

# Book review: The Essence of Private and Public Intelligence

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## **Abstract**

- Purpose:** This paper presents a critical book review of “*Introduction to Private and Public Intelligence: The Swedish School of Competitive Intelligence*” by Sølilen (2005). The purpose of the book is to gather ideas and concepts about the subject of private- and public intelligence for students to use in an introductory course.
- Method:** The book is conducted as a systematic review of private and public business intelligence. It provides practical examples, analytical implications and discuss relevant theories in accordance to the topic. Inspiration is found in student discussion at Lund and Malmö University as well as among other scholars, professionals and researchers.
- Authorship:** Klaus Solberg Sølilen is professor at Halmstad University, Sweden, within the field of business administration. His two main fields of research are business intelligence and digital marketing. Sølilen is also editor at the Journal of Intelligence Studies in Business (JISIB), and possess many years of international work experience within marketing research and auditing. He also serves on the board of several companies and operate as a consultant on a global scale.
- Audience:** Students and intelligence professionals.
- Impact:** Collected from Google Scholar search engine, the book has received different responses from numerous authors. They mostly agree and adopt great contributions with the book as a foundation for the study of private and public intelligence, with a specific topic such as; competitive intelligence, marketing intelligence, and trade show intelligence. However, there are also some arguments against the author’s opinions that are argued further.

## **Introduction**

This paper presents a critical book review of “*Introduction to Private and Public Intelligence: The Swedish School of Competitive Intelligence*” by Sølilen (2005). The book is written as a subject overview of business intelligence to provide the essence of the concept, and practical implications, for analysts. The author has many years of experience within the subject and generate an engaging and structured discussion throughout the book. This book review aims to introduce the basic content of book by Solberg Sølilen, K. (2005), as well as discuss the theoretical and methodical validity. Firstly, an overview of the book is presented, followed by a short description of the content. The content description is the foundation to the discussion, where we explore the book’s aim and background, methodology, as well as structure and presentation. Finally, the overall perceptions of the book are presented in a conclusion.

## Content

*This section presents the content of the book divided by chapters. The content summary indicates a foundation for upcoming discussion.*

### Chapter 1: Introduction to the study of private and public intelligence

The author gives a clear synopsis of the book including main contributions of each chapter. The use of the study of private and public intelligence are described among different types of intelligence with relation to economics, business and political science. According to the author, this applied field of study is claimed to be closest related to geoeconomics, which is a combination of geopolitical theory and economic problem.

To form a base for the study of private and public intelligence (PPI), the author traces back to references from the initial founders, such as; Alexander the Great, the Romans, and the Venetian to contemporary scholars like Dedijer (1998) and Pagels-Fick (1999). The term *intelligence* is also understood differently across time line from the fifteenth century until the recent days in 2005. *Intelligence* is practically used in different regions but mostly studied by academics within Sweden as the reason of the country's early industrialization. The author then introduces the term of *business intelligence team (BIT)*, its main customers and their motives to employ the BIT.

The author ends the chapter with a detailed explanation of the two terms; *public intelligence* and *private intelligence*. *Private intelligence* is put into focal consideration in this book. Particularly, the author defines different types of *intelligence* in a company and distinguish the difference between PPI and *customer relation management*. The distinction between PPI and *knowledge management* is also clarified to infer that PPI is focused on finding the tools and developing the organizational processes for solving practical problems of information. This can be understood as a base and connection to the latter chapter.

### Chapter 2: Elements of private and public intelligence

The practice of PPI is put into consideration and it fundamentally deals with two categories of sources; *from traces of human actions* and *from traces made by nature*. Four main strategies of information and protection to an organization are explained; *defensive strategy*, *offensive strategy*, *ethical offensive*, and *ethical defensive*. It is important to have a clear distinction between intelligence, information and data in the study of PPI. The author further explains that a *situation of competitive advantage* may be described as a *situation of asymmetry*, meaning that one part has more and/or better intelligence than the other. According to the author, there are two ways to stand out and gain market share; *offering a better price* or *offering a better product*. The author further describes two other topics besides *intelligence* which are associated with the study of PPI; *counterintelligence and security*. According to the author, information gathering and analysis processes are operated from many different locations in the organization simultaneously. However, it is rare but that a department has intelligence as a core activity. The author also proposes various implications to the organizational and academic placement of the intelligence function.

