling of both externally and internally produced MI content to the MI tool.	The MI tool with its functionalities supports the intelligence process, and is being used frequently for end user collaboration.
Intelligence Organization	No resources specifically dedicated to MI. Individuals conducting MI activities on a non-structured basis.	One person appointed as responsible for MI. Increasing coordination of MI work in the company. Loose relationships with external info providers.	A fully dedicated person manages MI and coordinates activities. Centralized, internally or externally resourced info collection and basic analysis activities exist.	Establishing an MI network with dedicated resources in business units. Non-core MI activities outsourced. Utilization of local primary info collection.	Integrating the internal MI organization with the outsourced arms to support key business processes. A steering group to guide MI efforts.
Intelligence Culture	No shared understanding exists of the role and benefits of systematic MI operations.	Some awareness exists of MI, but the organizational culture overall is still neutral towards MI.	MI awareness on a moderate level, sharing of info is encouraged in the organization through internal training and marketing.	People participate increasingly in producing MI content. Top mgmt voices its continuous support to MI efforts.	A strong MI culture is reflected in the way the organization shares info and acts on it. CEO is a strong supporter of MI.

© Global Intelligence Alliance

Key Success Factors of Market Intelligence Development

Before going into detail in discussing the Key Success Factors presented in the World Class MI Framework, definitions will be given in Table 2 for each one. Also, the five levels of evolution for each KSF in the matrix will be introduced below.

An overarching KSF to the six aspects presented in the Framework is an Intelligence System, i.e. all MI development efforts need to be seen as parts of a systematic initiative to build and maintain an intelligence operation that continues to improve over time.

Table 2. Definitions for the Key Success Factors presented in the World Class Market Intelligence Framework

KEY SUCCESS FACTOR	DEFINITION
Intelligence Scope: Start from small and redefine the Scope along the way	“Intelligence scope” refers to defining the user groups and timeframe (past – present – future) of the intelligence activities and the specific intelligence topics on which each user group needs information. Issues under the scope may include e.g. customers, competitors, political developments, technological trends, or macro-economic issues.
Intelligence Process: Design and implement MI Processes that are integrated with decision making, i.e. Decision Point Intelligence	“Intelligence process” refers to the process of gathering, analyzing and reporting information about the specified topics to its different user groups. The intelligence process should always be anchored to the existing corporate processes (strategic planning, sales, marketing, product management, etc.) in which information will be used.
Intelligence Deliverables: Design and produce concrete Market Intelligence Deliverables	“Intelligence deliverables” are the concrete output of the intelligence process. Deliverables may be tangible “products” such as regular review reports, company profiles or continuous news monitoring, and they can also include workshops, discussion forums and management briefings that facilitate knowledge sharing and insight creation based on which decisions will be made.
Intelligence Tools: Adopt a specialized Market Intelligence Tool that enables global sharing of MI	By “Intelligence tools” we refer to dedicated software tools that help keep the intelligence process together by serving as searchable databases of structured information. Also, intelligence tools help automate the routines of processing data into information and regularly delivering the intelligence output to its users.
Intelligence Organization: Build a results-driven Organization with optimized resourcing	“Intelligence organization” refers to the structures that combined make the intelligence process happen. Appointing someone as the owner of the corporate intelligence activity typically is the starting point of forming an intelligence organization, but the person needs both internal and external networks to support their work: Internal network of intelligence users and contributors from different parts of the organization, as well as an external network of intelligence sources that may include outsourcing partners, news databases, industry consultants, research report providers, and so forth.
Intelligence Culture: Create an intelligence Culture in your organization	“Intelligence culture” is eventually the glue that keeps the entire intelligence operation alive, and it obviously cannot be sourced externally. Perhaps the most important element in building an intelligence culture is senior management’s articulated support to the activity. Other important building blocks of an intelligence culture are demonstrated benefits of the activity as well as internal training and marketing efforts.

© Global Intelligence Alliance

Five Stages of MI Maturity

The World Class MI Framework divides each six Key Success Factors of MI development into five levels of maturity, where the levels range from “Firefighters”, the beginners, to “Futurists”, the most advanced organizations with regards to the level and maturity of their intelligence activity.

Reviewing the current status of their Market Intelligence development, organizations typically find themselves at different levels with regards to different KSF's. Ideally, all success factors would be developed hand in hand since they are highly inter-dependent (which will be discussed in more detail in Chapter 4), but in reality the more “technical” a success factor is by nature, the easier it tends to be to bring it towards World Class levels. Similarly, the softer success factors such as MI organization and culture, tend to lag behind, as there are seldom many low hanging fruits to be picked in those areas, and progress is not very simply measured, either.

Exhibit 2 illustrates the results obtained from GIA's Global MI Survey 2008, where the 439 respondents were asked about the perceived current stage of MI maturity in their organizations. While no dramatic differences between the development stages of different KSF's were found, it is easy to verify from the graph that the “technical” issues are easier addressed than those related to soft issues like organizational behaviour.

Exhibit 2. “How far has your organization progressed with regards to the Key Success Factors in the World Class MI Framework?”

Source: Global Intelligence Alliance: Global MI Survey 2008

	Informal MI “Firefighters”	Basic MI “Beginners”	Intermediate MI “Coordinators”	Advanced MI “Directors”	World Class MI “Futurists”
Process	1.9%	20.2%	37.5%	38.5%	2.3%
Organization	1.9%	24.5%	33.5%	34.0%	6.1%
Scope	1.9%	15.5%	34.7%	40.4%	7.5%
Culture	5.7%	25.1%	31.8%	32.2%	5.2%
Tools	1.9%	20.2%	37.1%	34.3%	6.6%
Deliverables	2.4%	15.1%	33.0%	43.4%	6.1%
Average	2.6%	20.1%	34.5%	37.1%	5.7%

© Global Intelligence Alliance

Then what does each of the five different levels of maturity stand for? Our definitions for the maturity of the MI operation as a whole have been presented in Table 3.

Table 3. Description of the stages of MI maturity and the role of the MI Director

LEVEL OF MATURITY	DESCRIPTION
1. Informal MI “Firefighters”	Intelligence activities re mainly conducted on an ad hoc basis with little coordination. Few resources for MI exist, and no scope or process have been identified for Market Intelligence activities.
2. Basic MI “Beginners”	“Beginners” are taking the first steps towards a structured intelligence program. Based on an intelligence needs analysis, some fundamental elements of the organization’s business environment are being monitored, still mainly with an ad hoc approach.
3. Intermediate MI “Coordinators”	A structured Market Intelligence process has been adopted in the organization, yet it is still rather narrow in scope and in the level of analysis, which is partly because the intelligence operation is only loosely integrated to business processes, if at all. A software tool for MI is typically implemented at this stage.
4. Advanced MI “Directors”	At this stage, the corporate intelligence operation is being managed successfully, and it also involves an internal organization and business processes in addition to an external network of information sources and vendors. The deliverables of the MI process match the needs articulated by decision-makers and generate true benefits.
5. World class MI “Futurists”	Market Intelligence plays a vital role in the top management’s work, and it brings in a high degree of future orientation to strategic decision making. MI has also been established as an integral part of all corporate business processes.

© Global Intelligence Alliance

Reaching the intermediate, “MI Coordinator”, level is relatively simple with regards to any of the Key Success Factors provided that sufficient resources are available. However, the rate of progress tends to slow down towards the higher end of the scale, as the challenges lie increasingly in changing human processes and customary ways of doing things rather than just technically implementing new tools and intelligence deliverables.

