Market Intelligence: Drivers and Benefits

UNDERSTAND, COMPETE AND GROW –
THE DECISION-MAKER'S CHALLENGE

ANOTHER DECISION AHEAD

On another busy morning in a large international apparel company, two executives are sitting in a meeting room, having agreed on a planning session in preparation for the upcoming strategic planning workshop. Their challenge is to come up with a preliminary market entry strategy to Brazil that seems to provide lucrative business opportunities among the growing middle class population. Indeed some of the company's competitors have already established a presence in Latin American countries, with varying degrees of success.

Knowing the complications of the task ahead, the executives have decided to first compile a list of questions that they will need an answer to before they can formulate a market entry strategy. Who are the potential customers; what are the demographics, and how does the local culture shape the habits and preferences of people with regards to clothing? Where does the competition come from, and are the competitors making money? What about the local legislation and interest groups; who are the local players that should be taken into account? What are the primary trends affecting local consumer behavior, and how vulnerable is the market to economic or political disruptions? How differentiated should the market entry strategies be for different countries in Latin America? And the list goes on.

The questions to strategic decision-makers are hardly new, yet the executives find themselves putting their best effort into trying to make sense of the unknown territory that they have set their eyes on. The company's executive team and indeed the shareholders would expect to see a winning strategy that will help the company enter a new market, compete successfully in it, and grow its revenue, profits, and brand value as a result.

THE MARKETPLACE IS GETTING INCREASINGLY COMPLEX

Companies operating in the global marketplace derive their revenue from an increasingly complex set of local markets, and the executives in our example above are not alone with their challenge: to be able to compete and grow, there's a lot to build an understanding about. In the Global Market Intelligence Surveys conducted by GIA, executive and professional respondents have listed out opportunities and threats that frequently top the agendas of executive decision-makers:

Opportunities

- Mergers & Acquisitions

- Winning market share from competition

- Expanding into new markets geographically or product-wise

- Finding innovative business models

- Spotting new demand for products and services

- Generating new partnerships

Threats

- Price erosion

- New competitors entering the market

- Emerging business models

- Consolidation or fragmentation of the value chain

- Limited understanding of the current trends

- Changing customer behavior

Looking at the list of remarkably broad and strategic topics, it is easy to see why competitiveness and growth can only be driven by an understanding of the business environment: every single opportunity and threat that the survey respondents brought up involves a number of market players, industries and trends, and a number of complicated interdependencies between them.

While the operating environment of any global organization nowadays is complex and multidimensional, it can be analyzed in a structured fashion. In Figure 1.1, we present a model to map out the operating environment of an organization in a straightforward, yet comprehensive way. Although the model is simplistic, or even because of that, it has proved its usefulness in companies across different industries.
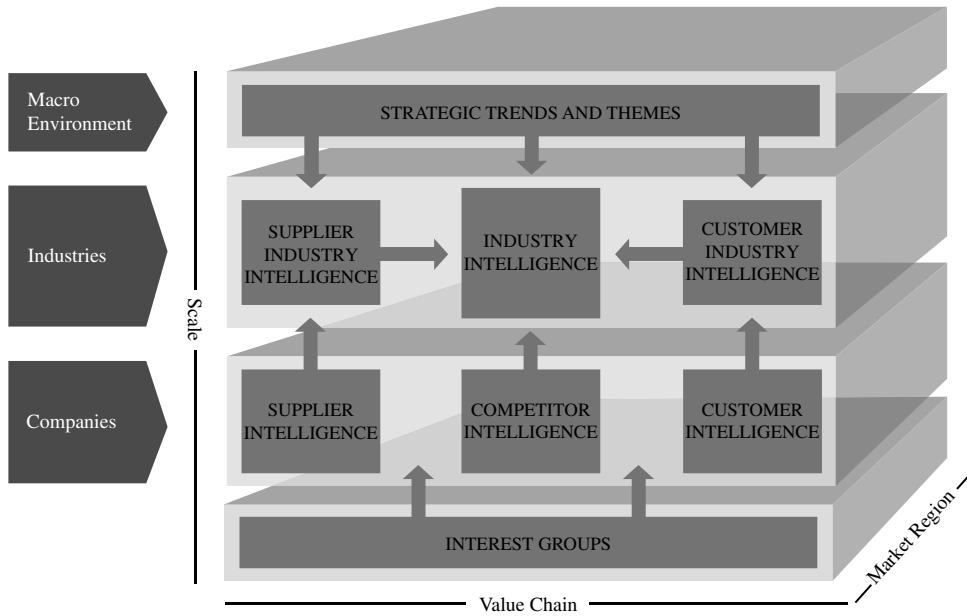
Figure 1.1 The operating environment of global organizations is complex and multidimensional

