

DEFINING A BASIS FOR THE NEW CONCEPT OF COMPETITIVE INTELLIGENCE

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Abstract

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The present paper discusses the basis for the new concept of Competitive Intelligence because the author considers the currently existing concept of Competitive Intelligence as inadequate which fact is documented in the publications by some authors. The aim of the paper is to propose some basic approaches to the new concept of Competitive Intelligence which might be able to ensure the creation of materials for the strategic decision-making of a company in the challenging business environment. The methods applied in the paper are: analysis, synthesis, comparison, and deduction.

In the following part of the paper the author explains his bases for the new concept of Competitive Intelligence.

The bases of the author's concept of Competitive Intelligence are the following: a) Competitive Intelligence as a forecast of the future, b) emphasis of directing Competitive Intelligence to the area of strategic management, c) Competitive Intelligence is viewed as a system application discipline, d) the information is viewed in connection with the analyst's person, e) Competitive Intelligence works on the principle of a government intelligence service, f) two-level activity of Competitive Intelligence, g) in the final report of Competitive Intelligence there must be a proposal for the hypothesis realised by the competitor, h) Competitive Intelligence is understood as an engineering activity, i) emphasis on the application of legality and ethics in the activity of Competitive Intelligence. Even though some of these bases are generally recognised already, they have never been published in summary. This summary of bases is subsequently reflected in the new work of Competitive Intelligence as the creator of materials for strategic decision-making of the company's top management.

Keywords: competitive intelligence, new concept of CI, bases for solutions, two-level activity of CI, legality of CI, ethics of CI, engineering, CI as a basis for strategic decision-making

INTRODUCTION

In the present turbulent environment Czech companies are finding out that the current activity of Competitive Intelligence does not meet the required standard. This has several reasons. The following two belong among the most significant. Firstly, there is a considerable lack of experience in intelligence work in securing so-called primary information from the target

environment¹; secondly, some of the "western" methods are being adopted indiscriminately in the Czech business practice without acquiring the necessary know-how. In addition, the situation of our companies is also very strongly negatively affected by the current crisis; see e.g. (Krause, 2010).

In a crisis, a painful process takes place of removing everything that is old and obsolete, it means removing all that will not be sufficient

¹ In the general practice of Czech companies they gather only the readily available secondary information (mostly from the internet). Such secondary information cannot provide a sufficient basis for creating any added value and ensure the establishment of reasonable intelligence.

in the new period! It is a well-known fact in the business practice, that there were many losing companies at the end of each crisis but there were also a number of new ones who emerged victorious from the crisis and were stronger than ever. They were companies which on the basis of **well established intelligence** prepared their new business plans on time, mostly based on value or disruptive innovation and, choosing the right competitive strategy, were able to successfully implement it in the market in the right time.

The aim of the present paper is to propose new approaches to the basic concepts of Competitive Intelligence which would be able to provide data for the creation of materials for the strategic decision-making in a company in the challenging business environment.

METHODS AND RESOURCES

The methods applied in the paper are: analysis, synthesis, comparison, and deduction.

Most international companies have been acquiring information about the competition in various informal ways for many years. In the 1970s Montgomery and Magowan (1979) issued a key publication *Towards Strategic Intelligence Systems*. In the U.S. the *Society of Competitive Intelligence Professionals*² (SCIP) was established in 1986. Among the impulses for this was the publication of the books by M. E. Porter *Competitive Strategy* (1980) and *Competitive Advantage* (1985) in which it was documented that strategic analysis is an important and integral part of the company's strategy in relation to the competing companies.

An analysis of the available literature regarding the job descriptions and procedures applied by Competitive Intelligence officers in the field of intelligence analysis shows that in addition to defining the basic activities in individual stages of the intelligence cycle, there is no stable or standardised methodology. See, e.g. the publications by Fuld (1995), Kahaner (1997), Liebowitz (2006), Hall & Bensoussan (2007). In particular, the publication by Carr (2003) describes the working methods of 15 leading experts on Competitive Intelligence in the U.S.

Based on the above, we believe that it is necessary to fundamentally change the approach to the implementation of Competitive Intelligence in our companies, also with regard to the latest trends in international trade.