We will now discuss each of the Key Success Factors individually, addressing their specific characteristics and the related challenges in bringing them closer to the World Class level.

KSF: MI Scope

Initiating an intelligence operation brings up certain fundamental questions such as whom the activity should serve, what information these target groups will need, and what will be the timeframe of the intelligence deliverables produced. Defining the scope of the intelligence operation therefore translates as listing out corporate functions that should be using intelligence deliverables, and topics and themes that each of them are most interested in. Additionally, the degree of future orientation needs to be determined; Looking into the rearview mirror is a good starting point, but a mature MI operation also needs to spend a lot of time on outlining possible future scenarios of the operating environment.

Exhibit 3 highlights some of the most typical user groups to intelligence on the one hand, and intelligence topics of interest on the other. In a typical scenario, the first target group to the

intelligence activity is the corporate function (and those close to it) under which the intelligence operation resides. Since the intelligence operation is frequently hosted by Business Development, Marketing or Corporate Planning, the target groups of the activity typically make up a group of people working in client-facing positions.

Setting up and running an intelligence operation is, however such an investment in “process infrastructure” that it would be waste of resources not to at least consider expanding its reach to other corporate functions and processes that have intelligence needs. Sourcing, risk management, investor relations, and R&D are examples of activities that are highly dependent on accurate business information, and may well benefit from the existing intelligence activity, if only its scope will be extended to match their specific needs. Indeed what is typical of rather immature intelligence operations is that information to cater to the needs of different user groups is being collected and processed in silos, which easily results in cost redundancies and missed synergies.

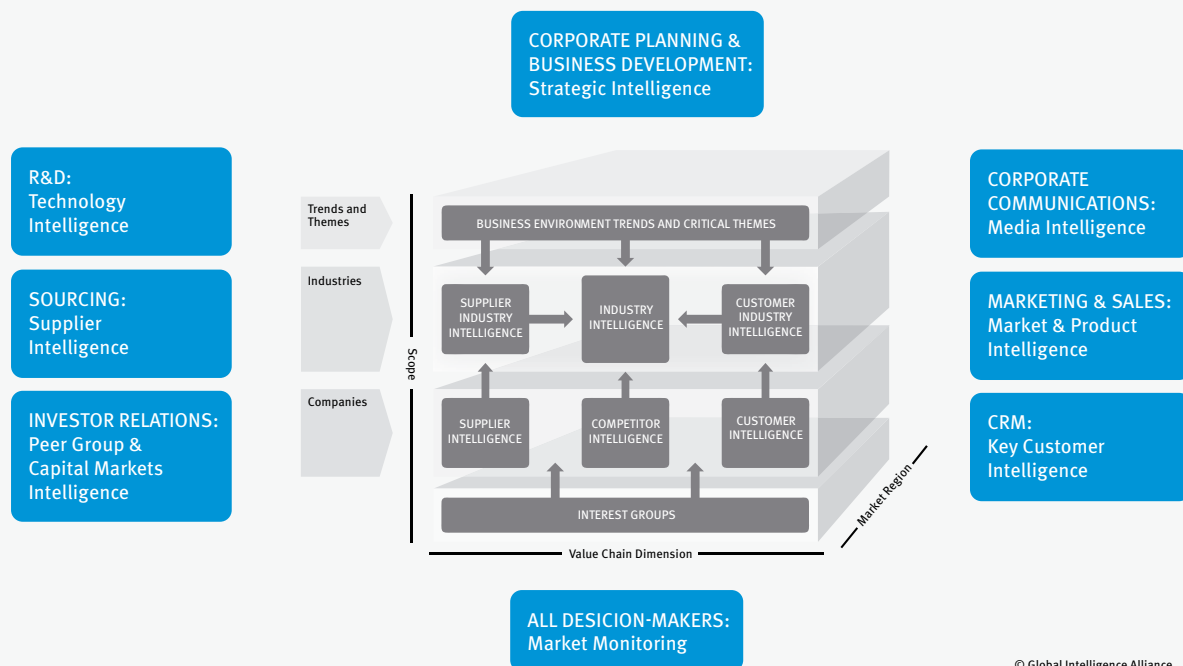
What Does It Take to Reach Maturity Levels 4 and 5?

When defining the scope of its intelligence activity, we suggest that an organization always considers not only the most obvious and immediate user groups to it, but also thinks through whether process efficiencies could be achieved by bringing in additional corporate groups to the user base of a centralized intelligence operation. This review may of course prove that some functions are not best served by a centralized intelligence operation, but the conclusion should be reached through an active evaluation process.

Serving numerous corporate functions with intelligence naturally means that the information architecture, i.e. the list of topics that are under the organization’s radar, will be expanded accordingly. A lengthy list of topics is not a value in itself (rather, prioritization is), but it tends to be longer in an organization where the scope of the intelligence operation is mature and approaches level 5 as opposed to an organization in the early phases of its scoping exercise.

The more mature an organization is, the more time it spends on analyzing different possible futures rather than only looking into what has happened in the past. Therefore level 5 is characterized by a high degree of future orientation in the scope of the entire intelligence operation.

Exhibit 3. Market Intelligence scope and the related user groups



© Global Intelligence Alliance

KSF: MI Process

“Intelligence process” refers to the process of gathering, analyzing and reporting information about specified topics to users. The intelligence process should always be anchored to the existing corporate processes (strategic planning, sales, marketing, product management, etc.) within which information will be used. In practice, the output delivered by the intelligence process should find its place as part of the strategic planning process, sales meetings, marketing reviews and innovation management, or as part of simply maintaining current awareness in the organization about the developments in the external operating environment.

Exhibit 4. Intelligence process and the role of its output as part of business processes

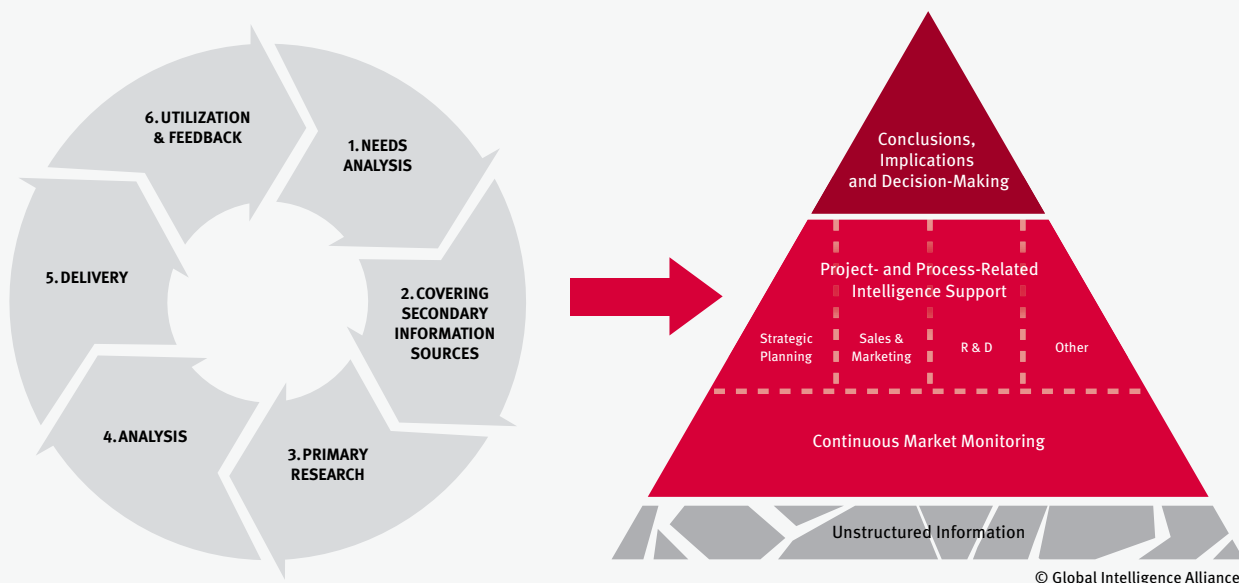


Exhibit 4 illustrates the phases in the cyclical intelligence process: A needs analysis leads to information gathering from both secondary and primary sources, after which the information is converted into analyses and conclusions, followed by delivery, utilization and feedback. The concrete output of the process, in turn is illustrated on the right hand side of the graph, where decision making is backed up by intelligence products of different purpose, format and level of analysis depending on the user groups.