Every organization is part of a value chain within which it has customers, potentially customers' customers, different types of competitors, and suppliers. In a typical scenario, the organization also needs to work with a number of interest groups, such as legislators, government bodies, and trade unions.

The individual market players alone will make up a complex operating environment: some of the players are old and well established, others are emerging either with new business models or services, or they are simply entering the market as newcomers. In addition to providing different business models and substituting products and services, some of the market players may also be seeking growth by forming partnerships or integrating forwards or backwards along the value chain. Finally, the interest groups also bring about changes and developments in the marketplace that the organization needs to stay aware of.

The individual suppliers, competitors, and customers along the value chain make up clusters and *industries*, the dynamics of which the company will also need to understand (going up the vertical axis in Figure 1.1). To be able to maintain a forward-looking strategy, understanding the current and future developments, especially in the customer segments and industries, will be necessary for any organization. Technologies and business models in one industry easily also transfer over to the neighboring one, generating trends.

Trends and megatrends, in turn will expand the scale further still, as they will be the drivers of business opportunities and threats beyond the immediate future. Again, trends add to the complexity of the operating environment, as organizations should understand not only the obvious high level

developments currently surrounding them but also those, potentially distant-looking, trends and megatrends that may cause surprises and/or generate threats and opportunities in the more far-reaching future.

Finally, while some of the players and trends in the marketplace are truly global, for most organizations, each geographical area in which they have operations will introduce a distinct group of local suppliers, competitors, customers, and interest groups that will need to be understood both in the local business units and to some extent in the headquarters. Some trends of course may be local as well, further adding to the list of topics to be kept under radar.

In sum, the operating environment of a global organization is indeed complex; however, the elements in it can be arranged into a structured set of market players, industries, trends, and geographical areas. The list of topics may become very long though, and, to capitalize on the many opportunities for growth that the marketplace provides, the organization will need to put considerable effort into managing the information that will enable future-oriented decision-making.

Change is the Only Constant

The elements in a global organization's operating environment are multidimensional enough without the aspect of time; however, in a dynamic world changes will naturally occur in all areas of the operating environment. Change, too, can come from different directions: competitive moves in the industry, changes in customer preferences, changes in technology, and evolving megatrends.

The recent years have provided numerous practical examples of change in the operating environment to which organizations have needed to react. Some have been able to capitalize on growth opportunities, gain market share, or form new partnerships, while for others being once caught in an unpleasant surprise may even have marked the start of a new era in managing business information in a systematic manner.

Figure 1.2 highlights examples of recent developments and events that have had an impact on organizations across industries and geographies. These topics have presented themselves to organizations as either opportunities or threats, depending largely on how well the facts have been understood and turned into successful decisions.

- **The rise of China and the Chinese companies** has been under the radar of most global companies and public organizations for years already. However, what many Western organizations still do not have much knowledge of is the impact of Chinese companies entering their traditional home turf, either through mergers and acquisitions or other forms of business. Some may think of this as a threat, but the phenomenon will also generate tremendous opportunities for many. Whichever the case, and indeed to find out what it might be, the first thing for organizations outside of China to do is to build insight about the topic and turn it into successful decisions.