Globalisation and the associated development of future competitive environment is one of the key factors affecting the development of Competitive Intelligence. This requires a qualitatively different approach to the acquisition and subsequent processing of information. Hammer (2002) claims

that "...Globalisation represents fundamental changes in international trade."

These changes are reflected in the increasing rivalry among competitors. The growing competition on world markets increases the demands on the information needs of top management in companies which exacts the subsequent increase in the level of Competitive Intelligence. It is therefore typical of the modern concept of Competitive Intelligence that it is abandoning the experimental procedures described for example by Carr (2003) and is switching over to more structured and highly sophisticated methods.

Based on research carried out by Bensoussan & Densham (2008) it can be stated that Competitive Intelligence is currently one of the fastest growing disciplines in international business. This is being confirmed by the results of research not only in developed countries but also in Australia, South Africa, Canada, etc. Japan, Sweden, Israel and the USA are among the world leaders in the field of Competitive Intelligence. In these countries Competitive Intelligence has gained its rightful place as a recognised business discipline and as an important source of attaining competitive advantage. For this reason, in addition to the usual short courses focusing on basic principles of Competitive Intelligence, there are new offers of Competitive Intelligence courses both in MBA and degree programmes at prestigious universities. For example, in the U.S. John Prescott organises a Business Intelligence course at the Katz Graduate School at University of Pittsburgh where the acquisition of information is based on ethical rules – codes. Similarly, we can talk about Fuld & Company, Inc. Many business companies operating in the international market even build their own training centres. According to Liebowitz (2006), Motorola has its own training centre of Competitive Intelligence. And there are many more.

As for Czech companies, it should be noted that in the vast majority they do not have any Competitive Intelligence departments in their organisational structures. Those companies that do their competitive intelligence usually implement the so-called signal intelligence and a random gathering of generally known data. Instead of intelligence analysis they carry out only the common strategic analysis. The results of such activity cannot ensure the preparation of data for strategic decision-making of the top management, see, for example, publications by Kocmanová, Dočekalová (2012), Landa, Martinovičová (2010). Companies operating in the international market lack, for example, the analysis of the competitiveness of tax systems (Brychta, 2010), etc.

2 Since 2010 (8. 7. 2010) Strategic and Competitive Intelligence Professional.

With such low standard of Competitive Intelligence our companies are seriously handicapped compared to their foreign competitors. For these reasons there is a demand for the development of efficient Competitive Intelligence based on such principles that will ensure the meeting of the above challenges arising from the current business environment.

RESULTS

It follows from the above that it is necessary to fundamentally change the approach to the understanding of the concept of the term of Competitive Intelligence and, especially, to the added value of the created or received information.

This means that **Competitive Intelligence** must be able not only to obtain information relevant to the strategic company decisions but by analysing and evaluating it properly it has to be able to add value to it through which the top management of the company will be able to attain the genuine competitive advantage over competitors in the market. This means that for decision-makers the information becomes an advantage (a weapon) only at **the moment in which it is turned into intelligence**. This means that they **realise its importance in the context of the opportunity to acquire or create a competitive advantage for the company**.

Bases for our Concept of Competitive Intelligence

We consider it of key importance for the development of Competitive Intelligence to declare the bases of our concept of Competitive Intelligence:

- a) Competitive Intelligence as a forecast of the future.
- b) Emphasis of directing Competitive Intelligence to the area of strategic management.
- c) Competitive Intelligence as a system application discipline.
- d) Information is viewed in connection with the analyst's person.
- e) Competitive Intelligence working on the principle of a government intelligence service.
- f) Two-level activity of Competitive Intelligence.
- g) Proposed action against the hypothesis realised by the competitor.
- h) Competitive Intelligence as an engineering activity.
- i) Legality and ethics of Competitive Intelligence.