What Does It Take to Reach Maturity Levels 4 and 5?

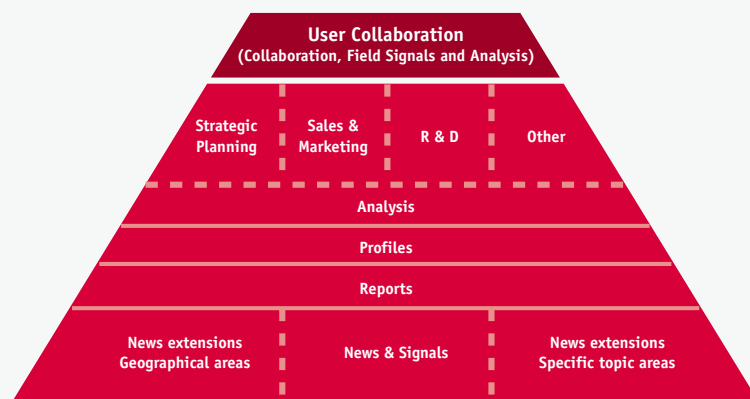
The maturity of the intelligence process could be visualized in a uniform thickness of the cycle graph in Exhibit 4 in the sense that a mature intelligence process does not have “weak links”, major bottlenecks in the process flow. This uniformity calls for adequate resourcing in each phase, which in turn is typically a result from having gone back and forth along the cycle over time: For instance the initial needs analysis may have been regularly challenged by the analysis and utilization phases, or the analysis phase may have resulted in going back to collecting data from the primary and secondary sources. Over time, experience will show how each of the phases should be resourced for the best results.

What results eventually are “best” is determined by how well the intelligence output matches the needs that business processes set to them. Here, reaching level 5 sets high quality requirements not only to the intelligence process and its output, but also to the corporate processes that are supposed to use the intelligence output! If the business processes are loosely defined or non-existing, it is of course impossible to solidly link the intelligence output with them.

Again, this brings us back to the uniform thickness of the intelligence cycle: A world class intelligence process in fact does not start with a needs analysis but with carefully determining where and how the eventual intelligence output should be utilized. If this is not clear from the beginning, the needs analysis phase should include a feedback loop backwards.

KSF: MI Deliverables

Exhibit 5. Market Intelligence Deliverables



© Global Intelligence Alliance

When considering the quality standards to be set for intelligence deliverables, it is helpful to think of the entire intelligence operation as an organization that produces marketable products to end users just like any company. Ad hoc deliverables are hard to produce, manage, sell, or measure systematically in any organization, and the same applies to the organization that produces intelligence deliverables. Therefore intelligence product development is in order.

The term product development refers to standardizing both the eventual format and the production process of the intelligence deliverables. Things to address in defining each of the intelligence products include:

- Building a thorough understanding of the intelligence needs that the intelligence product will respond to
- Defining a solid production process, including resources
- Defining the format of the product
- Constructing a marketing plan for the product
- Appointing an owner, "a product manager", to be responsible for managing the production process

The more sophisticated the intelligence deliverables are, the more they should aim at generating insight, since plain information will not be impactful enough to drive strategic and operative decisions. Insight, instead combines the newly created understanding with anticipated business implications, and has the power of pointing at directions to where the organization should be steered.

What Does It Take to Reach Maturity Levels 4 and 5?

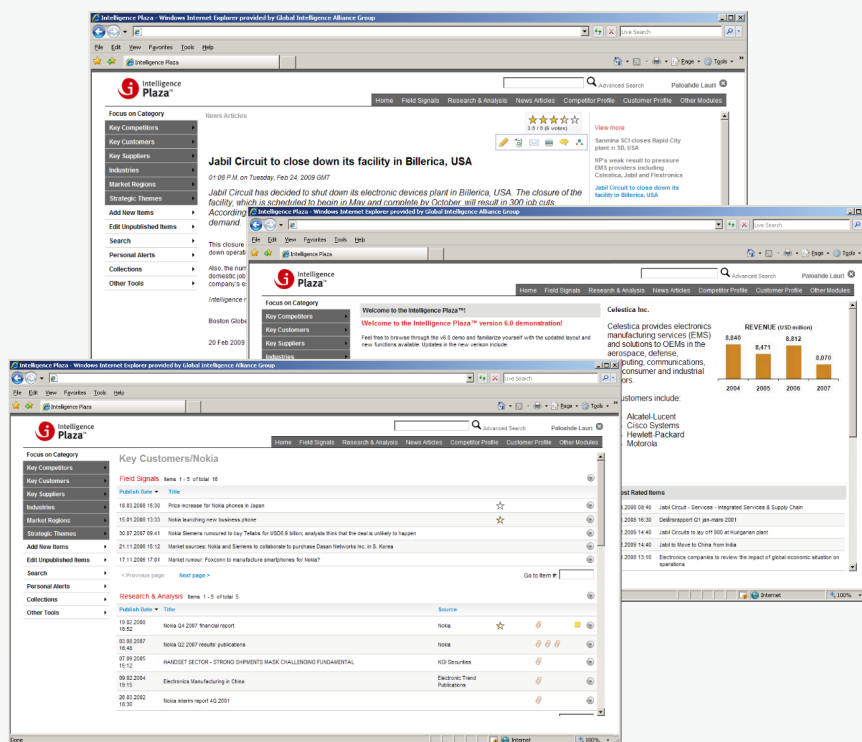
A fundamental characteristic of a truly valuable intelligence deliverable is that it is integrated to a business process, such as strategic planning, sales, marketing, or R&D. The process drives the need for the deliverable, and therefore makes sure that it will be used in supporting decision making.

As a rule, the level of interaction in the production and utilization processes of the intelligence products also tends to increase with the maturity of the intelligence deliverables. In practice this is best facilitated in different workshops, briefings and seminars, where insights are essentially co-created among decision makers and intelligence professionals. Regular interaction between the producers and users of the intelligence output speaks of many qualities that truly world class intelligence deliverables have:

- Users of intelligence regularly invest time in discussing the intelligence deliverables, a typical indication of perceived value and usefulness.
- Users and producers of intelligence deliverables have a shared understanding of the (evolving) needs that the deliverables should respond to.
- Producers of intelligence deliverables receive immediate feedback for their work and get to ensure that the investments in the intelligence activity will continue.

