

# Competitive Intelligence

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## **Introduction**

I would like to thank the opportunity to participate in this forum where so distinguished specialists have already highlighted the importance of Competitive Intelligence (CI). Even though entrepreneurial initiative and proactiveness are essential for economic development and progress, in today's world of globalization it is important to address subjects like competitiveness, investment security and safety and economic social development as well as national economic security in a much wider and complex perspective within the framework of combined strategies between Governments and corporations.

It is in this context that I would like to share some ideas about the importance of combining efforts and developing synergies between Intelligence Services (IS) and Corporate Interests in order to establish a solid platform for the investment's success. This combined approach will bear in mind two main objectives, namely competitiveness and security, which may be pursued both by governmental institutions and entrepreneurial structures.

Nowadays the market modulates new entrepreneurial *modus operandi* to reach high levels of competitiveness and therefore Intelligence, as a whole concept, steps forward as the prime ally of the corporate sector.

Nevertheless Competitive Intelligence continues to be, namely in Europe, a complex concept often perceived as illegal or offensive. Even though sometimes illegal means can be addressed, CI techniques can be developed in a legal framework as a tool to enhance corporate capabilities and as a catalyser of the Intelligence Services/corporate synergies.

In a new synergic environment, Outreach is also a key concept for maximizing resources, optimization of responses and deterrence of the threats. In fact, the level of technical knowledge and expertise arose to a platform where efficiency depends on synergy. Enterprises do possess the technical and technological knowledge which can be combined with intelligence expertise as IS are specialists in security, safety, defence and strategic analysis.

To be aware of the threats and risks is the first step to consolidate the decision process and to gain operational effectiveness and strategic positioning.

Intelligence awareness, at a strategic and tactical level, is the product of a comprehensive approach within the framework of cooperation between Intelligence and corporate sector.

Even though new ideas and concepts project the need for cooperation between Governmental and corporate actors, it is mandatory for the Intelligence Services to operate within the cadre of state main guide lines in order to project/expand, protect and defend National strategic interests.

In fact, National interests arise as prime issues, being economic and energy security, as well as technological development sensitive sectors for State Intelligence gathering.

In this context, IS tend nowadays to be considered, at an upper level, as an important tool to provide strategic intelligence, namely through indicators which will allow prospective long term analysis to predict chances and consequences, essential for the political apparatus and the policy makers to establish a platform of priorities, the legal mechanisms which will facilitate the development of public and entrepreneurial economic activities and to identify the proper mechanisms to implement it.

It is in this framework of national interest's protection and development that Intelligence can combine efforts with corporate sector in order to help management advance and defend strategic interests.

Intelligence awareness is a concept which can be operated either by Intelligence Officers or by corporate agents in order to achieve high levels of efficiency in information gathering and early warning mechanisms.

Analysis and foreknowledge are essential tools for preparedness that will guarantee efficient decision making processes in what concerns national strategic approaches in sensitive economic sectors and the success of private investment.

Intelligence awareness comprehends not only strategic macro and micro economic factors but also security and safety elements due to the globalization of the so called transversal threats as terrorism, proliferation, organized crime and Governmental/corporate offensive intelligence activities usually referred to as espionage.

The comprehensive analysis of all these factors provides the risk level and enhances the capability to react to threats and to market changes and opportunities. In this context, it is important to establish risk evaluation mechanisms which will comprehend several indicators.

### **Key Intelligence Topics**

As they were designated by Jan Herring former Intelligence Officer, are essential to identify and define critical information gaps and support the decision process in order to achieve competitive advantage. Usually dealt within the enterprises to identify intelligence requirements, these were developed on the same ground as the Key Intelligence requirements of Intelligence Services gathering information plans. So, similarities will privilege the development of joint efforts to identify and establish the

operative mechanisms of awareness. To corporate sector key Intelligence requirements such as competitors capabilities, strategic intents, performance and vulnerabilities, are systematically organised within the framework of a SWOT<sup>1</sup> analysis which leads to the identification of the key intelligence topics: **decision topics** – to a specific decision – limited time frame; **Key player topics** – strategic, about market environment, competitors; **warning topics** – early warning system – to identify threats; **counterintelligence topics** – to protect against offensive activities.

