

# STRATEGIC INTELLIGENCE (Concepts Revisited)

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## ABSTRACT

*People are living in quality era, with organizations facing rigorous competition for their products and services in the global arena; it is an imperative for the organizations to be strategically intelligent to excel. Business environment is viewing upgradation of technology and sharpened skill set of the employees. There is a demand for change as change is continual – nothing ever remains as it is.*

*Strategic Intelligence is not a new form of analytical practice. Strategic intelligence and analysis is well-established for the craft of intelligence with a recorded history and goes back more than two millennia. Yet despite this, its acceptance within modern enforcement practice is comparatively recent, and now, in the early twenty-first century, its development is still slow and patchy. The main goal of this paper is to understand strategic intelligence and its components in brief.*

**Keywords:** *Strategic Intelligence, Artificial Intelligence, Business Intelligence, Competitive Intelligence, Knowledge Management*

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## 1. INTRODUCTION

Strategic Intelligence pertains to the collection, processing, analysis, and dissemination of intelligence that is required for forming policy and military plans at the national and international level. Much of the information needed for strategic reflections comes from Open Source Intelligence. (Steele, 2006)

According to Maccoby (2001) the basic elements of strategic intelligence were presented and analyzed. These Five elements are:

- Foresight
- Systems thinking
- Visioning
- Motivating
- Partnering

Foresight is the ability to think about some abstract forces which influence future. A system's thinking is the ability to understand how elements interact to make a full system. Visioning is related to design an ideal system using system thinking and foresight. Motivating is to get people for a common purpose, to implement vision. Partnering is the ability to make strategic alliances. Those who have high levels of strategic intelligence need persons with emotional intelligence. (Maccoby, Successful Leaders Employ Strategic Intelligence, 2001)

Strategic Intelligence has information as its foundation. This research proposes that through its ability to absorb sources of information, the synergy of Business Intelligence, Competitive Intelligence, and Knowledge Management combined to form Strategic Intelligence, will allow organizations to incorporate all of their information and intellectual capital into a single database or system which will meet the intelligence requirements of management.

## 2. REVIEW OF LITERATURE

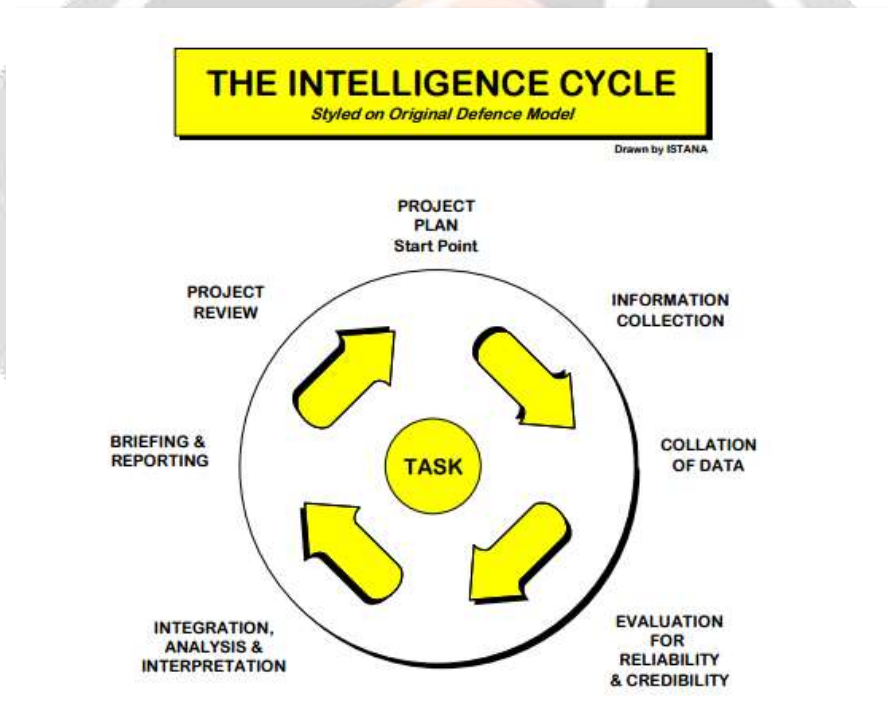
### 2.1 Intelligence

As reviewed by McDowell (2009) the word intelligence is commonly used in several ways, but, apart from the contexts involving intellect, two meanings stand out as being quite different. Intelligence can be used to describe both a process and an activity; therefore we talk about “doing intelligence work.” On the other hand, intelligence is also used to denote the final product of that process. In other words, we can speak of “developing” or “possessing” or “having produced” intelligence.