KSF: MI Tools

Exhibit 6. Screen shots of intelligence software tool



© Global Intelligence Alliance

While the intelligence activity always relies on human processes rather than on technology, software tools are vital for the success of an intelligence program in that they greatly enhance the efficiency of storing and delivering the intelligence that is being produced. Software tools are also something tangible, which make them a great marketing tool for the intelligence deliverables and the entire intelligence operation.

Software tools are also essential for the continuity of the intelligence activity at times when either the producers or users of intelligence change. In addition, software tools facilitate two-way flow of information by encouraging the user base to not only use intelligence but to produce content as well.

What Does It Take to Reach Maturity Levels 4 and 5?

Purchasing and implementing intelligence software is easy in the sense that the early phases only take some financial and project management resources. (Of course justifying these may be challenging enough if there are legacy issues such as other software tools in use, or the intelligence investment lacks support from senior management, but these obstacles are still considered technical in nature.) What eventually determines the success of any intelligence software tool is how it is adopted by its users.

World class intelligence software has sophisticated functionalities, yet it is not meaningful to start listing out exactly what features should be included and what should not, as the requirements vary greatly between organizations. Powerful tools for categorizing data and allowing the individual users to subscribe to whatever categories they find interesting are very much at the core of any high-quality intelligence software, but this is no more something by which the software tools available in the market differ much from each other. On top of the very basic features, what is most important is that the functionalities support active utilization of the tool, and the utilization is determined by the intelligence process and deliverables in each organization.

Characteristics of a world class intelligence software tool include that it has gathered an active user base around it that not only pulls out intelligence from it, but also frequently shares their own knowledge about new developments in the business environment. Essentially, a world class intelligence software tool facilitates the formation of a knowledge-sharing intelligence community in the organization.

KSF: MI Organization

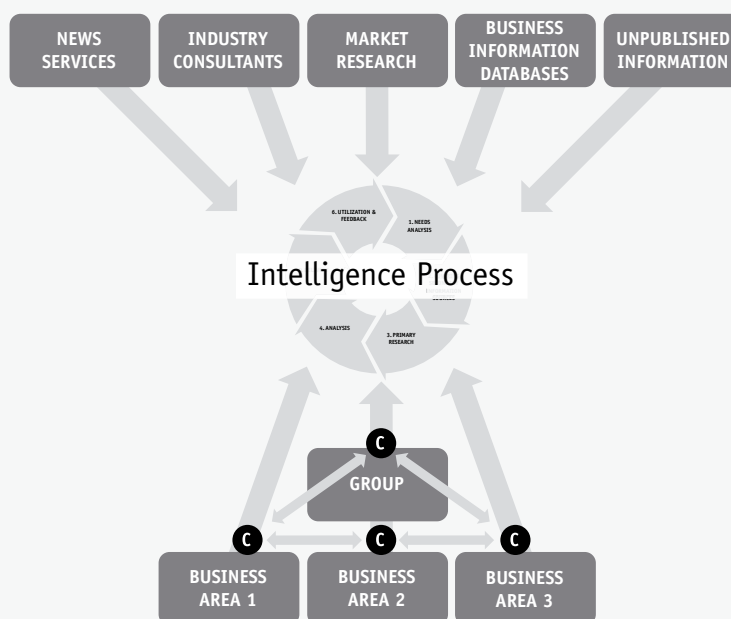
“Intelligence organization” refers to the structures that combined make the intelligence process happen, as illustrated in Exhibit 7. Appointing someone as the owner of the corporate intelligence activity typically is the starting point of forming an intelligence organization, but the person needs both internal and external networks to support their work.

The internal network of intelligence users and contributors consists of virtually everyone in the organization that has a stake in the intelligence process. The network will not be formed spontaneously, however, but it needs an active facilitator, and an MI Director will typically be appointed for the job. (The owner and ultimate budget holder of the intelligence operation rarely is the actual intelligence process facilitator.) A good MI Director enjoys the trust of senior management and effectively markets his/her intelligence function to the entire organization.

Once the MI Director has been appointed, a choice needs to be made as to what will be the split of work between the internal and external intelligence networks: For every intelligence operation, content is key, and it needs to be produced either internally or by external resources (such as outsourcing partners, industry consultants, news and research report providers and so forth), preferable as a combination of both.

Exhibit 7.

Internal and external intelligence networks make the intelligence process happen



© Global Intelligence Alliance

What Does It Take to Reach Maturity Levels 4 and 5?

For an intelligence organization, growing in maturity ties in with engaging more people in the active contribution to the intelligence process, since a world class intelligence operation is never a one-man show. This does not mean that more people should be appointed to “overhead positions”, but rather that increasingly many people in different parts of the organization will find intelligence work such a vital part of their own roles that contributing to the intelligence process will become “business as usual” for them.

Again, this will hardly happen spontaneously but will require facilitation. In many companies approaching world class levels with regards to their MI organization, business unit specific MI coordinators have been named to serve as the local nodes in the internal intelligence network. A case example to validate the argument: For a Sales Manager working in Brazil, it will definitely be easier to approach a local Brazilian intelligence coordinator with their (typically local) ideas and requests than to contact an MI Director sitting perhaps on the other side of the world and looking at the operation from a global perspective.

A world class MI organization effectively uses its external intelligence network as a resource

- to handle regular outsourced tasks
- to ease out peaks in workload
- to complement and validate internal analyses with external views
- and to serve as a source of best practices from outside of the own organization.

The more of the daily intelligence work is being handled by external partners, the tighter the cooperation with the business partners should be. Indeed, a world class MI organization is typically being managed by a steering committee that controls and advises the work of both the internal and external intelligence networks.

KSF: MI Culture

“Intelligence culture” is essentially the glue that keeps the entire intelligence operation together, and by the very definition of “culture”, it is born and nurtured inside the organization. Perhaps the most important element in gradually generating an intelligence culture in any organization is senior management’s voiced support to the activity. Other important building

blocks are demonstrated benefits of the activity as well as successful internal training and marketing efforts.

What Does It Take to Reach Maturity Levels 4 and 5?

It is almost ironic that “MI culture” as the most complicated, time-consuming and ambiguous Key Success Factor of Market Intelligence can hardly be captured into any graphical illustration, nor is there much to add to the vital importance of top management’s support. Even this support alone will not create a culture of trust and knowledge sharing, but it can provide the necessary elements that facilitate its gradual formation:

- CEO publicly acknowledges the vital role of the intelligence operation in facilitating the company’s business.
- Senior management is an active group of the MI organization.
- Intelligence plays an integral role in all key business processes.
- Adequate funding and other resources are available for conducting the daily intelligence activities.
- Where applicable, involvement in intelligence activities is being used as one component of measuring employees’ performance.
- The organization is made aware of the intelligence activity through internal training and marketing efforts.

3. HOW TO GET STARTED – DEVELOPING AN INTELLIGENCE SYSTEM

The World Class Market Intelligence Framework is essentially a rather static check list of things to consider when developing an MI function and looking into how it benchmarks with the industry standards. It provides useful yardsticks for evaluating current structures and performance – in situations where structures and performance already exist.

Building an intelligence operation from the ground up is, however a different story, and we will briefly present GIA's road map for intelligence system development. The framework in Exhibit xx essentially contains the same elements that have been discussed earlier in this paper, but the viewpoint is now dynamic in the sense that several aspects of the intelligence operation will be developed either in parallel or in a sequenced fashion to get the activity started smoothly.