### *Security and Safety*

World stability and development depend on Economic security. Therefore global social, political and economic environment are considered strategic issues and thus usually submitted to the scrutiny of state and private agents in search of destabilizing phenomena which will disrupt economic balance. International economic interaction and dependency, for instance related to energy supplies, represents vulnerability in the cadre of sustained growth. Investment Security depends namely on political and social stability, on governance, on State sovereignty, on balance between super powers and developing countries and growth expectations. These are, in fact, determinant factors which are approached by Governmental institutions which can also produce deliverable intelligence to favour investment

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<sup>1</sup>Strengths, weaknesses, opportunities and threats.

security. Above all, security includes a complex array of phenomena with a direct material impact on business objectives and performance, which can be dealt with properly, due to global projection and complexity, by Intelligence and Security Services. Even though building up a security corporate consciousness and cooperation spirit is essential to feed the intelligence circle dynamics.

On the other hand, safety is a key element for the investment's success. No enterprise can be successful if their employees are being abducted, killed or if facilities are under attack. Also in regard to these matters Intelligence Services are key elements.

After approaching the Key intelligence topics, it is now important to see how IS can approach the same reality and evaluate how complementary they are. When we are considering Intelligence awareness within the framework of economic activities we should bear in mind that the State is not and does not pretend to be Omni powerful and omnipresent. It can not discriminate or favour certain entrepreneurial corporations and therefore its intervention has to be at a macro/strategic level.

Considering the mandate to produce strategic intelligence to the Executive power, IS will endorse aspects such as the National interest evaluation, opportunities for the projection of national interests in international markets and the identification of current and future risks.

In the framework of a macro analysis, IS consider as priorities aspects such as economic policies (namely macroeconomic framework and perspectives, monetary and exchange rate and fiscal policies, Foreign Direct Investment policy, trade and privatization policies), economic factors (bilateral trade investment agreements, global and regional economic integration, market structure, market dimension and growth perspectives) and business environment.

Security is one of the main key factors to guarantee the investment's security. Usually committed to state institutions, nowadays, due to the complexity of phenomena, dealing with security imposes a high level of cooperation, and burden and information sharing. Implementing warning systems within the enterprises' structures is essential to guarantee not only economic as well as physical security. We have talked about political and social stability as one of the key elements for investment security but nowadays several phenomena might pose even greater threats and challenges to corporate sector. In this context, terrorism will be the most visible/perceived threat due to publicity in the media. Nevertheless it is, in some cases, the less problematic, even though islamist terrorism have selected western strategic economic interests as prime and legitimate targets.

Other phenomena like proliferation and organized crime constitute a greater challenge for investment security. For instance, legitimate enterprises may face the risk of being involved in the selling of goods for nuclear and ballistic missiles programme development or of being unwillingly involved in a money laundering scam.

Aside these, state and corporate espionage poses even greater threats to enterprise stability and national security. For instance, companies may be infiltrated by rogue agents to steal sensitive technology or they might be operating in a strategic sector and therefore vulnerable to foreign offensive influence actions.

These are part of the problems which can be addressed in a synergic approach by implementing a strong cooperation leading to an effective and efficient intelligence awareness capability.

As already mentioned, “Outreach” is one of the key subjects in the implementation of synergies between corporate and Governmental institutions either to guarantee security or to enhance capabilities and maximize resources.

As a matter of fact, dimension and the nature of phenomena requires a plethora of sophisticated technological capabilities, tangible and intangible, only successively achievable by close cooperation. Tasks can be shared. Part of the job may be performed by specialists not necessarily belonging

to the IS. University poles can develop studies like it is happening within the implementation of the strategy for countering the radical Islamic message. Enterprises can develop technical projects like data bases and data minding systems. Commercial enterprises can be consulted in order to identify the most important threats impending on them and give determinant information about the entrepreneurial world and the way it can be manipulated by criminal agents – in what concerns Proliferation maritime agents can identify the vulnerabilities of transportation which will allow IS to understand how a rogue State can take advantage of vulnerabilities in the system and to study new approaches for deterrence.

Nevertheless we are, in some sectors, and in what concerns outreach, yet at the planning and strategy defining level. Of course some doubts arise: will cooperation favour big enterprises and neglect small ones less qualified but yet part of the “game”? Are we selecting the right enterprises? Are we selecting the right approach?

Hopefully, these doubts will probably be erased throughout brainstorming and “sharing” in *fora* like this one.