DISCUSSION

a) Competitive Intelligence as a Forecast of the Future

Henry Fayol distances himself from the view of most other authors of management publications believing that "management means forecasting" (Fayol, 1949). We believe that the following idea of Prof. Jirásek (2008) is the basic philosophy of a Competitive Intelligence department:

"In any present time we can find elements of the past and the future. The future does not arise at an impulse (although it has its periods of decisive changes) but as a result of the process of establishing elements of the future and abandoning elements of the past. However, the degree of social maturity and the pace of evolution have a considerable influence. The main guideline is the new situation; the future less and less resembles the "corrected past" and, on the contrary, it adopts new elements. The knowledge about the future needs to be sought, with some exaggeration, more and more at the "front".

If we examine in more detail the current outstanding results of a particular company, we will find out that they are a result of correct management decisions in the past. If we want this company to have outstanding results in the future, it is necessary to make correct decisions again, no later than **now!** Today, at the time of crisis, most of our companies are forgetting about this **need of the right strategic decisions leading to favourable conditions ensuring the future success of the company in the increasingly challenging business environment**. Instead, they concentrate on their present, even though equally important, existential problems³.

It follows from the above that Competitive Intelligence, if it is well understood in principle and implemented in business practice, means creating "forecasts of the future". **Only if conceived in this way Competitive Intelligence has its importance for a company!!!**

b) Emphasis of Directing Competitive Intelligence to the Area of Strategic Management

Business entities that are able to extract intelligence from legally obtained data and pieces of information will have a significant advantage in the market environment. The achieved quality of intelligence can make all the difference between competing companies. This is where we should remember a very concise statement of P. Drucker (1985): *"Information is the manager's key capital and it is the manager who must decide what information he needs and how to use it."*

Liebowitz (2006) states that *"research by SIS International Research (Klein), which was conducted among*

3 We believe that this skill of a company is what differentiates a successful company from an unsuccessful one.

I: Areas of Competitive Intelligence with varying added value

Added value		Purpose	
	Operative	Tactic	Strategy
Selection (filtering)	Topical research and monitoring		
Assessment (classification)	Contextual research and monitoring	Summary research and monitoring	
Interpretation (understanding)	Situational analyses (description of relations)	Development analyses (development of relations – retro)	Comprehensive analyses (causes of relations and forecast of development)

Source: Vejlupek (2008)

Competitive Intelligence professionals in 2004 showed that strategic planning is an area with the highest added value in Competitive Intelligence⁴; see Tab. I for details.

These are the reasons why we believe that our concept of Competitive Intelligence should focus namely on addressing **strategic** issues of a company.

c) Competitive Intelligence as a System Application Discipline

According to (Dráb, Řezníček, 1975) the systems are characterised as follows:

- “system has its objectives or mission (i.e. social function),
- system has a criterion against which it can evaluate its behaviour,
- system contains subsystems which are systems at their own level; the subsystems are connected in a complex network of relations,
- system is open; it exists in an environment with which it is connected,
- system has material and human resources at its disposal and is responsible for their effective use,
- system is controlled,
- system's stability is secured with high probability for a certain period of time”.

We can also quote some aspects of understanding systems published by Chestnut (1967):

- „System is not stable, it changes in time,
- various methods are available for achieving results,
- there is a common basis for assessing systems (function, performance, speed, accuracy, efficiency, costs, space, reliability, time factor; time of solution, lifetime, etc.),
- the system's environment can influence it significantly.”

For a systematic approach to methodologies designed to address the systems there is a characteristic that defines the understanding of system application disciplines of which there is a large number (it is not only system analysis and system engineering or operations research). Methods which can be regarded as system

application disciplines, according to (Habr, Vepřek, 1972) are typical of the following features:

1. “Immediate practical fitness for use in addressing material and control systems where the traditional methods fail.
2. Interdisciplinarity of the methodology, both in terms of the use of knowledge in a number of scientific disciplines, and in terms of the ability to address various technical and organisational systems.
3. Functional approach and functional modelling in conjunction with other modelling processes with the aim to achieve an assessment of the starting and target state.
4. Teamwork which is the fundamental organisation principle of ensuring the complexity and interdisciplinarity in the solution, selection and evaluation of new solutions in practice.
5. Work plan, a sequence of stages, steps, and operations or algorithms in the process of addressing problems and tasks. This is implemented by the working procedure of the teamwork associated with a certain formalisation of some activities.”