- The **growing middle class in emerging economies** will present tremendous growth opportunities for countless companies in different industries, as these
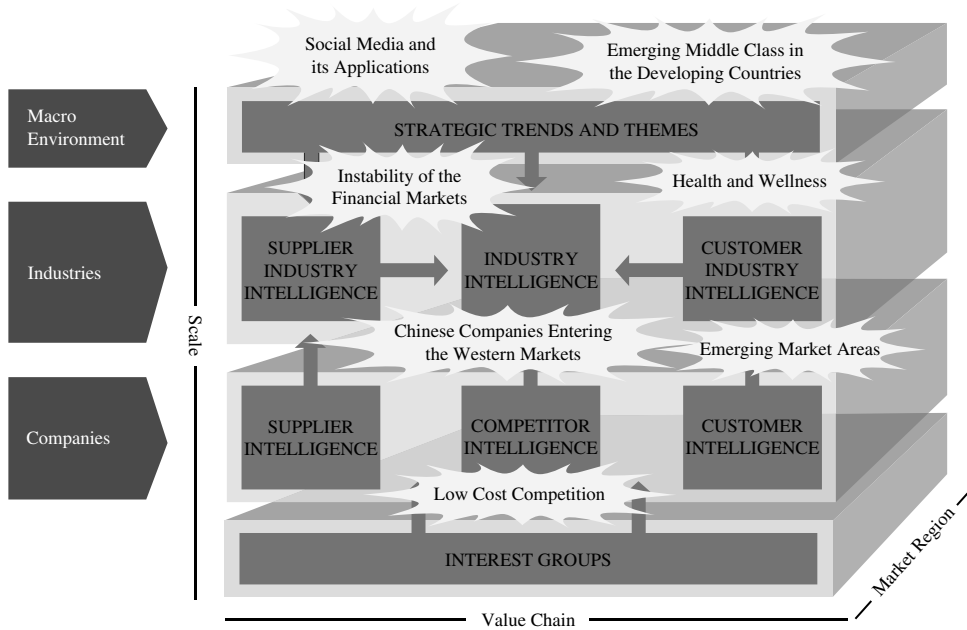
Figure 1.2 Changes are constantly happening in different parts of the operating environment

consumers adopt the habits of traditional Western consumers: they will fly and drive, they will need household appliances, computers and mobile phones, they will go to gyms and restaurants, and they will use services ranging from laundry to interior design. As a group of customers, the emerging middle class is new to most potential suppliers, hence lots of effort to understand their preferences and behavior is in order.

- The **financial crisis** took full effect in late 2008 and has since been discussed and analyzed immensely; however, it is still a very good example of how developments in the marketplace can surprise companies and cause remarkable damage. Even though most companies were not in a position to prevent the crisis or even influence it in any way (rather, the crisis uncontrollably influenced them either through direct actions of other market players or perhaps through shifting trends), some companies emerged from the subsequent recession stronger than others. For many of the ''winners'', having already included the financial crisis in the possible future scenarios likely provided a competitive edge at least after the initial market shakeout, as they had already made action plans for such a scenario.

- **Health and wellness** is a megatrend that is now expanding from being ''luxurious fun'' of a limited segment of consumers to being even a prerequisite for employment or at least career advancement in some parts of the business world. What this means for the business, not only for the health and wellness sector but also for the recruitment services industry, food industry, or, for instance, media and publishing should be on the radar of companies in these industries.

●   By now, **social media applications** are familiar to most in the business world, yet countless companies still struggle to make sense of the opportunities and threats of social media to their own business. Understanding topics that range from the features of certain technical applications to psychology of the masses would present sizable business opportunities for not only consumer businesses, but also, for instance, hi-tech companies that want to tap into their organization's innovation capability.

DECISION-MAKING REQUIRES INSIGHT, NOT JUST INFORMATION

In parallel with the growing complexity of the global marketplace, the amount – and the range of quality – of available market information has also increased enormously over recent decades. Many decision-makers feel the symptoms of an ''information paralysis'': any additional piece of information will only make it more difficult to digest it all and distinguish the relevant parts to utilize in decision-making.

Managing business information, that is, finding the relevant data and processing it into insights that will aid growth-oriented decision-making has become a distinct area of professional competence. Most decision-makers do not possess such competence, and it would not make much sense for them to do, as they should indeed concentrate their efforts on drawing conclusions based on information rather than spend time on learning about information sources and tools. Hence executives will need experts to handle the information retrieval and processing that is inevitably associated with high quality decision-making in today's complex business environment.

Another bottleneck to dealing with masses of information, along with the lack of specific skills, is of course the lack of time. Even if executives did possess in-depth knowledge about the information sources that are relevant for their company, it would be hugely unproductive to have them spend their time on going through data and processing them into insight, when someone else can do it for them and become a valuable expert in the company's business while doing so.