An Intelligence System can be implemented in any organization regardless of its industry, size, or organizational structure. There are four key phases in the CI system implementation: (1) intelligence needs analysis and process planning; (2) intelligence product design and resource network activation; (3) intelligence tool development and system roll-out; and (4) process maintenance.

Exhibit 8. Road map for developing an Intelligence System from the ground up



© Global Intelligence Alliance

1. Intelligence Needs Analysis and Process Planning

The first phase of an intelligence system implementation includes the formulation of a company-specific intelligence action plan and mapping out the intelligence needs. The definition, purpose and objectives of MI need to be defined along with the initial scope of the activity (corporate user groups to serve and topics to cover). Focus is key; As resources are typically scarce at this stage, not everything can be achieved at once, but prioritizations will have to be made. The information architecture (the list of topics to cover) should therefore not be overly long in the beginning.

The cyclical intelligence process should be first planned on a rough level, starting from the perspective of the actual users of the intelligence output: What kinds of needs they have, where the necessary data will be collected and by whom, who will do the analysis part, and how will the results be disseminated to the users.

2. Intelligence Product Design and Resource Network Activation

Planning the intelligence process quickly leads us to the format of the expected output: Intelligence products should be designed around the needs identified earlier. In the first phase, intelligence products may be for instance continuous market monitoring, company profiles, or quarterly reviews of certain topics of interest. The main thing is to have something concrete started that can be further developed over time based on feedback.

Organizing the resources for producing the deliverables calls for balancing between the external and internal intelligence networks: What should be purchased from which external sources (and what will be the budget), and who should be involved in producing the output internally. Also, who will run the show, i.e. should a dedicated MI Director be appointed?

3. Intelligence Tool Implementation and System Roll-out

Once the intelligence operation has been kicked off with process planning, product design and network identification, it is time to start producing something tangible. As the idea from the beginning was to set up a systematic and continuous intelligence operation instead of just a group of people who randomly put together some analyses, the needs for a software tool, content production resources and internal training will all emerge simultaneously.

A software tool is a lucrative thing to start with, it being a tangible item that money can buy. The software does not populate itself with relevant content, however, nor can it be rolled out to users without proper marketing and training efforts. But if all three are managed successfully, we end up having an intelligence operation up and running, and the next step is to start developing it further – a phase where the World Class Market Intelligence Framework is helpful.

4. Process Maintenance

An intelligence system is never complete but evolves over time based on evolving intelligence needs: The intelligence scope may be expanded both in terms of user groups and their topics of interest, and the intelligence organization may evolve based on decisions to outsource certain activities and in-source others. Also, we have yet to see an organization where the intelligence culture has been brought to perfection, or where there are no bottlenecks in the intelligence process. Even the software tools once set up will need to be developed to match new requirements by the users.

It is therefore necessary for any organization to benchmark their intelligence activities to stay on top of industry best practices and to adopt those that suit their own needs. The World Class MI Framework is one useful tool to do benchmarking and identify areas for development, but one must never underestimate the value of occasionally bringing people together and having thoughts shared about what is truly essential in taking the company's intelligence operation to the next level.

4. CASE EXAMPLES

Following the theoretical frameworks and ideas presented in Chapter 2, we will now look into practical case examples of intelligence deliverables that companies may want to consider using in different phases of adapting to a recession: Understanding it, competing during it, and growing after it.

Case Vopak: Building a Sophisticated Intelligence Operation with the Help of GIA's World Class MI Framework

Background

Interviewed for this case presentation was Mr. Rene Loozen, Business Intelligence Manager in the Commercial Excellence Department at Royal Vopak, a Dutch company and the world's largest provider of conditioned storage facilities for bulk liquids.

Having been with the company since 2001 in various business analysis and project management related positions, Mr. Loozen joined Vopak's Commercial Excellence operation in spring 2007, with the task to start executing new strategic initiatives of which Business Intelligence was one. The "BI network" was kicked off in September 2007, and in the same conjunction, an intelligence software tool was set up to serve as the centre point of the BI operation from the beginning.

The BI Network at Vopak consists of members from each of the company's 6 divisions, and the network has 1-2 workshops each year in addition to a teleconference held on a monthly basis. Each member in the BI network has 20% of their time allocated to intelligence work, and they report to their respective superiors. The manager of Mr. Loozen reports directly to the CEA.

Developing Business Intelligence at Vopak with the Help of the World Class MI Framework

Vopak started using GIA's World Class MI Development Framework right from the beginning in 2007 to set milestones and yardsticks for progress measurement in the intelligence initiative. In October 2007, Rene Loozen considers that they had largely reached Level 2 with regards to all Key Success Factors in the Framework, while the status in February 2009 was approaching Level 4 already. In the following we will look into what has happened in between.

Level 1 – The Inauguration of Intelligence Work at Vopak in Mid-2007

"We started the journey towards more systematized intelligence operations in 2007, says Loozen, who describes the starting situation as follows:

- Market information was **scattered** over the different Vopak divisions and business units.
- No policy existed on how to **share** this information / knowledge.
- The perception prevailed that the **effectiveness** of the intelligence process within Vopak had to improve in order for the company to become **more competitive**.

At the same time, a number of market developments suggested that bringing the intelligence activity to the next level was in order:

- The pace of change in the market is accelerating every year › **increasing market dynamics**
- The oil and chemical industry is increasingly **globalized** › Linkages between different regions are essential
- Emerging economies play an increasingly important role in Vopak's business
- The number of **competitors** is growing
- Vopak seeks strong organic **growth**, for which an effective intelligence process is needed
- Vopak's Board of Directors had identified 17 strategic improvement initiatives of which Business Intelligence was one

“As a result, we understood that we needed to take an approach to intelligence development where different aspects were developed in parallel”, Loozen says. “GIA’s World Class MI Framework seemed to fit the purpose well”, he continues.

Level 2 – End-2007

Having completed the very first tasks such as intelligence status analysis and the formulation of BI objectives and working principles, Vopak had an initial idea of how the intelligence activity should be developed, going forward. A “BI mission statement” was articulated as “to increase our competitiveness through a better decision making process, which is based on better analysis of and maximum insight in our business environment”. Also, at Vopak “We don’t want to be surprised” gained support as a tagline for the intelligence activity.

The main goals for BI were identified as:

- To ensure efficient communication mechanism for sharing knowledge
- To coordinate and improve Business Intelligence at Vopak in order to take more proactive and better informed decisions and to become more competitive
- To become a serious business partner for customers, both internal and external

“One obvious step in the initial phase was of course to structure the use of external business information sources”, Loozen says. “We had a number of information sources in use throughout the company, and we tried to identify the best ones that could be used throughout the company.”

The BI network described in the beginning was also set up in the same conjunction, and since it was soon understood that an intelligence platform was also needed to support the intelligence process, a software tool was selected and implemented to serve the purpose. “We definitely didn’t want to start developing something from scratch in-house, simply to save time and effort for more important things. That’s why purchasing a software product was an obvious choice for us”, Loozen comments.

