

Preface

We have discussed some of the concepts in this book before in many of the books (McGonagle and Vella 1987, 1988, 1990, 1996, 1998, 1999, 2002, 2003) and articles we have written on competitive intelligence (CI). However, this book marks a new direction—it focuses on competitive intelligence collected by, analyzed by, and used by—**you alone**. This is not going to be a guide on how to work full-time as a CI specialist. Instead, we want you to learn enough about CI, and what you can do with it, to enable you to do your job, whatever that is, better.

We are not going to go in-depth into the history of CI. However, we think it is useful for you to look at its roots, to see what lessons those who do CI full-time originally learned. This will help you have a firmer foundation in CI's basics.

One of the forces that helped to develop competitive intelligence was its link to corporate strategy first developed in the seminal strategy books by Professor Michael Porter (1980, 1985, 1990). In Porter's vision of a competitive strategy achieving a competitive advantage, competitive intelligence is the link that enables a firm to develop its competitive strategy, which, when executed will produce a competitive advantage for it.

Over time, CI spread its mantle. CI professionals began providing intelligence not only on competitors' strategy, but also on their tactics; not just on macro-level issues such as long-term investments, but on micro-level issues, such as pricing and product positioning. Regardless of the targets, it has been the goal of the CI professional to provide intelligence that the end-user will, well, *use*. As the end-user is not the same as the intelligence analyst and collector, CI historically ran into a fundamental disconnect. That is, while CI, very good CI, can be provided to the decision-maker, there is nothing requiring the end-user, the decision-maker, to use it to make a decision.

A second force that has shaped CI was environmental scanning. There, the goal was for business decision-makers to review their entire operating environment; political, economic, cultural and social, as well as competitive. Since decision-makers are in the business of making decisions, and not of constantly watching, environmental scanning quickly became something which was handed off to others

to do. It was seen as serving as an early warning system to decision-makers of trends, facts, or events that could adversely or beneficially impact a business.

Environmental scanning is still with us, but it is not as robust as classic CI. Keep in mind the analogy developed by Herb Meyer, a pioneer in CI, which carries with it the implication environmental scanning is a part of competitive intelligence:

Like radar, a Business Intelligence System does not tell the executive—the pilot as it were—what to do. It merely illuminates what is going on out there on the assumption that with good information a competent executive will nearly always respond appropriately (Meyer 1991, p. xi)

A third force that helped to develop classical CI was its use by technology teams in a wide variety of industries to develop and use access to data on pending research and development. The goal was to help develop an understanding of where their competitors were, are, and will go. Technology-oriented intelligence grew out of this environment. It still enjoys the creativity, cross-fertilization, and intellectual stimulation that having CI professionals work directly with the decision-makers generates.

So, what does all this mean for you? It means that the tools and techniques that will enable you to produce your own CI for your consumption are out there, and have been honed by decades of work. But, you cannot just adopt them—you have to adapt them.

Why? Because, when you get finished reading this book, you will still be the data collector, the analyst, and the end-user. But traditional CI is premised on a reactive, two-part relationship—that is, a CI professional responding to what an end-user identifies as a need, usually the result of seeing another new threat. But, by doing this yourself, you can turn CI from being reactive to being proactive. *As the decision-maker, you can get what CI you need, when you need it, and then use it almost seamlessly.*

Why not just always use an internal CI team or an outside CI consultant? There is nothing wrong with those two options, and we will discuss them later. However, just as managers and executives must learn to understand and use accounting controls, they should now learn to integrate CI into their own work processes. This does not mean that your firm cannot effectively use a separate CI unit; it still needs access to accountants too. It means CI can help you do your job—better. And, if you have an internal CI unit or use an outside CI consultant, doing some CI yourself first will make you into a better client for them. It will also make them into better intelligence providers for you.

To help you understand how powerful CI can be we have included a number of case studies as examples throughout this book. If we did not footnote it, it is something from our own professional experience. That means we still have to protect the client's confidentiality. Any others are documented, coming from books, articles, presentations, and even web sites.

Throughout the book, you may see us repeating a point or two. No, that is not a mistake. What we are doing is writing a book for you to use. At first, you may read

this from start to finish, or then again, you may not. In any case, we expect that you will dip into the book again. So, we have tried to leave important points or tips where you will need them, when you need them. Think of this book as a guide to self-education, not as a GPS car navigation system, telling you exactly what to do and exactly when to do it.

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