McDowell (2009) defined that “Intelligence is the sum of what is known, integrated with new information, and then finally interpreted for its meaning”

### 2.2 Intelligence Cycle

Intelligence cycle has, by and large, been adopted within the international intelligence community. It was first developed within the defense intelligence environment, and a diagrammatic representation of the cycle is shown below:



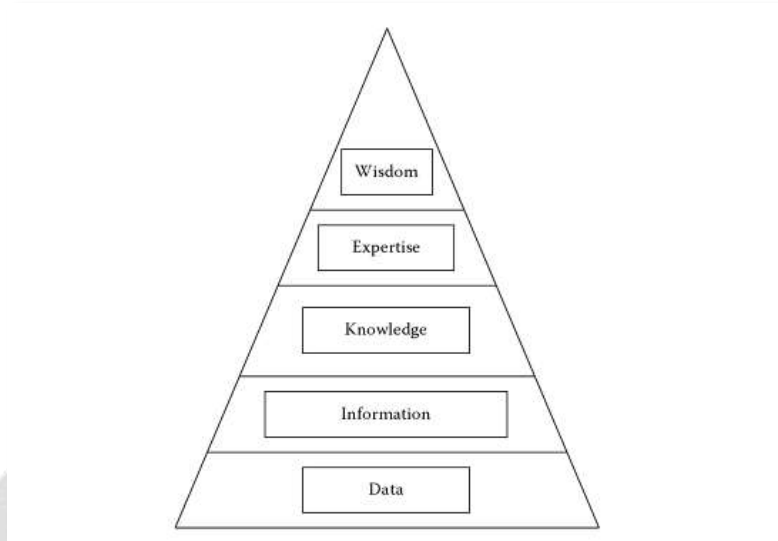
**Fig- 1:** The Intelligence Cycle (McDowell, 1997)

This intelligence cycle is the basis for the development of all forms of intelligence, principally because it is such a logical sequence of processes that lends itself to flexible application depending upon the particular requirements of the intelligence task.

The cycle itself, and the series of sub-processes that are its component parts, form the traditional basis for standard operational intelligence training within the intelligence communities of law enforcement, national security and the armed forces of Australia (and in fact those of most other countries).

**2.3 The Intelligence Hierarchy**

Intelligence of any organization refers to the collective assemblage from the organization’s intangible assets such as knowledge from employees, management, stake holders, and customers.



**Fig- 1:** The Intelligence Hierarchy (Liebowitz, 2006)

He explained his hierarchy and how each level builds onto each other as follows:

“Data relates to discerned elements. Once the data is patterned in some way, it becomes information. Information plus insight and experience becomes knowledge. Knowledge in a specialized area becomes expertise. Expertise morphs into the nirvana state of wisdom after many years of experience and lessons learned.”

Liebowitz also stated that it has become invaluable in improving any organization’s strategic decision making process. The author of Strategic Intelligence: Business Intelligence, Competitive Intelligence, and Knowledge Management recognize synergies among component pieces of strategic intelligence, and demonstrate how executives can best use this internal and external information toward making better decisions.

**2.4 Framework of intelligentsia**



**Fig- 2:** A framework of intelligentsia (Liebowitz, 2006)

Figure above shows how the intelligentsia relates to each other. The inner layer refers to Artificial intelligence. AI is the field of developing intelligent systems to support. It also looks at learning, thinking, explaining and other cognitive processes take place.

Knowledge Management is the next layer of intelligentsia onion. KM looks at how an organization can best leverage its knowledge to innovate, retain critical knowledge, build a strong sense of belonging, and improve worker productivity.

Business Intelligence forms the next layer of intelligentsia after KM. BI refers to the capability that help companies understand what makes the wheels of the corporation turn and help predict the future impact on current decisions.

