This GIA White Paper presents a pragmatic approach to setting up an intelligence function from the ground up. Following best practices, the set-up process may only take months as has been demonstrated in the Outotec case example. On the other hand, bringing the intelligence function to world class levels calls for efforts especially around ‘decision-point intelligence’ and ‘intelligence co-creation’, both areas that typically require years of methodical development work.

EXEcutivE SUMMARY

Market Intelligence as a systematic corporate activity is becoming increasingly commonplace not only in the largest global companies but also in small and middle-sized enterprises. As a result, increasingly many individuals find themselves with an assignment from top management to launch a corporate intelligence function or to enhance an existing one.

This White Paper first presents GIA’s framework for setting up an intelligence system from the ground up: Conducting a needs analysis and setting the scope of the intelligence activity, planning for the intelligence process, activating the organization, defining deliverables, implementing tools and techniques, and finally marketing the newly established intelligence function to its internal user groups.

The readers are encouraged to use the GIA World Class Market Intelligence Framework from the very beginning in order to set initial target levels and time schedule when setting up the intelligence function. Later on, the framework serves as a yardstick for measuring progress in taking the intelligence function to world class levels.
As summarized, taking an intelligence function from ‘intermediate’ to world class levels calls for efforts in the following areas:

- **Intelligence Scope**: Taking the scope from general level market monitoring to supporting specific business processes and to finally providing future-oriented guidance.

- **Intelligence Process**: Enhancing an analysis capability close to decision-making.

- **Intelligence Deliverables**: Focusing on the impact of the intelligence deliverables, partly as a result of co-creating the content among analysts and decision-makers.

- **Intelligence Tools**: Facilitating end user collaboration and content co-creation through technology tools and intelligence techniques. Working on integrating intelligence-related IT applications to other corporate IT systems where integration is meaningful.

- **Intelligence Organization**: Ensuring an analysis capability and resources close to decision making.

- **Intelligence Culture**: Ensuring an articulated support to the intelligence activity from top management, and the related co-creation of content between analysts and decision-makers.

The White Paper finally presents a staircase model derived from the world class MI framework that gives the readers a template for adjusting and combining the development initiatives presented earlier to best suit each company’s unique situation and requirements. The White Paper is brought to an end with an intelligence setup phase case description from Outotec, a leading international developer and provider of technologies for the mining and metallurgical industries.
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1) INTRODUCTION

Systematic Market Intelligence has rapidly become a standard activity and support function in companies operating in global competitive markets. Among international blue chip companies today, one rarely finds any without a systematic and reasonably well resourced intelligence program, and those without one are typically planning to launch it in less than two years. (GIA White Paper 4/2009: Global Market Intelligence Survey 2009)

The Global Market Intelligence Surveys conducted by GIA have, however, revealed that surprisingly large companies even in developed geographical market areas such as North America, let alone those in, say, Africa, are still without what could be called a systematic Market Intelligence function. In other words, market information is perhaps being collected and even analyzed, but the activity is not based on a comprehensive analysis of what information the entire organization truly needs, how often, in which format, and how the activity should be resourced. Nor is the flow of information from its sources to its users as timely and accurate as it should be to be able to truly support business and help avoid blindspots.

Recognizing the increasingly significant role of global business information in decision-making, middle-sized and even small companies in different parts of the world are now looking to do what the largest companies have already done, i.e. to “set this Market Intelligence thing in order in our company”. People who have been given the set-up task by management are facing the “what and how” questions: Where to find information about Market / Competitive Intelligence? Whom to involve? What aspects to consider? Where to start?

This GIA White Paper presents a pragmatic, step by step approach to first setting up an intelligence function and then taking it all the way to world class levels. The setup process may be straightforward – the Outotec case example in the end of this paper describes how it is possible to put the pieces together in a few months’ time. The process of moving the intelligence program to world class levels typically takes years, however, since the process involves creating an intelligence culture in the organization as well as linking the intelligence efforts to several complicated business processes.

Graphically, the storyline of this White Paper is illustrated in Exhibit 1. The Intelligence System Development graph on the left hand side maps out the elements (Key Success Factors, KSF:s) of which an intelligence function consists. These need to be put together in order to reach the first stage of a complete intelligence system.

Once the pieces of the intelligence system have been put together for the first time, it is meaningful to start looking into how each of the individual Key Success Factors can be improved still. The GIA World Class Market Intelligence Framework is helpful in the process, as it provides a yardstick for measuring progress and benchmarking with industry standards.