In the latter part of the chapter, the author digs deeper into *the intelligence working process/the business intelligence cycle* with different versions and concludes that in practice *the business intelligence cycle* depends on the aspiration and the efforts being put into *the competitive intelligence* function. A good *business intelligence* team, according to the author, is an interdisciplinary group as no single analyst can truly be an expert on several areas. Keywords for a successful interdisciplinary process are pointed out, particularly problem of

communication between customer and the analyst should be concerned. In addition, the author also proposes various obstacles in the information gathering phase of *the business intelligence cycle* and practical implications for companies regarding intelligence strategies. The time perspective in PPI is also argued.

Companies make costly investments that within *the business intelligence cycle* in order to disseminate the information to the right person at the right time, this may be the most challenging part of the business area. Therefore, *the business intelligence team* can be organized in several smaller units directly under supervision (p. 64). The author concluded the chapter by proposing two different approaches to the learning of intelligence in business and stressing the role and importance of gathering information. Below is an overview of analytical models the author adopted to support for his explanation of elements of private and public intelligence.

<b>Models/Concepts</b>	<b>Purpose</b>
<i>Means of gathering information</i> Søilen (2005)	Different sources of means of information gathering are classified according to their ethical and legal attributes
<i>From data to intelligence – with corresponding activities</i> Søilen (2005)	The relationship among data, information, and intelligence is illustrated
<i>Model of competitive advantage</i> Porter (1980)	Explanation of two ways to be different and win market share; <i>offering a better price</i> or <i>offering a better product</i>
<i>The intelligence cycle</i> Søilen (2005)	An explanation of an ongoing process that the analyst takes his experience with him for each turn
<i>The time perspective in the private and public intelligence</i> Søilen (2005)	A row of cause and effects and what makes social facts and social predictions
<i>Business intelligence systems and product life cycles</i> Søilen (2005)	An example to explain efficient intelligence systems leading to shorter product life cycles
<i>The industry and company analysis as a continuation of the business plan</i> Søilen (2005)	Explanation of the continuation of reports
<i>Gap analysis for breakeven from industry and company analysis</i> Ansoff, H. Igor (1984)	Explain the difference between the results from the industry and the company analysis

Table 1: A summarizing table of presented models and concepts

### Chapter 3: Analysis in public and private intelligence

The author means that an analysis is the full process from taking the data apart to putting it together in another objective manner. This is done to add additional value to the data. It is common that analysts tend to ignore certain dimensions and focus on the dimensions that they “know” is relevant for the business. The only way to avoid a report outcome that would mainly confirm the analyst’s perceptions is to use models and checklists. The analyst should aim to “*detect the unexpected before it becomes an uncertainty*” (p. 79). According to the author, an analyst's task is to look upon the world and try to fit it into a model.

The author explains that an environmental analysis may be constructed in different manners depending on if the organisation is operating in the private- or public intelligence sector, as the public intelligence is controlled by the government to a greater extent. In table 2 you can see an overview of analytical models mentioned by the author.

<b>Model / Analysis</b>	<b>Purpose</b>	<b>Strength</b>	<b>Weakness</b>
<i>Factor X model</i> Frankelius & Rosén	Detect the unexpected dimensions	Offers possibility to define all actions in an organisation in relation to each other	No strong predictable powers
<i>Industry analysis model</i> Hessey & Jenster (Modified from Porter)	Detect the unexpected dimensions in the value creation process	Allows the analyst to include indirect influential forces of the macro environment as well as micro environment in past, present and future. Include all elements of PEST	---
<i>The Submarine Allegory</i> Joseph LeBihan	Explain how business intelligence should be used in an organization	Provides a base for an environmental analysis	---

Table 2: A summarizing table of presented analytical modeling

Business intelligence programs may be based on *The Submarine Allegory*, where the program intend to extract the “need-to-know” from the “nice-to-know” information. This model is based on a mentality that all analyst should have in mind, as it is the “nice-to-know” information that may make business intelligence irrelevant. This model may be used in combination with other analytical tools, i.e. SWOT.

In this chapter the author also suggest which type of analysis is best practiced for different situations, as well as how an analyst should approach different dimensions. He also describes the uses of *pull- and push strategies* for intelligence and how the advisor model came to emerge from a critical perspective of these strategies.

#### Chapter 4: The technology of intelligence

This chapter provides the reader with basic knowledge of the technology used in PPI, mainly regarding computer systems and software. The author has structured the chapter by first presenting relevant terminology and explaining the concepts used within PPI.

The information-gathering technology has rapidly developed since world war two, through the conflict of the cold war. In this chapter the author introduce the reader to the terminology often used within business intelligence technology. The author also discusses the difference between the two major technologies used in this field.