Competitive Intelligence comes after BI as the next layer of intelligentsia. Competitive intelligence uses both internal and external information and knowledge to develop a systematical and ethical program to manage, analyze and apply this information and know-how for improving organizational decision making.

Finally, the aggregation of Artificial Intelligence, Knowledge Management, Business Intelligence, and Competitive Intelligence becomes Strategic Intelligence to make best strategic decisions.

## 2.5 Strategic Intelligence

Marchand (1977) revealed that complacency raised of past success leads to unexamined assumptions, blind spots and taboos that not only block the creation of new mandates among managers but also make it very difficult to sense, communicate and use intelligence about future trends.

Liebowitz (2006) analyzed that Strategic Intelligence has mostly been used in military settings, but its worth goes well beyond that limited role.

As concluded by April & Bessa (2006) the Competitive Technical Intelligence model harnesses Knowledge Management tools for competitive intelligence: (1) both Knowledge Management and competitive intelligence focus upon intangible values, (2) both Knowledge Management and competitive intelligence rely on larger, socially complex communities to make a strong business impact, and (3) both Knowledge Management and competitive intelligence implementation are only initially dominated by informational technology issues, and thereafter by cultural issues. For Competitive Strategic Business Intelligence to move to the Competitive Technical Intelligence model, a change in organizational behavior from a knowledge retaining to a knowledge sharing culture is required, which should be viewed as a transformational process. In this respect, coaching and mentoring may be of enormous value in the change process.

As per Price (2009) Strategic intelligence is a company's self-awareness plus marketplace awareness, the company's ability to understand itself and its environment and connect with others to achieve goals of interest. To develop strategic intelligence, follow three suggestions: 1. Identify and discuss issues that will have the greatest impact on your future business performance. 2. Involve the right people. 3. Determine the right planning cycles. Strategic intelligence is a cycle of learning, thinking about what you've learned and creating or revising plans.

Pellissier & Kruger (2011) researched that strategic Intelligence is comprised of different sources of data, including internal Business Intelligence, external Competitive Intelligence, and employee and organization Strategic Intelligence is not a new form of analytical practice. Strategic intelligence and analysis is a well-established for the craft of intelligence with a recorded history and goes back more than two millennia. Yet despite this, its acceptance within modern enforcement practice is comparatively recent, and now, in the early twenty-first century, its development is still slow and patchy.

Special knowledge is a must to be combined to provide the organizational decision makers with accurate intelligence on which to base their decisions.

McGonagle & Vella (2012) defined that strategic intelligence usually focuses on the overall strategic environment. A firm's direct competitive environment and its direct competitors are, of course, included in the focus. It should

also include its indirect competitors. In addition strategic intelligence should develop CI on the long run changes caused by, as well as affecting, all the forces driving industry competition, including:

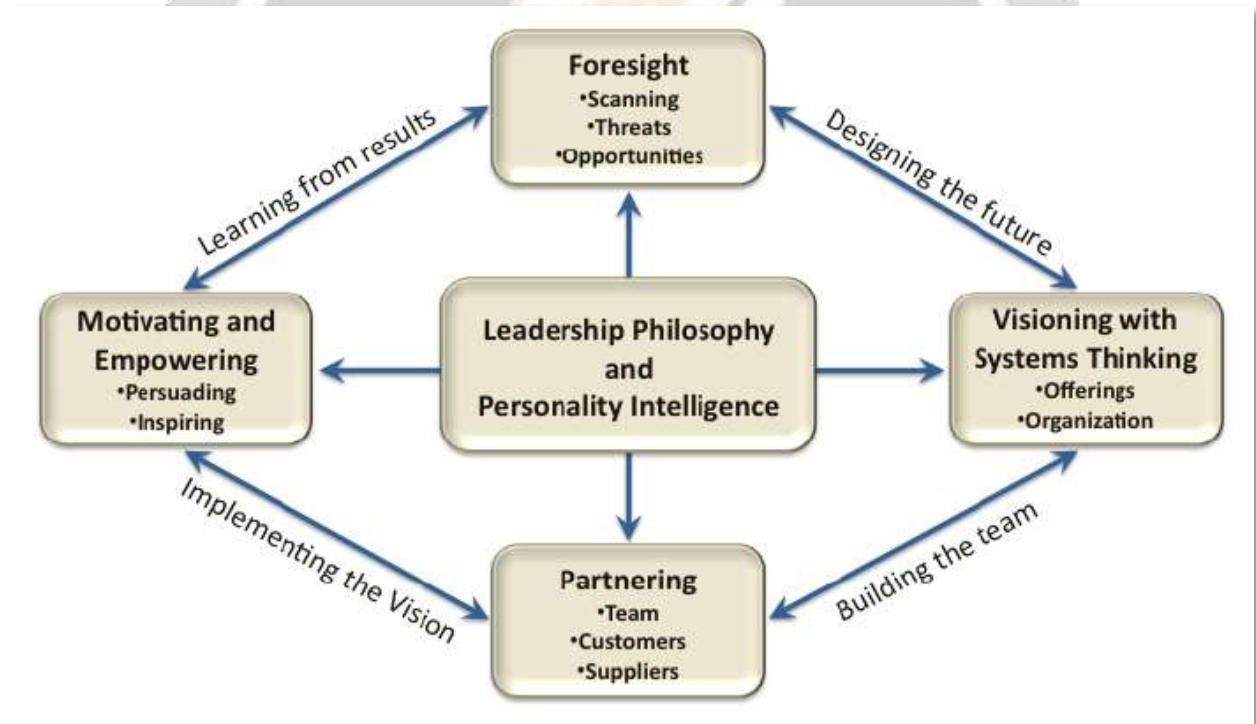
Suppliers  
Customers  
Substitute products or service, and  
Potential competitors.