However, the intelligence development needs are unique to each company and its business, organization and culture. The GIA World Class MI Framework can suggest direction and next steps, but the exact timeline and linkage between development efforts with regards to different...
intelligence KSF’s are necessarily case-specific each time. Highlighting this is the staircase graph on the right hand side in Exhibit 1. Each step in the staircase is reached through a combination of intelligence development efforts unique to each company’s specific situation.

In sum, in this White Paper we can confidently advise companies on which steps to take in order to get the system up and running. However, it would be artificial to give detailed advice on how each company should climb their staircase; some need to focus on developing Deliverables, other on Tools, still others on Process, or Organization. This White Paper will point directions and present some best practices, and we also encourage the readers to find case examples from earlier GIA White Papers on how different companies have gone about developing their intelligence functions towards advanced levels.

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 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 corporate MI investment 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 2.

Exhibit 2. Benefits of systematic Market Intelligence

<table>
<thead>
<tr>
<th>1. BETTER AND FASTER DECISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of MI on Decision Making</td>
</tr>
<tr>
<td>Better decisions: Backing up decisions by research-based insights to capitalize on opportunities and to terminate risks</td>
</tr>
<tr>
<td>Faster decisions: Avoiding surprises and being constantly equipped to make educated decisions even under time pressure</td>
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</tbody>
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<table>
<thead>
<tr>
<th>2. TIME AND COST SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Efficiency</td>
</tr>
<tr>
<td>Time savings: Shifting decision-makers’ time-spend from looking for accurate information to making decisions based on it</td>
</tr>
<tr>
<td>Cost savings: Avoiding inefficiencies and redundancies in purchasing and processing business information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. ORGANIZATIONAL LEARNING AND NEW IDEAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared understanding and collective idea generation</td>
</tr>
<tr>
<td>Organizational learning: Facilitating shared understanding and insight creation through continuously exposing employees to fresh intelligence content</td>
</tr>
<tr>
<td>New Ideas: Involve the organization in collectively identifying emerging opportunities, threats and strategic themes of relevance</td>
</tr>
</tbody>
</table>

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.
2) SETTING UP AN INTELLIGENCE FUNCTION – WHERE TO START?

An intelligence system is defined as ‘the organizational means by which information is systematically collected, analyzed, and disseminated as intelligence to users who can act on it’. An intelligence system can be implemented in any organization regardless of industry, size, or organizational structure.

There are four key set-up activities in the intelligence system implementation:
- Intelligence needs analysis and action planning; i.e. defining the Scope and Process of the intelligence operation
- Intelligence product design and resource activation; i.e. defining the intelligence Deliverables and the Organization producing and using them
- Intelligence tool development; i.e. implementing the necessary tools (technology and techniques) for intelligence use, and
- Intelligence system roll-out, internal marketing and process maintenance; i.e. creating a lasting intelligence Culture

The framework in Exhibit 3 contains the set-up activities of an intelligence function and highlights their intertwined nature; it is rarely meaningful to develop them one at a time, but in close linkage to each other.

While starting to develop the intelligence function based on the above graph, we encourage readers to already familiarize themselves with the GIA World Class Market Intelligence Framework (presented on page 16). The World Class Framework may be of help in setting the initial target level for the intelligence function: for instance, to reach the "Intermediate" level in 18 months' time from the initial setup.

**Scope and Process: Intelligence Needs Analysis and Process Planning**

The first phase of an intelligence system implementation includes mapping out the intelligence needs and the formulation of a company-specific intelligence action plan. 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).
Needs analysis regarding topics can be divided into two parts:

- First, determining what are the trends, market players and geographical areas that the company needs to watch on a daily basis ("continuous market monitoring")
- Second, determining what are the decision points under different corporate functions, such as strategic planning, sales and marketing, or R&D, that require analyzed market information for support and back-up ("decision point intelligence")

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.

Despite its acknowledged importance, thoroughly analyzing the company’s intelligence needs is perhaps the most neglected phase in setting up an intelligence function. For instance, in most strategic models it is automatically assumed that the management of a company knows what kind of information they need. In reality, however, senior management typically only recognizes a fraction of the entire organization’s information needs. To be able to build a successful intelligence function, one needs to go to the users of the eventual intelligence deliverables and ask where their true decision making needs are. This is also a process that needs to be repeated over and over again: as businesses and organizations evolve, so will their intelligence needs.

**Intelligence Scope**

Defining the scope of the intelligence function translates into listing out corporate functions that should be using intelligence deliverables, and listing topics and themes that are either critical or relevant to decision making. Additionally, the degree of future orientation needs to be determined; looking into the rearview mirror is a good starting point, but a mature MI function also needs to spend a lot of time on outlining possible future scenarios of the operating environment.