The above-mentioned characteristics of systems correspond with the focus of Competitive Intelligence as a discipline suitable for the creation of materials needed for the preparation of business strategies. In our case, we can define Competitive Intelligence at the level of the 8th class according to Boulding⁵ (Habr, Vepřek, 1972).

In view of the fact that publications of many authors dealing with the application of CI, for example (Fuld, 1995; Kahaner, 1997; Liebowitz, 2006; Hall & Bensoussan, 2007; Carr, 2003), confirm the practical use of teamwork, interdisciplinarity of problems at hand as well as a certain organised method of work, **we can declare that CI can be viewed as a system application discipline. None of the international or Czech authors suggests this interpretation of Competitive Intelligence.**

If we apply functional analysis⁶ on Competitive Intelligence, we can define so-called *user functions*, which according to (Dostál, Loubal, Bartes, 2009)

4 We naturally understand the contribution of Competitive Intelligence for the operative and tactical management subsystem, yet we believe that the major contribution of Competitive Intelligence for the company lies in the area of the company strategic management subsystem.

5 8th class – social system (company, city, state, etc.), creating roles, system of values.

6 Meaning functional analysis applied in a value analysis and value engineering.

II: *System user functions*

	System user function
1.	Defines the objective.
2.	Chooses means.
3.	Prevents inefficiencies.
4.	Removes inefficiencies.
5.	Systemizes information.
6.	Removes vagueness.
7.	Ensures discipline.
8.	Stimulates initiative.

Source: Vlček (1982)

must be defined at the level of a higher system, i.e. in the case of our system, a company where the main user will be the company's top management.

Competitive Intelligence System User Functions

The outcomes of Competitive Intelligence activities are mainly intended for the company top management or middle management, as the case may be. They are always used as a basis for decision-making, i.e. for the control function. This implies that we need to start from the view (Vlček, 1982) that it is “*control information*” which is considered to be a control process tool and as such it has to perform the following functions; see Tab. II.

From these user functions of the Competitive Intelligence system it is possible to derive the so-called key function (KF) which has to ensure these user functions in full scope. In our case the key functions can be defined as follows:

KF = SOLVE TASK (creating intelligence).

Competitive Intelligence System Internal Functions

The key function of the system must be secured by so-called internal or structural functions of the system. This means that the internal function as a whole must ensure the full implementation of the key function and thus all user functions. If we take the basics of system functional analysis, according to (Vlček, 1982) we can define the function as follows: “*function is a description of transformation processes of input quantities to output quantities*”, for details see functional analysis (Dostál, Loubal, Bartes, 2009). Internal functions (basic), see Tab. III, will be activities in various stages of the work plan of Competitive Intelligence; for details see (Bartes, 2012).

Each stage has its functional mission. The stage consists of individual steps that ensure the necessary functions. This is due to the fact that intelligence is not a simple operation but a whole methodological complex for solving a problem in the company where it is difficult to determine the normative solution process in advance. This is a complex analytic-synthetic process leading to creative work where the evaluation of new alternative solutions may not be clear in the first step. This is why additional findings are required for a proposal which would support the decision-making of the top management.

d) Information is Viewed in Connection with the Analyst's Person

In order to define the basis for the new concept of Competitive Intelligence in a way that it meet the above-mentioned requirements it is necessary to deal with the term of “information”. The literature (Ehleman, Rosický, Vodáček, 1994) offers different views on the meaning of information, for example, as follows:

a) “*information is considered as an objective entity, i.e. constant and independent of the recipient, where this*

III: *Internal function of creating intelligence*

Stage	Activity	Type of function
0. stage	Preparation of assignment for Competitive Intelligence team by company management	Input
1. stage	Gathering symptoms, data and secondary and primary information for the assignment	Transformation
2. stage	Analysis of gathered symptoms, data and information	Transformation
3. stage	Transforming gathered data and symptoms into information by way of logical arrangement	Transformation
4. stage	Proposal of hypothetical solutions to the assignment	Transformation
5. stage	Proposals of other possible hypothetical solutions to the assignment	Transformation
6. stage	Evaluation of all hypotheses	Transformation
7. stage	Evaluation of proposed hypotheses in view of their impact on the company	Transformation
8. stage	Drafting company strategy as a reaction to hypotheses	Transformation
9. stage	Confirming or rebutting individual hypotheses or strategies	Transformation
10. stage	Selection of hypotheses and corresponding strategic solutions	Transformation
11. stage	Testing hypotheses and strategic solutions	Transformation
12. stage	Drafting report for top management	Output

Source: own research

information is actually a source accessible to anyone while its availability and/or processing based on formalised procedures play a crucial role.