Mandel & Barnes (2014) stated that Strategic Intelligence assists high-level decision makers, such as senior government leaders, in understanding the geopolitical factors shaping the world around them. Such intelligence can help decision makers anticipate future events, avoid strategic surprises, and make informed decisions. Policy-neutral intelligence that is timely, relevant, and accurate can be of significant value to decision makers.

Reza (2014) evaluated that strategic intelligence has a positive and meaningful effect on the strategic decision making and strategic planning in the companies and organizations using the intelligent systems. In addition, the effective factors on the strategic intelligence, human resource intelligence, organizational process, technological, informational, financial resources, competitor, and customer intelligence were recognized.

### 3. MODELS & FRAMEWORKS

#### 3.1 Strategic Intelligence Model



**Fig- 3:** Strategic Intelligence Model (Maccoby & Scudder, 2011)

These abilities can be summarized in the concept of Strategic Intelligence, based on studying successful leaders of change. These leaders shared these four qualities:

- Foresight
- Visioning with Systems Thinking
- Partnering
- Motivating and Empowering

### 3.2 Strategic Intelligence Process

Gonzales & Zaima (2008) proposed the steps necessary for creating the strategic intelligence framework as mentioned below:



**Fig- 4:** Strategic Intelligence Process (Gonzales & Zaima, 2008)

To establish an environment for strategic intelligence, these high-level steps are necessary:

1. Set up a strategic intelligence foundation. Establish a centralized data repository containing integrated data that is required to address business analytic projects from across the enterprise.
2. Create reports. Generate reports to help executives understand, interpret and monitor the state of their businesses. Organizations can generate simple or complex reports and effective executive dashboards using data derived from integrated data in the strategic intelligence foundation.
3. Analyze. Use data in the reports to identify the reason a particular condition occurred. Use online analytical processing tools for a multi-dimensional view of the data, and ad hoc query tools to drill down on insight discovered through reports or analyses. All discoveries and calculations are stored in a collaborative environment for user access to ensure a single view of the data and a common definition of calculations.
4. Predict. Use predictive and exploratory analytics to forecast next events or occurrences and advanced analytic techniques to uncover data patterns. The results of these analyses are stored and shared through the strategic intelligence foundation.
5. Act. Put strategy and insights into action. Strategic applications can be created and campaigns developed from the acquired knowledge.

### 4. CONCLUSION

Strategic Intelligence pertains to the collection, processing, analysis, and dissemination of information that is required to form key policy decisions and plans within an organization. Strategic intelligence plays a key role in organizational transformation by increasing the intelligence inputs across all the verticals to for a collective assemblage of value added benefits derived from the organization's intangible assets i.e. knowledge from employees, management, stake holders, and customers.

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