Yet another addition to the challenge of managing the growing mass of business information are the insights that already exist in the organization, that is, the knowledge, views, and experiences of colleagues at many levels of the organization. Decision-makers would do well to tap into this pool of insight when preparing for important decisions, but how to do it in an organized fashion?

MARKET INTELLIGENCE: TURNING DATA INTO INSIGHT

We have discussed the challenge decision-makers face of having the right business information at their fingertips when decisions are due; decisions that should lead the organization towards a future that the customers, employees, and shareholders alike will be happy with. We concluded

that, at the end of the day, the decision-makers' task is not very complicated: to understand the operating environment, to compete in it, and to grow the organization profitably. At the same time, we acknowledged that the operating environment is getting increasingly complex, as is managing the information concerning it.

This book is about supporting the goal of companies to "Understand, Compete, and Grow" through organized Market Intelligence (MI). In the following, we will introduce the concept of MI and its critical role in generating market insight, promoting competitiveness, and achieving growth.

WHAT IS MARKET INTELLIGENCE?

MI[1] helps organizations understand their business environment, compete successfully in it, and grow as a result. As a program, MI collects information about market players and strategically relevant topics, and processes it into insights that support decision-making. Organizationally, MI is typically placed under strategic planning, business development, or marketing.

Summarizing what has been discussed already, MI is business critical for two reasons above others:

1. The operating environment of organizations is getting increasingly complex and dynamic, and, as a reflection of this complexity, accurate business information is needed not just by the headquarters but virtually all levels of the organization.

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 and process what is truly relevant for decision-making purposes.

MI as a discipline is both old and new. All organizations operating in a competitive environment have always needed intelligence to learn about what the market wants from their products and services, and what is being offered to customers by the competition. Traditionally, the intelligence activity has often been narrowly perceived as "keeping an eye on the competition", which has sometimes even earned it a shady reputation. Whatever the focus, the intelligence activity has often been performed rather randomly by small teams or individuals in different parts of the organization.

Yet more recently – as dictated by the global economy and the complex requirements set for modern strategic planning, sales, marketing, and innovation management – MI has reached a position in the organization that compares to other professional support functions such as risk management,

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[1]*Market Intelligence (MI) is sometimes used interchangeably with Business Intelligence (BI) or Competitive Intelligence (CI). Whereas CI typically refers to the same concrete activity as MI, BI in most cases rather refers to computer-based techniques used in processing numerical business data.*

PR, or sourcing. To be successful, an increasingly knowledge-intensive enterprise simply cannot do without an organized intelligence program as one of its support groups.

Indeed, the Global Market Intelligence surveys conducted by GIA have demonstrated that, in organizations where MI has been systematically organized, decision-making is more efficient compared to organizations without an MI program: four out of five respondents with an MI program in place typically believe that information necessary to support decision-making is available immediately or after a short delay, while only half of the respondents without an MI program feel the same. The GIA surveys have also reported decision-making in organizations without MI slowing down because of the time consumed by executives on wading through large volumes of data, and executives fearing to make poor decisions due to inaccurate or faulty information.

MARKET INTELLIGENCE AS A PROGRAM

Fundamentals

Processing business information into actionable insights that help organizations understand, compete, and grow in their market is a cyclical process. Within the cycle, a needs analysis always drives the process where data are collected and processed into analyses that will be utilized in decision-making.

Decision-makers need MI both in the format of ad hoc projects and on a continuous basis. Ad hoc projects usually relate to very specific decision-making situations such as entering certain geographical market areas, as in our example in the beginning of this chapter. Continuous market monitoring, in turn, is necessary for the organizations to maintain awareness about the current developments in the marketplace, for example, in the newly entered market area.

In a world class MI program, information from external and internal sources is combined into a systematic intelligence process that serves decision-making with timely and accurate MI that helps them capitalize on opportunities and avoid threats.

The existing literature on MI and Competitive Intelligence (CI) largely addresses specific aspects of the MI activities, ranging from information collection techniques and analysis methods to discussing the ethics of the entire intelligence activity. However, based on the consulting experience of the authors with companies in different parts of the world, the most important questions that companies face when considering the options for organizing their intelligence activity are rather more strategic and organizational than tactical and focused on methods and techniques:

- How do we go about organizing and resourcing a program that enables us to systematically make well-informed decisions?