Exhibit 4 highlights some of the most typical user groups to intelligence as well as intelligence topics of interest. 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 function is frequently hosted by Corporate Planning, Business Development or Marketing, the target groups of the activity typically make up a group of people working in client-facing positions.

Setting up and running an intelligence function is, however, such an investment in “process infrastructure” that it would be a waste of resources not to consider expanding its reach to other corporate functions and processes, too. Once the continuous market monitoring activity has been set up (discussed in more detail under Deliverables), it makes sense to consider covering the intelligence needs of strategic planning and sales and marketing as well, to mention two most typical user groups. Sourcing, risk management, investor relations, and R&D are further 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.
An organization’s intelligence content needs can be mapped out by defining its information architecture, the skeleton of which is easily derived from the illustration in Exhibit 4. Information architecture – or taxonomy as it is frequently referred to - is a structured list of topics on which a company requires information on a continuous basis. The top-level topics presented in Exhibit 4 are some of the most typical for a company to build lists of items to follow in their operating environment. In practice, some trade-offs must be made in choosing the elements of the business environment that will be put under radar right from the start. Typically the resources will not allow monitoring anything and everything, but the most important and critical issues will need to be prioritized in the beginning.

Scenario analysis has emerged as a method for many intelligence-wise advanced companies to effectively determine their information architecture. Scenario analysis results in a structured list of trends and uncertainties that have been collectively identified and deemed important by the company’s decision makers. Starting to continuously monitor the development of these trends and uncertainties is a natural next step to the scenario exercise.

**Intelligence 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 key decisions are being made and in which information about the operating environment will be used. In practice, the output delivered by the intelligence process should be linked to concrete decision points such as M&A decisions, customer segmentation decisions, or new product launch decisions. Furthermore, as the very bedrock of the intelligence process, the organization’s current awareness about the developments in the external operating environment is being maintained.
Exhibit 5 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 to analyses and conclusions, followed by delivery, utilization and feedback. The concrete output of the process is in turn 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.

Deliverables and Organization: Intelligence Product Design and Resource Activation

Intelligence Deliverables
When considering the quality standards to be set for intelligence deliverables, it is helpful to think of the entire intelligence function as an organization that produces marketable products to end users just like a small company. Deliverables that are all ad hoc are tough to produce, manage, sell, or measure systematically in any organization, and the same applies to intelligence deliverables - therefore intelligence product development is necessary.

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 intelligence product 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 connects the newly created understanding with anticipated business implications, and has the power of pointing at directions to where the organization should be heading.
In the initial phase, intelligence products may be for instance continuous market monitoring alerts, company deep-dives, or quarterly analyses of certain topics of interest. Important is to have something concrete started that can be further developed over time.

**Intelligence Organization**

“Intelligence organization” refers to the make-up of elements that contribute to the intelligence process and deliverables, as illustrated in Exhibit 7. Appointing an owner for the corporate intelligence activity typically is the starting point of forming an intelligence organization. The owner needs both internal and external networks to support his or her work.
When organizing the resources for producing the intelligence deliverables, two primary dimensions need to be considered:

- Balancing between the external and internal intelligence networks: what should be outsourced and what should be kept in-house
- Balancing between centralized vs. decentralized coordination: what deliverables should be produced centrally, as a headquarter service, and which ones should be produced by the divisions and functions themselves

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 function rarely is the actual intelligence process facilitator.) A good MI Director enjoys the trust of senior management and effectively markets the 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 function, 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), preferably as a combination of both.

### Intelligence Tools: Intelligence Technology and Techniques

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

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.

A dedicated intelligence software tool provides a single user interface to filtered intelligence content from internal and external sources. There are numerous options for such software. Most number crunching tools, often referred to as Business Intelligence tools, are considered inappropriate as they focus on quantitative information, whereas the focus of intelligence system implementation is on qualitative information and processes. A technology tool specifically designed to support intelligence processes is typically linked with the organization’s intranet and hosted either in the company’s own IT infrastructure or by an external service provider.

Although there is a distinct niche market for software tools specifically aimed at supporting the intelligence process, in reality a typical company maintains a combination of different software tools that together respond to the company’s intelligence needs. The reasons range from challenges in pure technical integration to confidentiality issues, and most companies seem to have settled with some sort of coexistence among different tools that serve different purposes.