- b) *the connection of information with its recipient and the possibilities of his behaviour where constant are only data which represent the form, the content of which the recipient interprets based on his knowledge and experience. The information in this concept is gaining a subjective dimension in addition to the problems of its transmission and transformation, its validity, and competences of the sender and recipient, etc."*

If we compare these two basic approaches to the understanding of information, in order to ensure successful business Competitive Intelligence it is necessary to select the concept of information ad b), i.e. that in the processing of the obtained information it will be not only the obtained information but also the context of the potential gain of competitive advantage which will be entered in the solution of this issue that is determined by the experience and knowledge of the relevant staff member as well as his intuition and creativity⁷.

It is very instructive in this case to go back to the view of T. S. Eliot⁸: *"This is a case where it is necessary to take into account not only the concepts, trends, principles for this or that defined case, but to demonstrate "universal intelligence", the ability of a broad concept of problem, orientation in many aspects, with all factors, all conditions, and all circumstances"*.

e) Competitive Intelligence Working on the Principle of a Government Intelligence Service

There is an organisation⁹ that is responsible for creating a methodology that satisfies the need of information at the highest level of national government and that was established for this purpose in the most developed country (USA). Employees of this organisation discovered that their methods of creating documents for the strategic decision-making of the state are one level above most American businesses, and therefore some of them started to transfer their experience into business practice. It is understandable that they could not make their comprehensive methodology

available to the public at large and this is why Competitive Intelligence is still taking shape at the highest business level.

An analysis of the work of leading expert in Competitive Intelligence Carr (2003) clearly shows that those officers who previously worked in government intelligence services use more sophisticated methods than their colleagues who do not have this experience. It is possible to identify a system in their work¹⁰. This means that Competitive Intelligence must also be able not only to obtain important information for strategic decision-making of senior management but it has to be capable of its accurate analysis and add value to it by way of evaluation with the help of which it will be possible to achieve genuine competitive advantage over competitors in the market.

Based on the above we can conclude that for genuinely successful and reliable use of Competitive Intelligence in the business practice the solutions to problems have to be directly **based on the principle of work of the intelligence services**¹¹ which is necessary to support decision-making at the state level, with the difference being that Competitive Intelligence uses only **legitimate sources of information and legal working methods**. Very instructive is the claim of Ellis Zacharias (1946) that *"95 % of all required intelligence, whether it is corporate or military, can be found in the public domain."* This is confirmed by the almost legendary test¹² of the open source potential which was conducted in the USA in 1995. Intelligence analysis is a key factor in the work of Competitive Intelligence.

f) Two-level Activity of Competitive Intelligence

We find it important to describe our idea of the activity¹³ of a Competitive Intelligence department in a company. In principle, this activity consists of the following two levels:

1st level of Competitive Intelligence consists of a continuous monitoring of the company's surroundings. This mostly involves:

- market,
- competitors,

⁷ In this context we can speak of a "mindset".

⁸ Thomas Stearns Eliot (1888), English poet, essayist and playwright born in the U.S. In 1948 he was awarded Nobel Prize in Literature for his *"remarkable, pioneering contribution to the contemporary poetry"*.

⁹ CIA.

¹⁰ For example, Jan Herring a former CIA officer who applied so-called Key Intelligence Topics (KIT), used by CIA for briefing the American President, in Motorola.

¹¹ By this way of understanding the core of Competitive Intelligence we are different from most authors whose concept of Competitive Intelligence mostly slip to some "external" form of Business Intelligence in combination with strategic analysis.