- How are other companies doing it and how do we compare?

- What are the expected benefits and the required investments?

- How can we measure progress once we have started something?
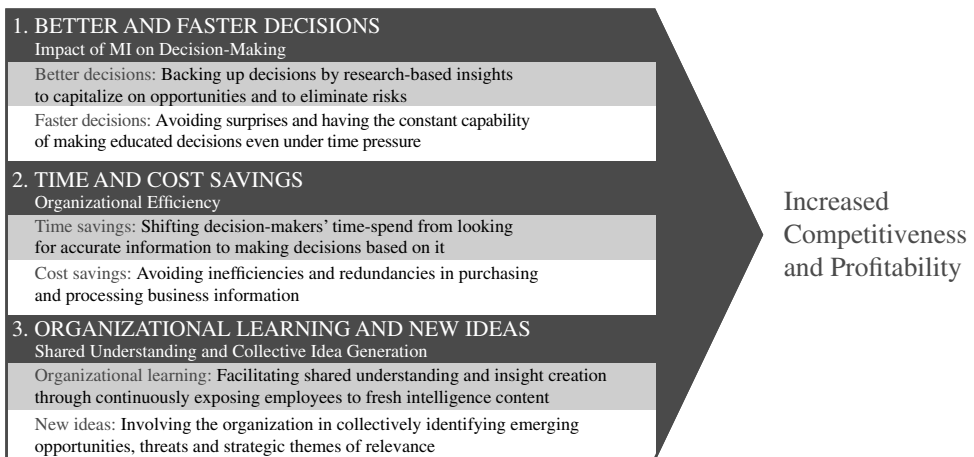
Program Benefits

MI programs have by now been established in most large companies around the world. However, heads of MI still often find it challenging to clearly communicate the hard and soft benefits that the investment in a corporate MI program is expected to yield, especially at times when budgets are under scrutiny. The benefits of systematically organizing an MI program can be grouped under three categories as has been illustrated in Figure 1.3.

Impact: Better and Faster Decision-Making

What the corporate MI program yields as a result should be demonstrated by the organization's competitive success in its operating environment. The intelligence activity should be able to continuously produce deliverables that respond to true information needs and provide such valuable business support that timely and educated decisions are being made as a result.

In its eventual impact on decision-making, the financial worth of a well-organized MI program may be enormous, yet it is hard if not impossible to point out and quantify exactly which MI efforts contributed to which successful decisions and by how much. These benefits are therefore considered qualitative in nature.

Even though it is often hard to put a finger on exactly how big an impact MI efforts have had on the quality of a single decision, it is safe to say that an organized MI program improves the average quality of decisions made. When decision topics regularly go through a systematic process of research

Figure 1.3   Benefits of a systematic MI program

and analysis, the resulting decisions will be based on solidly grounded insights into aspects covering anything from the anticipated competitive response to compliance with the governing laws. Over time, this tradition makes an intelligent organization, and business literature continuously brings us success stories of how such organizations have survived even critical periods of transition.

However insightful and well grounded the decisions in an organization are, sometimes they are just made too late. One of the characteristics of an organization where the intelligence program is deeply rooted is the capability to react fast, that is, an ability to reach decisions quickly while its slower peers may still only be digesting the original surprise. The speedy process of course should not compromise the quality of the related analysis; again a reason to have an intelligence infrastructure in place that can handle rapidly emerging topics for research and analysis.

Case: Intelligence Input to Strategy at ABB

ABB is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. Interviewed for this case article was Daniel Niederer, Assistant Vice President, Head of Strategy Controlling and Operations.

Background on ABB

Intelligence activities at ABB weren't always in such a visionary shape. In 2004, ABB was in the process of recovering from a lengthy crisis that had resulted from poor financial performance. The cost-cutting exercises had slashed most non-business critical activities in the short term, and Business Intelligence (BI) had been one of the sufferers.

Niederer describes the situation: "New executives were hired who obviously had an urgent need for accurate business information, based on which they could make decisions on both strategic and operational level. Back then, we came to the somewhat embarrassing conclusion that investment banks and consultants knew more about ABB's competitive situation than we did ourselves."