Finally, to not limit the Tools section to only cover information technology tools, we want to remind the readers about techniques that may also be considered as tools in the intelligence process. Conducting regular internal interviews or maintaining templates to gather for instance competitive price information from the sales front may also be tools that contribute to the success of an intelligence function.
Intelligence Culture: Intelligence system roll-out, training and marketing

Rolling out the newly developed intelligence system begins with educating the members of the organization about what Market / Competitive or Business Intelligence, whatever the term of choice is, actually means for the organization and what benefits will be expected. It is also essential to clearly communicate what is requested from the users. The intelligence team alone is insufficient to make an organization truly intelligent – other members of the organization should also be involved as much as possible (and meaningful) in the intelligence process.

“Intelligence culture” is essentially the glue that keeps the entire intelligence function 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 articulated support to the activity. Other important building blocks are demonstrated benefits of the activity as well as successful internal training and marketing efforts.
3) REACHING THE STAGE OF CONTINUOUS DEVELOPMENT: THE WORLD CLASS INTELLIGENCE FRAMEWORK

Once the pieces of the intelligence function have been put together for the first time, it is meaningful to start looking into how each of the individual Key Success Factors can be improved still. The GIA World Class Market Intelligence Framework divides each six dimensions 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. The framework is helpful in the intelligence development process, as it provides a yardstick for measuring progress and benchmarking an organization’s own stage of development against industry standards.

Exhibit 9. GIA’s World Class Market Intelligence Framework

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

Intelligence Scope: Typical development areas after the initial set-up phase

Once the stage has been reached where the everyday Market Intelligence needs of the majority of the organization have been covered through high quality market monitoring, it is time to learn more about the decision points and the related intelligence needs under each corporate function.

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. The review may of course prove that some corporate functions are not best served by a centralized intelligence activity, 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 function 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 function.

**Intelligence Process: Typical development areas after the initial set-up phase**

The maturity of the intelligence process could be visualized in a uniform thickness of the cycle graph in Exhibit 5 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.

Development-wise, the key is to make a concrete effort to link the intelligence activity with each corporate function that it is supposed to serve. Time will be required: For instance it may be a year-long process to find out exactly what are the decision points, the related intelligence needs, and the required intelligence products in the sales and marketing process alone.

Strong analysis capability will also be required: Those who produce the analyses will need to be able to lead a conversation between equals with those who will use the analyses for decision making.

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.

**Intelligence Deliverables: Typical development areas after the initial set-up phase**

A fundamental characteristic of a truly valuable intelligence deliverable is that it has an impact on business. In practice this requires that it is integrated to a business process, such as strategic planning, sales, marketing, or R&D, and also typically has been “co-created”, i.e. the eventual users of the deliverable have also been involved in the production process.

As a rule, the level of interaction in the production and utilization processes of the intelligence products tends to increase with the maturity of the intelligence deliverables. In practice this is best facilitated in workshops, briefings, scenario planning exercises, war games 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

**Intelligence Tools: Typical development areas after the initial set-up phase**

**Software tools**

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 between organizations. Powerful tools for categorizing data and allowing individual users to subscribe to whatever categories they find interesting are very much at the core of any high-quality intelligence software today. 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 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.

Increasingly, intelligence software tools should also seamlessly link with other IT applications ranging from the corporate intranet to more specific niche tools. Full-blown systems integration is not quite yet expected but different systems should discuss with each other in a way that does not disturb the user.

**Techniques**

In a typical organization, software tools are the relatively easy part of the intelligence system setup. Analysis techniques such as intelligence end user collaboration and content co-creation may not be as easily implemented, yet their impact is often more far-reaching. Once the tools and techniques that involve intelligence end users in the process of creating the content are truly embedded in the intelligence process, world class levels have been achieved.

**Intelligence Organization: Typical development areas after the initial set-up phase**

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. An analysis capability that is close to decision-making is especially needed, as
decision-makers require not only insightful analyses, but also discussions based on them that
may challenge the prevailing assumptions and beliefs. This does not mean that more people
should be appointed to “overhead positions”, but rather that increasingly many people in dif-
ferent 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.

Intelligence Culture: Typical development areas after
the initial set-up phase

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 and takes part in co-creating
  intelligence content with the intelligence team.

• 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.
Three Guiding Principles for Successful Intelligence Development Efforts

In the end, we remind the readers that intelligence needs and the subsequent development efforts are unique to each company and its business, organization and culture. The GIA World Class MI Framework can therefore only suggest next steps and point out directions, but the exact timeline and linkage between development efforts with regards to different intelligence KSF’s are necessarily case-specific each time. We therefore encourage the readers to adapt and (re-)align the steps suggested in the framework by building their own customized action plan to best match their own organization’s unique requirements (Exhibit 10).