Exhibit 9. The Vopak Intelligence Plaza

The screenshot displays the Vopak Intelligence Plaza web application. The interface is organized into several sections:

- Navigation:** A top navigation bar includes links for Home, News Articles, Field Signals, Research & Analysis, KAM Documents, and Biofuel Documents. A search bar is located in the top right corner.
- Left Sidebar:** A vertical menu titled 'Focus on Category' lists various business areas such as Key competitors, Key customers, Biofuels, Gas, Oil Products, Chemical Products, Vegols Products, Market regions, Strategic Themes, Add New Items, Edit Unpublished Items, Search, Personal Alerts, Collections, and Other Tools. Below this is a link to the 'Global Biofuels Center'.
- Main Content Area:**
 - Welcome Colleagues!**: A message welcoming users to the Royal Vopak Intelligence Plaza™, describing it as a Business Intelligence communication tool for monitoring external forces.
 - Personal Alert Service: Daily -all**: A table listing recent news items.

Date	Title	Module
20.04.2009	Highlights of the Bulk Liquid Conference	Research & Analysis
20.04.2009	Horizon Terminals to build petroleum products storage expansion	News Articles
20.04.2009	Mitsubishi and Sinopec Form Business Partnership (Update)	News Articles
20.04.2009	EPA Says Greenhouse Gases Pose a Threat to Public Health	News Articles
20.04.2009	OW's Asian Chemical Prices for the Week Ended April 14, 2009	Research & Analysis
20.04.2009	Huntsman Secures Credit Waiver Agreement	News Articles
20.04.2009	Sud-Chemie to Acquire BASF's Syngas Catalysts Facility in China	News Articles
20.04.2009	World Oil Market Report- April	Research & Analysis
20.04.2009	Consortium of Indian Oil Companies to Bid for Heavy Crude Oil Blocks in Venezuela	News Articles
20.04.2009	China's GDP Up 6.1%, Added Value of Industrial Enterprises up 5.1% in 10Q9	News Articles
 - Latest News Articles**: A list of recent news items, including 'Horizon Terminals to build petroleum products storage expansion', 'Mitsubishi and Sinopec Form Business Partnership (Update)', 'EPA Says Greenhouse Gases Pose a Threat to Public Health', 'Huntsman Secures Credit Waiver Agreement', 'Sud-Chemie to Acquire BASF's Syngas Catalysts Facility in China', 'Consortium of Indian Oil Companies to Bid for Heavy Crude Oil Blocks in Venezuela', and 'China's GDP Up 6.1%, Added Value of Industrial Enterprises up 5.1% in 10Q9'.
- Footer:** The bottom of the page includes a 'Kruizer Bob' logo, a 'Logoff' button, and copyright information: 'Copyright © 2008. Powered by Global Intelligence Alliance'.

Level 3 – An Expanded Intelligence Scope Yields an Increasingly Comprehensive Understanding of Market Dynamics

Rene Loozen describes the evolution of the Intelligence Scope at Vopak: “We understood that the scope of the intelligence activities must be rather broad if we were to really understand change and to identify emerging business opportunities. Naturally the scope also needed to link to the expertise areas of the members in the Vopak BI Network.”

Business Intelligence efforts were subsequently organized around the following topics:

- Competitor Intelligence
- Product Flow Intelligence
- Market Intelligence
- Customer Intelligence
- Major Trends in the Business Environment

The portfolio for Intelligence Deliverables has also come a long way since mid-2007:

1. In early 2008, a **Competitor and Market database** was launched that includes information about market definitions, size, share and growth. Vopak also had to identify which terminals would be viewed as competitors and which ones would not.
2. Based on the above database, **Competitor Profiles** were developed. This was also the start of strategic competitor benchmarking on a regular basis.
3. **Product Flow Intelligence** was developed to provide analysis of the global market dynamics for different products like benzene, methanol or biofuels.
4. **Quarterly Market Share** presentation was set up for the executive Stratcom committee that consists of Vopak’s Board and divisional presidents.
5. **Global Market Reports** provide insight into customers’ market dynamics and strategies.
6. **Trends in the business environment** describe major macro and micro level trends that may have an impact on Vopak’s business.
7. **Global Customer Survey** is now being conducted in which 2,600 customers and 1,400 third parties (service providers for customers, agencies, trucking companies, shipping companies) are surveyed for their perception of Vopak’s services.

Level 4 – Continuous Development

“I believe now that we are on level 4 on GIA’s World Class MI Framework”, Rene Loozen says in February 2009. “We have all the fundamental elements in place, and have now shifted the focus on raising the level of analysis of our deliverables, and on developing the ‘soft’ issues such as the culture of knowledge sharing within the organization.”

One particular current initiative is to survey all intelligence users at Vopak for their perceptions about the quality of the BI function. In addition, tighter integration of the BI output into various business processes is very much on the agenda at this stage. An increasingly collaborative approach has been taken here, with arranging BI workshops and regular meetings and teleconferences among BI representatives and the end users within the different business units.

“To conclude, it is my feeling that we now have a broad scope but also analytical depth in what we produce”, Rene Loozen says. “We are future oriented in our approach and frequently use scenario analysis in combination with forecasting as methods to understand the future dynamics of our industry. One example is that we have a project focusing on as far as the year 2035”, Loozen continues. “We have an intelligence network in place and are producing deliverables that have been tied into our strategic and operational business processes. We also have an Intelligence platform to collect, store and share our business information and intelligence reports.”

Areas for Improvement

Intelligence Culture: “People are sharing more and more knowledge, and we also enjoy the strong support of our Board to the intelligence operation”, Loozen says, “but I still think we could do even better. I guess the challenge is that people are on different levels of experience with regards to intelligence, which does influence their willingness to share market information.”

Marketing of the Intelligence Activities: “One of the tools to enhance the Intelligence Culture is definitely marketing, which in our case is a quarterly Newsletter that our Commercial Excellence department publishes. BI plays a big role in the publication already, but we still need more concrete examples of success stories”, Loozen explains.

Lessons Learned at Vopak

Step by step development process: It is important to focus on one step at the time, and to do it according to a proper intelligence implementation plan of which the World Class MI Framework is a useful example in our experience. Good contacts with management in order to prioritize the work are of course also essential.

Well defined Intelligence Deliverables: Delivering valuable intelligence output is the key to the success of the entire intelligence operation. “We started with the intelligence software tool as the first “deliverable” in the sense that it made intelligence something tangible that could be used by many different groups within the company”, Loozen says.

Proper BI Network Management and Personal Contacts: Expectations need to be managed in a BI network where people participate in on a part time basis and always have their own division as their first priority. Training is also required to bring the BI network members to the same level. At the same time, it helps tremendously to have an extensive network of people in the company that goes far beyond those that actually have intelligence included in their job description.

Support from the Board: It is of course vital to have the top management’s support, and as few layers between management and the intelligence operation as is meaningful.

Case Example: Taking an Existing Intelligence Operation to the Next Level

Author of this case presentation is Jens Thieme, Head of Market and Competitive Intelligence at a European multinational company. The text has been slightly edited and abridged by GIA.

When I wrapped up my first year as the global head of CI¹ at my company in summer 2007, we had made major progress in researching best practice, picking the right CI model (a hybrid of global conceptual lead, strategy and support with decentralized analysis and business planning as core CI impact drivers) and the startup education of some 700 marketers in terms of basic CI tools and techniques.

Defined Key Intelligence Topics drove our intelligence gathering and dissemination system's taxonomy and business planning templates, enriched with analysis tools that formed the very core of our newly targeted market and customer orientation as a company.

Hitting a Wall – Taking It to the Next Step

However, after this first major wave of improvements I somehow hit a wall in acceptance for more progress and refinements of more professional, sophisticated solutions. Among countless initiatives within the company that operated in stiff winds and tried to redefine its business model at the time, many marketers and executives were happy with the improvements but wanted to point their attention away from the CI efforts that had actually only begun.