Virtually no-one was equipped to provide answers to the management's questions in-house, and Niederer with his team in the Corporate Strategy department made it their mission to change this.

Because of the dramatic downsizing that had taken place earlier, Daniel Niederer says the company still had a relatively poor intelligence capability back in 2004. They were faced with several challenges:

- BI work was mostly an insular activity.

- BI was poorly coordinated, and different types of BI products existed in the organization that were completely unknown to each other.

- There was no-one clearly responsible for corporate BI.

- No BI recognition or awareness existed from top management.

- As a result, no commonly shared understanding existed about the competitive landscape.

Structured MI for ABB's Strategy Process – Framework

Getting to work to improve ABB's BI operation, Niederer and his team developed a BI model that was based on three different frameworks. These frameworks serve to ensure that ABB has a continuous process in place to cater to the BI needs of different end users, while at the same time maintaining an umbrella view of the business environment of the entire organization.

- The first framework is the standard intelligence cycle that helps ABB get the structure in place for an on-going BI capacity.

- The second framework presents the different BI areas where ABB is active: BI as a whole has been divided into CI, MI, and macro intelligence.

- In the third BI framework, described in the table in this case study, ABB has made the distinction between strategic and operational intelligence.

Strategic intelligence	Scope of ABB BI network
❍ *Long-term strategy of competitors*	❍ *Focus on most common denominator between ABB's very diverse businesses to reduce complexity*
❍ *Outspoken long-term goals and targets*	
❍ *Mergers, acquisitions, and divestments*	
❍ *Portfolio analysis, touching point analysis*	❍ *Strategic intelligence enables management decisions, but may not have the highest relevance for front line sales*
❍ *Market share, regional competitive position*	
❍ *Footprint: manufacturing, engineering, R&D*	
❍ *Financial benchmarking*	

Operational intelligence	Scope of front end sales, marketing, and R&D
❍ *Product level comparisons*	❍ *Operational intelligence has the highest importance within its respective organizational silo, but would be too complex for group level*
❍ *Detailed analysis of product features*	
❍ *Analysis of competitors' go-to-market tactics*	
❍ *How to beat competitor X with product Y?*	

Focusing specifically on strategic intelligence, Niederer lists out the primary issues under ABB's radar screen:

- Long-term strategy of competitors.

- Articulated long-term goals and targets.

(Continued)

- Mergers, acquisitions, and investments in the industry.

- Portfolio analysis and touching point analysis.

- Market share development and regional competitive position.

- Footprints: manufacturing, engineering, R&D.

- Financial benchmarking.

"From the long list above, we generally need to put specific focus on the common denominators between ABB's very diverse businesses in order to reduce complexity", Niederer says.

Results of the Strategic Intelligence Capability

"We have developed a portfolio of different Business Intelligence products in order to respond to different end users' needs in different situations", Niederer describes. "It is very important to standardize the Business Intelligence products in order to reduce complexity through operationalized Business Intelligence and high recognition value with all Business Intelligence stakeholders."

The output is delivered through several media: presentations, face-to-face discussions, seminars, and workshops. Each Friday, a report is sent to the ABB Group's CEO, CFO, and other members of the executive committee. The purpose of the Friday briefing is not to provide rocket science, but rather to recap the most important issues from that week.

ABB's intelligence team also produces quarterly reports for management that cover the macro environment, vertical industries, markets, and competitors. The quarterly report is a thorough research package with extensive analysis included.

"We also give intelligence presentations to ABB's Head of Corporate Development, who is a member of the ABB executive committee who in turn makes presentations in the executive committee or to the Board of Directors on a regular basis", Daniel Niederer says. "However, most intelligence products end up being delivered through our dedicated Business Intelligence Portal, so that everyone with an access to the tool can retrieve the information for their personal needs."

Case: To Divest or Not to Divest

Niederer describes a specific decision-making situation where strategic intelligence was needed to back up the decision: "The management was evaluating the potential divestment of a certain part of a business. The perception was that the business did not seem to have a sound outlook for the future since the market growth was limited."

