



Building a Strong Intelligence Team

Having a dedicated market or competitive intelligence team in-house is not only a cost-saving measure to save on research fees, but also a strategic tool to support important senior management decisions. Whether improving market performance, entering new territories, launching new products, or repositioning current offerings, having an intelligence unit on call shortens and enhances the question-to-decision cycle.

However, building an in-house CI team is not for the faint-hearted. It can take years to establish a cost-effective and functionally relevant intelligence unit that is recognized and supported across the company.

Direction Setting

Yet prior to organizing a CI unit, a company should first answer 2 key questions:

- o Who are the ultimate users of the intelligence?
- o How will the intelligence be used or applied?

The first question defines who the customers should be. Often these are the senior executive decision-makers, or the CEO. The CI service is not a help-desk or a library that serves everyone who comes with a business question. Having a clear definition of who the customer is allows the CI unit to tailor 80% or more of their efforts for this person. Everyone else can wait, or can be served differently, or trained to find information themselves.

The second question determines how the intelligence will be served to the customer. Is it for weekly decisions affecting markets, products and pricing? Is it for finding new business opportunities? Or is it to ward off competitor actions and threats? The answers will determine the intelligence content, frequency, and mode of delivery to ensure that the right information arrives at the right time in the right format.

One executive may require a price and market share table across competing products and brands, delivered weekly, in a simple easy-to-digest MS Excel format. Another might want an in-depth analysis of possible business investments within a given market, complete with charts and graphs, in MS PowerPoint. While a third CEO could ask for real-time alerts about important events related to markets or competition, delivered every day, through instant messaging.

These questions have to be asked on a regular basis, as part of a feedback and review mechanism, to ensure that the CI unit remains relevant to the organization.

Location, Location, Location

Much like a retail business, the position of the CI unit will be a key determinant of its success. The rule-of-thumb is that the team should be as close as possible to the decision-maker or executive it supports. The head of unit should hold a senior management position to insulate the function from internal office politics.

Common locations for the CI unit include the CEO office, strategy group, or marketing departments. In some instances, the CI team can be a stand-alone unit supervised by the COO/CFO, serving various business unit heads. Or even reporting to the Board of Directors in special cases. The important consideration is that the CI unit must have a direct contact with the key decision-makers in the company so that intelligence requirements can be given instantly, and the team's outputs can be utilized immediately after they are generated.

Command and Control

Most intelligence units are organized in any of 3 possible ways: centralized, decentralized or hybrid.

A highly **centralized system** is more oriented toward strategic requirements, serving only the CEO or a few very senior executives, working on big-decision projects like pre-M&A target evaluation, new market assessments, or competitor capability & intent analysis. The unit coordinates the tasks centrally, relying on resources and data across the company, but carries out the work itself with very little empowerment across the firm. As such, the collection, interpretation, analysis, and communication of intelligence will be carried out within the team alone. This system also treats the production and distribution of intelligence much like that of physical goods, because they can be processed and transferred from one point to another without any difficulty. Because it is centralized, information either goes vertically up or down the hierarchies but not laterally across the other divisions or departments.

The second organizational option is a **decentralized system** which is more oriented towards tactical or operational requirements of key departments, divisions or business units. Ideal for quick answers and insights in support of sales, marketing, distribution and product decisions which are made on a regular basis. Under this structure the intelligence capability is distributed to the frontline units for a more efficient processing of collected data into actionable insights. In order to make this work, the team members of the CI unit are strategically spread across the key divisions or departments of the organization. Yet while they will be effective at producing tactical intelligence, it is rare for them to be able to support the strategic requirements of the CEO at the same time. Furthermore, the main thrust of the CI unit under a decentralized system will be to coordinate activities, projects and functions across intelligence clusters. Yet a disadvantage of this system would be duplication of efforts or redundancy, thereby incurring extra costs.

The third system is a mix of both the centralized and decentralized systems. A **hybrid system** addresses both the strategic and tactical requirements of a company, serves the CEO, senior executives and all key department heads, has teams that are dedicated and distributed at the same time. This is a more mature structure to operate, requiring large teams, and more experienced team members. Typically, this structure is arrived at – after initially experimenting with either the centralized or decentralized configuration – rather than purposely built from scratch. This is the ideal structure of the intelligence team where all major decision requirements of the company can be addressed, where information and knowledge sharing will be freely flowing, and where the understanding and appreciation of the intelligence function and capability is well assimilated across the organization.

Many organizations have tried to set-up its own dedicated intelligence function, only a few have managed to get it right. Company culture, leadership support, acceptance of the intelligence role, and the decision requirements, all contribute to the shape of the CI unit. This can be a tedious process that will require some experimentation and a lot of patience, as the organization builds a suitable CI team. But once a near-perfect fit is found and established, then great rewards can be reaped.

Actelligos is a market and competitive intelligence company with 20 years of experience in the Asia Pacific region.

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