At this crossroads I came across with GIA's World Class MI Development Framework that not only made sense to me in being able to easily compare the various Evolution Levels of MI/CI, but it actually seemed to be perfectly suited to visualize my company's status. I also aimed to use it as a tool to convince my management for much needed improvement of our global CI program.

Decision Makers Want to Take Decisions – Let Them Find the Problems First

By transforming the status descriptions in the World Class MI Framework into questions, reflecting our own environment and internal terminology, I created a questionnaire all our marketers could understand (see Exhibit 10 for an example of the Key Success Factor on Intelligence Processes).

So, I ran an online survey with more than 70 marketing managers across the company to evaluate how they actually experienced the various Key Success Factors in their daily lives. Especially in a hybrid CI model such as ours and given the size of the organization, any business activity is being conducted, experienced and valued differently across departments and geographies. This survey should clearly unveil gaps and variances.

Exhibit 10. Example of questionnaire for intelligence processes

“How do our processes work?”

- a. Ad-hoc process. Reactive, “putting out fires”. Uncoordinated information purchases.*
- b. Needs analysis are made. Information collection from secondary external sources. Little or no analysis though.*
- c. Secondary information is complemented with some primary collection of info. Basic thorough analysis is done with limited scope.*
- d. Complete market monitoring and advanced analysis processes. Intelligence drives structured discussions and decision processes.*
- e. Intelligence is integrated with the key business processes and all key decisions. Scenarios, early warnings, risk assessments are being done.*

¹ At the case company, the term Competitive Intelligence, CI, is being used in parallel with MI.

Similar questions were created for all Key Success Factors, and the complete survey provided a very realistic picture of how our key intelligence users experienced every single CI feature.

A visualization of the survey results was then presented to our decision making body for marketing & sales initiatives. Based on what was shown (example with artificial values below) our management was able to clearly match our real status with a desired “end game” status. Asking the question for instance: “Are we happy with CI processes in advanced state while our deliverables are not that far advanced yet?” triggered very clear responses and even suggestions right on the spot as to how and when and why to address certain implications seen in the results matrix.

Table 4. Results of the case company's internal questionnaire based on the World Class MI Framework (no real values for counter intelligence purposes)

	Informal CI	Basic CI	Intermediate CI	Advanced CI	World Class CI
CI Process	18%	34%	38%	3%	7%
CI Organization	52%	31%	7%	4%	6%
CI Scope	4%	43%	40%	10%	3%
CI Culture	3%	57%	32%	5%	1%
CI Tools	37%	48%	8%	3%	4%
CI Deliverables	34%	28%	26%	7%	6%

A Clear Mandate to Fix the Status Quo

The resulting discussions served the purpose to have clear actions mandated that would fill all the identified gaps and move our CI function from left to right as required by management. Many suggestions were made. For instance to establish CI liaisons to support marketers in the regions (CI organization) or to provide a CI toolbox on the intranet with easy access to all available tools and templates or to demonstrate value of existing deliverables and expand throughout the company. Also this was a helpful step to approach more and better intelligence deliverables and tools.

For guidance as to how far we wanted to develop the Key Success Factors we developed a target map:

Key Success Factor	Targeted Evolution Level
CI Process	Intelligence requirements should be driven by established processes such as business planning, project framework, etc. Operational processes need to support and protect CI.
CI Organization	Skilled professionals are required to satisfy intelligence needs and grow with changing demand. Sponsorship, steering and leadership control should strengthen and direct CI.
CI Scope	Clear mandates need to provide constant access to chosen insights (business areas, geographies, scenarios, etc.).
CI Culture	Awareness, understanding and expectations need to be managed. Management needs to walk the talk.
CI Tools	A selection of analytical and supportive tools needs to be invested in and maintained, improved in an ongoing fashion.
CI Deliverables	Intelligence users should be served the most suitable intelligence products right on time.

With the amount of ideas we generated to ensure improvement in all KSFs, we clearly needed to focus. In individual discussions with the business unit representatives we went through all options and applied a simple rating system in order to evaluate the areas of most importance and value to the stakeholders.

A final summarizing mandating step was done at our Marketing & Sales Board where we selected the top 8 major initiatives, and we still had plenty of ideas left for a later phase. Most importantly though: with this process and methodology we established a standard for ourselves and a baseline for measurement of our CI evolution.

Make it Stick

In order to make the entire effort sustainable and to further strengthen executives' buy-in, we conducted another small, strategic survey (see Exhibit 11) with the mentioned decision making board. The purpose was to evaluate strategic significance and perceived value of CI among those key decision makers.

This survey (e.g. Strategic Significance of CI; Strategic Impact of CI; Top-Level Management Control of CI) provided important insights as to how deeply involved and how conscious management was at the time regarding our CI efforts and developments. This visualized even more areas to improve such as communication efforts and linking CI deliverables with final decision making.

Exhibit 11. *Are we ready for strategic impact of CI*

“Is our CI function ready to achieve strategic impact?”

- a. There is a written and well-known Vision statement for the CI function.*
- b. The Vision statement for CI indicates how CI will operate strategically, tactically and functionally.*
- c. The CI function offers a portfolio of CI services to cover the needs of intelligence users at strategic, business and tactical levels.*
- d. Either a single senior manager or a steering group of senior managers (as appropriate) is appointed to exercise strategic control and sponsorship of the development and operation of CI function.*
- e. CI indicates how the intelligence function will interact with other CI functions in the wider organization (where this exists).*
- f. None of the above or very limited.*
- g. Unknown.*

Management likes to measure and lead by actionable targeting. This approach, based on the World Class MI Framework, provided direction for all CI developments while management gladly bought into the process of developing the function further because we were able to show where we are at, have them decide how far they want to see it developing and offer a simple way of measuring progress by repeating the same survey annually.

And the beauty of it all: whenever anyone tries to push back after decisions are made (happens at times, doesn't it?) based on this process, you can easily say: "Look, this is 100% reality. These are the gaps YOU identified and the measures YOU selected for improvements. When we stick to it YOU can gain the full benefits."

End Note - Use the Framework to Illuminate Your CEO!

I would be much surprised if any CEO, having seen the World Class MI Framework, would be satisfied with levels 1-3 with regards to any of the 6 Key Success Factors included. Most would probably want to achieve levels 3-4, potentially reaching 5 if given some additional years.

If such a statement is received, it should naturally be used to ensure the commitment and resources needed in order to reach these objectives. The framework provides in its simplicity a clear picture of the capabilities of a CI program at different levels. This clarity is often not there for top-management, at least not in the beginning of the development process.

5. CONCLUSIONS

This GIA White Paper introduced GIA's "World Class Market Intelligence Development Framework" that divides intelligence development efforts into 6 Key Success Factors and 5 different levels of maturity. Two cases were presented in the end to concretize the ways in which the ideas presented in the framework can be turned into daily action points.