"We did our analysis and came to the conclusion that the future capital expenditures of the particular vertical industry where this business was active in, were in fact likely to increase quite dramatically. Based on this intelligence, the divestment plans were stopped. It seems now that our analysis was indeed right, the industry sector picked up and ABB is making good business in that field."

Lessons Learned

When asked about the key success factors in developing effective strategic intelligence, Daniel Niederer raises three different points:

- Become a preferred business partner to management by delivering customized and dedicated intelligence services. "We should be the preferred speaking partners to management. We do this in-house by adding the kind of value to the output that no external source could achieve."

- Deliver professional intelligence – go beyond the facts. "It is essential to deliver intelligence rather than just data. In order to be able to do this, resources will be needed in the form of both time and money. Integrating Business Intelligence with especially the strategy process is vital."

- Communication and customer awareness. "Business Intelligence output has little impact if it's not marketed internally. Business Intelligence products should be discussed in management meetings, sales events, and marketing meetings alike. End users of intelligence output should be aware of the intelligence efforts in order to be able to learn from each other and share best practices in Business Intelligence. One thing, for instance, that we could have done better from the beginning is to have focused more on the intelligence needs of BU marketing managers."

EFFICIENCY: TIME AND COST SAVINGS

The impact of an MI program on decision-making is of course the primary justification for its existence. However, regardless of what its eventual impact is, in today's corporate world it is safe to assume that almost every organization gathers and disseminates business information somehow, which brings us to the efficiency perspective: if time and resources will be put into collecting and analyzing information in any case, it makes a big difference whether this process is organized and cost-efficient or not. While the impact of MI on the quality of decision-making is hard to quantify, the efficiency of an intelligence program can be quite accurately measured in both time and money.

Accurate information is needed to back up decisions, and without a systematically organized intelligence program, decision-makers repeatedly find themselves in situations where they have to dig for missing pieces of information. Over time, this collective search by executives becomes very

expensive for the company, and organizing the MI program therefore yields measurable benefits in the form of liberating decision-makers from searching for to actually using information. The related cost savings can be derived from the amount of expensive hours that executives save by always having the information they need at their fingertips when they need it.

Another form of very measurable benefits of MI is cost savings through optimizing the purchases and processing of information. A large organization easily spends millions of euros or dollars annually on different forms of business information, and several people may be analyzing the same topics internally without knowing of each other's efforts. If this activity is not centrally coordinated, overlaps are hard to avoid, and it may be that no one knows exactly how many budgets are being tapped into at different levels of the organization. Coordinating the purchases and processing of information therefore helps the organization to control the overall MI budget, to negotiate better deals with consultants and information vendors, and to eliminate redundancies.

Case: Creating Business Impact through Market Insights at a Global IT Company

The best MI programs exist to create true impact on business and help companies generate revenue. The degree of business impact greatly depends on how well MI is embedded into the decision-making processes and what the level of collaboration is with key stakeholders.

Our case company has organized their MI program around a set of fundamental principles.

Aligning MI to Business Priorities

Seeking for growth is the one over-arching business priority that drives the activities in the company, especially after the recession in 2008–2009. MI is no exception. Everyone involved in it will have to align their daily work to support the company's growth.

Running a Business within a Business

The MI team is essentially run like a business inside the company; the team wants to continue to thrive and be viable, therefore using its services needs to make business sense for the company. To stay tuned to the business priorities the MI team regularly meets with experts such as business unit CFOs, chief economists, or external speakers.

Partnering with Business Leaders

Without partnership with business leaders, there's no impact on business: and without an understanding of business priorities, there's no partnership with leaders. The true power of an MI organization is reached at the nexus of understanding the business context and matching it with the MI-specific skills and capabilities that the rest of the organization does not possess.

Organizing the Team to Drive Impact

In our case company the large MI team has been organized around skills and expertise, as experience suggests that specialization typically drives the heaviest business impact. Hence they have analysts that partner with business leaders, supported by research specialists of various topic areas.

Contributing to the Bottom Line

The MI team strives to impact the bottom line by focusing their efforts around four types of engagement:

- Proactively identifying pockets of growth

- Uncovering inhibitors to growth

- Providing foundation to key growth initiatives

- Supporting the sales team in revenue growth

Based on their work on the above topics, the MI team delivers to the organization by recommending how to expand beyond core base of clients, alter current strategies, capitalize on trends in the market, or take out competition.