¹² An expert was given a task of preparing the most comprehensive report about the State of Burundi using open sources which was to be compared with information obtained by the intelligence community. the task was accomplished in mere 89 hours. The test result was commented as follows: *"In the case John Henry vs. "steal hammer", John Henry is the winner"*.

¹³ At the moment we are considering the offensive activity of Competitive Intelligence.

- customers,
- industry,
- business partners.

In this activity it is possible to take the following approaches to obtaining information about competitors as a basis. Kotler (1991) differentiates the following four potential basic concepts:

- 1) **“Indirect monitoring:** *general monitoring of information without a specific goal.*
- 2) **Conditional monitoring:** *monitoring a certain area without a goal-directed focus on specific information.*
- 3) **Informal survey:** *searching for specific information without a clearly structured methodology.*
- 4) **Formal survey:** *obtaining specific information following a plan and pre-defined procedures.”*

Information and data undergo regular analysis of information (Bartes, 1997) mostly carried out by the Competitive Intelligence department staff. The results of this analysis are used to update existing information about the objects of interest investigated by the Competitive Intelligence department. These results are mainly used in the current operational management process of the company (ensuring specific operational intelligence needs).

We recommend that you include an independently controlled so-called early warning system, i.e. signal intelligence. Capturing an important signal is one of the possible factors for launching the second stage of Competitive Intelligence activities.

Details can be found in publications by (Bartes, 1997) and (Hammer, 2002). For example, Fuld suggests the following concept of early warning system (Fuld, 2010):

1. *Suggesting possible paths of future development.*
2. *Determining signals to be followed in each possible variant of the future.*
3. *Securing staff that will monitor these signals as part of their daily work.*
4. *Ensuring rapid response of the company in the event that any of the alternatives of the future begins to take shape.*

2nd level of Competitive Intelligence can be initiated by the following potential factors:

- The result of regular information analysis undertaken in the 1st stage of Competitive Intelligence.
- Identification of significant signal by the early warning system (e.g. signal about an upcoming change in the competitor's company, its success, failure, identification of a milestone of an unexpected hypothesis, etc.).
- Decision of the company's top management.

In addition to securing other necessary data and information, in the 2nd stage of Competitive Intelligence a so-called “*intelligence analysis of information*” is carried out and its output should be new knowledge – intelligence.

g) Proposed Action against the Hypothesis Realised by the Competitor

Every CI final report should contain not only the “forecast of the future”, i.e. answers to questions posed by the top management of the company, but also a proposal of measures against the potential impacts of the relevant future actions by the competitors on our business. For this reason it is necessary that the final report contain alternative proposals for measures against the implemented hypothesis.

h) Competitive Intelligence as Engineering Activity

The focus of Competitive Intelligence on the acquisition and preparation of materials for business forecasting and business strategies raises an increasing need to deal with these tasks at the top level. In business practice such required level is engineering. Professor Callaos (Ondráček, 2008) defined the decisive factors supporting engineering activities. These important factors (in Greek) are:

- **Scientia** (*development of new scientific information or knowledge*).
- **Techne** (*development of new methods of doing things (know-how), knowledge management, innovation in design, design*).
- **Praxis** (*development of new work procedures, personal or tacit knowledge, intuition, ethics*).

Callaos defined engineering as follows: “*Engineering is the development of new knowledge, doing things with the use of new techniques and using new methods of work (practice) with the aim to create new useful products (artifacts) or services*”.

The definition of engineering by Prof. Ondráček (2008) very closely corresponds with Callaos' definition of engineering):

“*The term engineering is used in relation to everything that is created or recreated by people:*

- *at the current level of understanding, knowledge and skills,*
- *using created means of expanding the skills of people,*
- *in a formal and purposeful way for a purpose identified and quantified by people”.*

These two definitions of the term engineering form our view of understanding the concept of Competitive Intelligence. We understand Competitive Intelligence in modern business practice as a highly **challenging engineering activity**.

i) Legality and Ethics of Competitive Intelligence

Competitive Intelligence should never involve any illegal practices. This is the reason why the world's leading companies and institutions pay considerable attention to this issue whilst creating “ethical codes” that are applied by leading companies such as *Fuld & Company* and SCIP, the international organisation of Competitive Intelligence professionals.