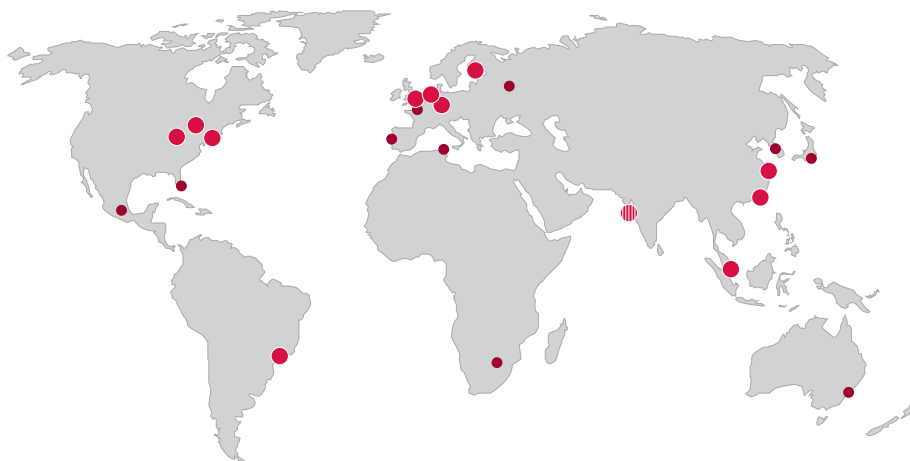
Even though the World Class MI Framework makes a handy list of measurable MI development initiatives and is as such a useful tool for any organization ambitious to develop its intelligence operations, in the end we must emphasize the goals of all MI development efforts that reach even beyond the concrete steps laid out in the Framework. The below statements have been echoed in everything that was discussed in conjunction with the Framework, and they also capture and combine the three types of benefits that are associated with systematic Market Intelligence development: Better and faster decisions, time and cost savings, and collective idea generation that results from a shared understanding in the organization of its operating environment.

1. Market Intelligence is not about merely responding to what decision-makers initially tell the MI specialists they need. Instead, MI professionals should proactively anticipate emerging MI needs based on what requirements different business processes set for decision making. In other words, for best results MI professionals should assume a consultative role in getting to the roots of each MI assignment that lands at their desks.
2. Market Intelligence without insightful analysis will not have an impact on decision making. Continuous monitoring of market developments is one of the cornerstones of any world class Market Intelligence operation, but MI is incomplete without insightful conclusions and implications derived from the findings.
3. Market Intelligence does not function properly in isolation from the rest of the organization. A World Class MI operation successfully involves the end users in "co-creating" the intelligence that the organization needs in order to stay competitive. This involvement will have a positive impact on the quality of the entire decision making process: The more people contribute to identifying and sharing market signals that are relevant for decision making, the fewer competitive blindspots will develop, and the easier it is also for the organization to accept decisions based on the market signals.

REFERENCES

GIA White Paper 1/2009: Market Intelligence as a Key Success Factor in an Economic Downturn
GIA White Paper 4/2008: Market Intelligence for Innovation & Product Life-Cycle - Case Examples
GIA White Paper 3/2008: Market Intelligence for Sales and Marketing - Case Examples
GIA White Paper 2/2008: Global Market Intelligence Survey 2008
GIA White Paper 1/2008: MI for the Strategic Planning Process - Case Examples
GIA White Paper 4/2007: Market Intelligence for Innovation and Product Life Cycle Management
GIA White Paper 3/2007: Market Intelligence for Customer Processes
GIA White Paper 2/2007: Market Intelligence in Large Companies - Global Study 2007
GIA White Paper 1/2007: Market Intelligence for the Strategy & Planning Process
GIA White Paper 4/2005: CI in Large Companies - Global Study

The World Class Market Intelligence Development Framework (table 1) has also been presented and discussed by GIA Group and its customers in several public seminars and workshops since 2007.



For more information, please visit www.globalintelligence.com or contact the GIA representative closest to you:

International	Global Intelligence Alliance Group	+358-(0)10-613-2000 info@globalintelligence.com
Australia	Global Intelligence Alliance Australasia Level 12, 95 Pitt Street, Sydney, NSW 2000, Australia	+61-2-8249-8363 australasia@globalintelligence.com
Brazil	Global Intelligence Alliance Latin America Rua Joaquim Floriano, 466 cj 306 – Itaim Bibi CEP: 04534-002 – São Paulo, SP, Brazil	+55-11-2165-6810 brazil@globalintelligence.com
Canada	Global Intelligence Alliance Canada 174 Spadina Avenue, Suite 302, Toronto, Ontario, M5T 2C2, Canada	+1-416-231-0828 canada@globalintelligence.com
Central & Eastern Europe	GatewayBaltic Elizabetes 51, 1010 Riga, Latvia	+371-671-658-94 baltics@globalintelligence.com
China	Global Intelligence Alliance China Unit 2602, United Power International Plaza, 1158 Jiangning Road, Shanghai, 200060, P.R. China	+86-21-6279 0197 china@globalintelligence.com
Finland	Global Intelligence Alliance Finland Itämerenkatu 1, 00180 Helsinki, Finland	+358-10-613-2000 finland@globalintelligence.com
France	RV Conseil 48, rue des Moines - 75017 Paris, France	+ 33-1-42 29 56 72 france@globalintelligence.com
Germany	Global Intelligence Alliance Germany GmbH Dorotheenstraße 1, 45130 Essen, Germany	+49-201-266-900 germany@globalintelligence.com
Hong Kong	Global Intelligence Alliance Hong Kong 31/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	+852-2824-8511 hongkong@globalintelligence.com
Japan	McRBC Nogizaka Lilien Heim 601, 1-26-16, Minami-Aoyama, Minato-ku, Tokyo 107-0062 Japan	+81-3-5771-7120 japan@globalintelligence.com
South Korea	3mecca 6th F. Kyungjae Tongshin Bldg, 111 Junghak-dong, Jongno-gu, Seoul, Korea 110-150	+82-(0)2-733-0617 korea@globalintelligence.com
Mexico	Americas Market Intelligence (Mexico) Pestalozzi 923, Col. Del Valle Mexico, D.F. 03100 Mexico	+52-1-55-4345 8110 mexico@globalintelligence.com
Portugal	Growth Setting Avenida Engenheiro Duarte Pacheco, Amoreiras, Torre 2, Piso 5, sala 9, 1070-102 Lisboa, Portugal	+351-210-480 674 portugal@globalintelligence.com
Russia	ALT Research & Consulting 105122, Tschelkovskoe shosse, 2, bld.1, Moscow, Russia	+7-495-788 59 29 russia@globalintelligence.com
Singapore	Global Intelligence Alliance Singapore 8 Eu Tong Sen Street, #23-81 The Central, Singapore 059818	+65-6423-1681 singapore@globalintelligence.com
South Africa	Butterfly Effect Intelligence North Block, Sheldon Place Office Park, 5 Lone Close, Lonehill, South Africa	+27-11-465-9711 southafrica@globalintelligence.com
Tunisia	RV Conseil Tunisie 11, avenue o2 mars, Manouba, Tunisia	+33-1-42-29-56-72 tunisia@globalintelligence.com
UK	Global Intelligence Alliance UK 55 Old Broad Street, London EC2M 1RX, United Kingdom	+44-207-997-6320 uk@globalintelligence.com
USA East Coast	Global Intelligence Alliance USA Inc. 1 Penn Plaza, 36th floor, New York, NY 10119, USA	+1-212-786-7368 usaeast@globalintelligence.com
USA Florida	Americas Market Intelligence 166 Alhambra Circle, Suite 200, Coral Gables, FL 33134, USA	+1-305-458-2493 usafloida@globalintelligence.com
USA Midwest	Global Intelligence Alliance USA Inc. 8770 West Bryn Mawr Avenue, Suite 1300, Chicago, IL 60631, USA	+1-773-867-8352 usamidwest@globalintelligence.com