ORGANIZATIONAL LEARNING AND NEW IDEAS

Finally, the third category of MI benefits highlights the role of MI in facilitating the development of a shared understanding in the organization about its operating environment and in that way involving a large part of the organization in generating valuable new ideas.

Organizational learning and collective idea generation contribute to the eventual impact of MI on decision-making, but refer more to the process of constantly having potentially relevant topics for decision-making on the radar than to the actual decision-making itself. Having many years experience on the ground also contributes to the company's ability to implement decisions rapidly, as the organization, being collectively aware of the developments in its business environment, is prepared for and even expects swift reactions from the decision-makers.

ABOUT THIS BOOK

FULL-BLOWN INTELLIGENCE PROGRAMS ARE MOSTLY FOR LARGE COMPANIES

As much as MI is necessary for any size of organization in any industry in order for them to target their customers in an educated manner and maintain an understanding about their competitive environment, we don't suggest that any company should develop a formal intelligence program

like the ones discussed and showcased in this book. We are describing a structured and process-oriented way of systematically building up an intelligence program that will have the capacity to respond to the intelligence needs of a large and often globally operating organization. What exactly is ''large'' varies between industries; however, in our experience, annual revenue of €100 million is a signpost below which developing a full-blown systematic intelligence program would in many cases be exaggerated. There are exceptions to this rule: even some smaller companies may be investing very heavily on rapid growth at a global scale, and to support it, they will need to invest in a robust MI program as well to develop the necessary understanding about the various market areas in which they intend to do successful business.

INTELLIGENCE PROGRAMS ARE BEST SUITED TO STRUCTURED MANAGEMENT SCHEMES

Besides the size of the organization, its management style will also often determine whether the approaches presented in this book will be fully applicable. We are presenting a structured and process-oriented approach to developing world class intelligence programs, and this is typically best suited to organizations that are run with a relatively structured management scheme. We realize that not all organizations have a set of recurring processes such as an annual strategy process in use; however, the frameworks and approaches discussed in this book will find their most natural context in the existing corporate business processes.

PEOPLE GENERATE THE IMPACT

Everything said about the process-oriented approach of this book, we want to emphasize the critical role of humans in bringing any world class intelligence program to life. Processes, templates, tools, and organizations alone will not perform the intelligence work, nor will they have the power of influencing the future of the company. Rather, behind every ''needs analysis'', ''process phase'', ''template'', ''market signal'', and ''analysis'' there's an individual or a group of people who will need to use their personal skills and character to produce anything ranging from smart information retrieval to insightful consulting about where the company's business may be heading. Of course the same individuals will not necessarily have to possess the same set of skills (rather, it makes sense to divide the responsibilities among the intelligence team if there are several people involved), but all the same the eventual impact of the intelligence program will always be attributed to people, not structures and processes as such.

STRUCTURE OF THE BOOK

After introducing the drivers for MI in global organizations, we will move on to providing the most recent global facts and figures related to corporate MI programs in large organizations in Chapter 2.

Part 2 of the book, that is, Chapters 3–9, will discuss the GIA Roadmap for developing world class MI. The Roadmap contains six Key Success Factors, each of which will be introduced and show-cased in a dedicated chapter.

Part 3 of the book, that is, Chapters 10–14, will discuss how MI is best leveraged for successful decisions in different decision-making contexts: strategic planning, marketing, sales and account management, innovation and product management, and supply chain management. We will also present MI as the facilitator of continuous current awareness in the organization about the important developments in its operating environment.

In Part 4, that is, Chapters 15–18, we will first address the "How to" questions in introducing Mark, the head of MI in a logistics company who initiates an MI program and subsequently works to take it towards world class levels in a coordinated fashion. Chapter 17 is entirely new in this second edition of the book and concentrates on a burning topic for intelligence professionals and executive decision-makers alike: how to demonstrate the value and benefits of the MI investment. Finally, in Chapter 18 we will discuss the trends and anticipated future developments in MI in global organizations.

Throughout the book, we will present case examples showing how large and mid-sized global companies have organized their MI programs and are leveraging them for well-informed decision-making.