If we match all these approaches with our demands¹⁴ on Competitive Intelligence, we can define our own term of Competitive Intelligence as *“systematic and ethical application of the intelligence methods and key methodologies which use teamwork in order to:*

- detect and identify symptoms or data and information sources,
- analyse the identified symptoms, data and information, and amend them, evaluate their significance and transform them into evidence of phenomena,
- transform information into comprehensive information hypothesis (forecast of the future state) for changes and evaluate their contribution through evidence and costs induced by changes as well as the effectiveness of these changes,
- prepare intelligence reports for management decisions of the company.”

CONCLUSION

Information plays a vital role in the company management and is considered as one of the most powerful contemporary and prospective weapons. In a nutshell, those who possess information are

in relative advantage. The question is whether they are able to use this information effectively in order to achieve superiority over the competitor. For those who decide information becomes an advantage (weapon) as soon as they realise its importance in the context of opportunities to acquire or create a competitive advantage for their company, in other words, are able to create “intelligence”.

This means that Competitive Intelligence must play one of the crucial roles in the preparation of decisions by the company management in establishing new conditions for ensuring the future success of the company in the challenging business environment. Only if perceived like this can it become one of the most powerful weapons in the hands of company management. This is especially true in international trade where there is much rivalry in competition.

Based on experience with the business practice we can note that indeed the highest added value generated in Competitive Intelligence in business companies lies in the process of strategic planning because the main reason for the existence of Competitive Intelligence is to ensure good information as well as the ability of early reaction to potential challenges looming in the future.

SUMMARY

An analysis of the available literature dealing with the job descriptions and procedures applied by Competitive Intelligence officers in the field of intelligence analysis shows that in addition to defining the basic activities in individual phases of the intelligence cycle there is no stable or standardised methodology. See for example the publications by Fuld (1995), Kahaner (1997), Liebowitz (2006), and Hall & Bensoussan (2007), namely the publication by Carr (2003), describing the working methods of 15 leading experts on Competitive Intelligence in the USA. In this book leading experts describe the process of Competitive Intelligence in very different ways, for example as: cycle, linear process, a four-point model, a scientific method, and even a pyramid. These experts do not give a clear answer to the questions of how to start working in Competitive Intelligence and in what order to proceed. Their testimony is very sketchy and vague in the most important activity that should be carried out as part of Competitive Intelligence, that is transforming information into intelligence.

Another trend observed in the contemporary concept of Competitive Intelligence in American CI specialists is the need to acquire and subsequently process a growing amount of information from secondary sources. This subsequently results in a demand for higher levels of information technology to be used in Competitive Intelligence departments. Further study of the above-mentioned publications yielded the result that many managers in companies are not able to understand the intelligence, let alone use it actively in their management work! In essence, these managers do not use intelligence but only additional information that does not bring anything new, anything important for decision-making; it merely assures the management that decisions based on previously obtained information were correct, even though this does not have to be true. Unfortunately, it is usually too late for the management when they find out. Based on the above we believe that it is necessary to fundamentally change the approach to adding value to the obtained information, i.e. change the approach to the very concept of Competitive Intelligence.

The new concept of Competitive Intelligence is based on the following:

- a) Competitive Intelligence as a forecast of the future,
- b) emphasis of directing Competitive Intelligence to the area of strategic management,
- c) Competitive Intelligence is viewed as a system application discipline,
- d) the information is viewed in connection with the analyst's person,
- e) Competitive Intelligence works on the principle of a government intelligence service,
- f) two-level

14 In general, we have the following requirements from Competitive Intelligence:

- a) timely identification of key problems of the company arising from the surroundings,
- b) facilitating intelligence methods for dealing with these problems.

activity of Competitive Intelligence, g) in the final report of Competitive Intelligence there must be a proposal for the hypothesis realised by the competitor, h) Competitive Intelligence is understood as an engineering activity, i) emphasis on the application of legality and ethics in the activity of Competitive Intelligence.

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