Exhibit 10. A dummy for a company-specific action plan to bring its intelligence operation from the early setup stage to world class levels

We also encourage the readers to remember three guiding principles when preparing the roadmaps for taking their intelligence programs to world class levels:

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, and even proactively suggest topics to top management based on their understanding of the company strategy and future direction.

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 function, but MI is incomplete without conclusions and implications derived from the findings. Insightful analysis needs a context, hence all analytical deliverables should be focused on concrete decision making needs.

3. **Market Intelligence does not work in isolation from the rest of the organization.** A world-class MI function 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.
4) CASE OUTOTEC: SETTING UP AN INTELLIGENCE FUNCTION FROM THE GROUND UP

Needs analysis: “We are no longer supported by the parent company’s intelligence system”

In October 2006, Outotec, previously named Outokumpu Technology and a leading international developer and provider of technologies for the mining and metallurgical industries, became listed in the Helsinki Stock Exchange. Until that time, the parent company Outokumpu Oyj had supplied its Technology division with Market Intelligence deliverables and tools, but in conjunction with the separation of the two organizations, Outotec found themselves in a situation where they needed to set up an own intelligence function to support their strategic planning and sales efforts.

“We suddenly found ourselves empty-handed with regards to Market Intelligence, being an independent company and no longer a subsidiary”, says Mr. Heikki Puustjärvi, Vice President of Business Intelligence at Outotec. “It was clear from the beginning that both our strategic planning process and operative sales efforts needed to be supported by high quality intelligence content. These two areas made up the scope of our intelligence activities at the start, and they still remain at the heart of our intelligence needs”, Puustjärvi continues.

Setting up an intelligence function from scratch – How to?

In conjunction with Outotec’s public listing, Puustjärvi was mandated by the company’s top management to set up an intelligence function from scratch. Puustjärvi, having worked on sales development previously, was not entirely new to the intelligence field, but had approached the topic from a practical user’s perspective rather than through theoretical frameworks. He went about the project by first seeking best practices from literature and colleagues in the intelligence profession.

Since Outotec wanted tangible results quickly, the decision was made to set up an intelligence software tool in the early phases. That way, the company took a pragmatic approach and started an iterative process of “continuous improvement on the go” rather than spending lengthy time periods at the planning table before launching any concrete deliverables.

By March 2007, an intelligence process had been defined for Outotec and the organization laid out that would be producing the intelligence deliverables to support sales and strategic planning. Once the intelligence software tool had been launched to its first user groups, it was all about internally marketing the newly established intelligence function. As has been illustrated in the below graph and the related table, the entire setup phase took Outotec less than 6 months.
Once the intelligence function was up and running at Outotec, it was time to seek still more impact from the content that was being collected and disseminated to decision makers. Outotec launched into a scenario exercise as part of the company’s management training program. The purpose of the scenario project was to improve strategic planning at times of uncertainty, and it resulted in an Early Warning and Opportunity System that was designed to keep the identified uncertainties and trends under radar on a continuous basis.

**Current situation and path forward**
At the current moment, Outotec has 285 active users in its intelligence software tool. Different types of content are being delivered through the platform, such as daily market news, monthly reports, company profiles and blog monitoring. When asked about the perceived current state of development of their intelligence operation, Heikki Puustjärvi reflects the situation against the GIA world class intelligence development framework as has been illustrated in the below graph.
While Puustjärvi is rather satisfied with the status of Outotec’s intelligence operation with regards to its scope, organization and tools, he sees room for improvement especially on the less tangible side, i.e. in the intelligence process flow and culture. On the other hand, Puustjärvi calls for increasingly thorough and pointed analysis deliverables, which is something he wants to spend more time and effort on, going forward.

“Going forward, we are working on several elements in our intelligence operation to take the whole to the next level”, Heikki Puustjärvi describes. “For instance, we are building a process for tapping into tacit knowledge at our sales front, while simultaneously trying to raise the level of analysis of our intelligence deliverables. Organization-wise, we will be working on improving cross-division cooperation, where the challenge is that many people in the divisions only have a small part time role in the intelligence activity, but their contribution is still expected. Finally on the technical side, we are in the process of launching a new, geographical map based tool that will be linked to our intelligence software to facilitate a more visual user interface to intelligence content.”

To conclude, Puustjärvi says what many intelligence developers have noticed over the years of working in the intelligence field: “Developing the various elements of the intelligence operation, there’s one thing that one keeps coming back to, time after time, and that’s Needs Analysis.”

Indeed needs analysis is something that should be thought of as virtually belonging in between each step of the world class intelligence development framework. Intelligence needs evolve as businesses and organizations evolve, and few intelligence development plans remain unchanged from the early phases all the way to the “Futurist” levels.
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