

Introduction

The world in which we live has never been more troubled – recent years have seen wars, and attacks of several types – natural, economic, sanitary, social, political; industrial catastrophes, financial crises, technological revolution etc. People, companies and governments survive and change in an environment which is at a constant breaking point, with sometimes dramatic consequences. In every sector, a fundamental and recurring question should be raised: how can we predict the unpredictable?

To anticipate unexpected events and to avoid fatal surprises, governments and companies use specific strategic intelligence devices. Nations have always developed information services, whether they are military, political or economic. Organizations have always monitored their environment. Ever since the late 1960s, an increasing number of them have made this a formal activity. This movement progressed overseas in the 1980s, and in the 1990s in France, to cope with an unstable, complex and competitive environment. Surveillance has become Strategic Intelligence (SI).

However, looking at the harsh reality of international terrorism, demonstrated by the New York attacks in September 2001, the Moscow hostage crisis in October 2002 and others in increasing numbers all over the world, it is natural to question the usefulness of these government information agencies. Similarly, countless threat (or opportunity) examples are wrongly ignored by companies, and we can question the use of company Strategic Watch and SI systems. The unprecedented financial crisis governments and companies are facing today is more evidence of the weaknesses of existing Strategic Watch and Intelligence systems.

Unfortunately, monitoring and/or intelligence problems are always more visible than their advantages, and despite all poor performance demonstrations, nations and companies are still investing in this activity which is vital, as it represents a sort of “life insurance”.

Government information devices and company SI systems are obviously interdependent, with areas in common, but their purposes are different. The parallel established exists in all intelligence-focused documentation. It describes the shortcomings, but also the absolute necessity of SI activities.

The usefulness of strategic intelligence services should not be in question, but their effectiveness should be:

- 1) Why and how do companies manage the monitoring of their environment?
- 2) How should strategic intelligence be defined? What are the effectiveness factors of SI?
- 3) How should we measure SI effectiveness and its impact on the performance of organizations?

This book attempts to answer these different questions. Its general goal is the result of these multiple questions: understanding the strategic intelligence activity in order to propose a model to measure its effectiveness and its impact on organizational performance.

In this new millennium, the importance and usefulness of monitoring the corporate environment are clearly recognized: the

company with an efficient SI system has a major competitive advantage. Anticipation is not its only goal. Satisfying the need for information and knowledge and providing decision support are other central objectives of efficient SI. Before presenting the origins and challenges of SI for the organization, we must first explain the terminology and define what we will use.

The general surveillance field covers notions of watch, scanning, intelligence, competitive intelligence, vigilance, business intelligence, economic intelligence, economic and strategic intelligence, etc.

SI is defined here as a formalized process of research, collection, information processing and distribution of knowledge useful to strategic management. Beside its information function, the main goals of SI are to anticipate environmental threats and opportunities (anticipatory function), propose and/or engage in action (proactive function), help in strategic decision making and improve competitiveness and performance of the organization. It requires a organizational network structure, and human, technical and financial resources.

A distinction must therefore be made between Strategic Watch and SI. SI goes beyond Strategic Watch with its proactivity and its deeper involvement in the strategic decision process. Watch can (must) indicate the impacts of a detected event for example. However, it becomes intelligence when it produces recommendations and provides instructions to the recipient (all the more so when it implements them).

Now that this difference is explained, this book focuses on the most advanced level of SI.

By proposing a tool to measure SI effectiveness and its impact on the performance of the organization, this book is mainly aimed at SI users and managers. It can also be used by consultants for internal or external SI system audits.