Both advantages and disadvantages may occur when using technology to gather data. An advantage mentioned by the author is that the analyst has the possibility to distance herself from the source of information. However, the author also mentions that it is easier for the source to give untruthful data and also discuss why this may be. The author discusses further how analysts tend to deal with security issues that comes with using technology when gathering data. The author also explains the use of media monitoring and the different types of categories of software analyses. Further he discusses the concept of CRM and technologies used to share information internally in a company.

#### Chapter 5: Intelligence Ethics

Previous chapters in the book has given the reader insight in the terminology, concepts, analytical processes as well as technological aspects used within business intelligence. This chapter raises questions about ethics, and sometimes the lack there of, within business intelligence.

The author argues that it is the financial interest that has the highest power to reduce business ethics. Ethics is especially hard to deal with on a global scale, and the market competition may lower the company's priorities regarding ethics. In this chapter the author connects the lack of technological security, discussed in chapter 4, with the ethical responsibilities. The author discusses different cases where ethics has been put aside, in history as well as in the present, to increase company profits.

There are different types of ethics described in this chapter, such as; *legal limits*, *ethical limits*, and the *internal limits* of the organization. The author also brings up that people have different levels of ethics regarding on the situation, as well as the type of business. Due to the abstract limitations of ethics, intelligence interest groups have been formed (i.e SCIP). Ethical rules developed by SCIP is presented in this chapter. In this chapter, the author also explains the concept of industrial espionage and different usage in business intelligence.

### **Discussion**

*The conduction process of the book is questioned in this section. The validity of the book is considered as well as its aim, background, methodology, and structure are explored.*

#### Aim and Background

The book is conducted to gather ideas and concepts about the subject of PPI for students to use in an introductory course. This is clearly stated in the 'Preface' chapter, where the author introduces the readers to the shaping of the book. In this phase the author presents the book's significance as it would discuss a subject that not many authors have discussed in English literature. The author explains that the core issues of this book lays in business intelligence. The main focus is private intelligence, but the book also considers parts of public intelligence.

In the introductory chapter (1) of the book the author clearly states the core of the book by summarizing what issues each chapter includes. This chapter is devoted to explain definitions within the topic of business intelligence and how they are originated. The author also clearly identifies the terminology that is used to explain the subject of business intelligence. He explains that the subject of business intelligence may be known as; competitive intelligence, competitor intelligence, and marketing intelligence. Further the author carefully explains terminology throughout the book, with some exceptions made for commonly known marketing terms.

The book is constructed in order to give an overview of the topic of PPI and to provide an understanding of various perspectives. The purpose of the book is to give an overview, and therefore the focus lies in presenting existing research and practical examples, rather than contributing to the research subject. The author explains that there have been many conducted studies within the topic of business intelligence in Sweden, however very little research has been made in the English language. According to the author, this may be because it is a topic Swedish researchers has an edge in and it is more commonly used in this region.

### Methodology

There are several limitations mentioned by the author. Firstly, the author clarifies that the main focus of the book is private intelligence, and that certain areas within public intelligence are excluded; military intelligence. The book does not consider the historical background of the subject. Secondly, the author mentions that this study has its roots in the Swedish culture as there is more relevant research regarding the subject in this region. This can lead to biases and the implications may not be applicable in all geographical regions.

To gather information the author has discussed the topics with students in his classes at the Universities of Lund and Malmö. Several other academics and professionals within the subject have contributed to discussions as well as inspiration for the author. We would categorise the book as a systematic review of the subject of PPI, however this is not mentioned by the author. The author neither mentions how the practical examples and theories were collected and selected.

### Structure and Presentation

The author has included a synopsis in the introductory chapter where he introduces the content of each chapter. Each chapter represents a certain part of business intelligence, which are described above. Throughout the book many models are presented, carefully explained and connected to practical examples. The author uses an informal engaging tone of writing, with few references in the text. This makes it easy for the reader to receive the overview of the subject as the author intended. However, it may sometimes be difficult to see the source from where the reasoning has its roots since the references is only presented in a later chapter.

There is a strong presence of argumentation and discussion in the book, where the models and methods are critically viewed upon. As shown in table 2, there could be more critics regarding the analytical models presented in order for the reader to gain insight regarding how to avoid biases and analytical traps. The author provides many practical examples and implications for PPI that makes it easy to grasp the concept of the models and theories. Therefore, it can be inferred that the validity is well reasoned for.

The book presents a well-structured overview of the subject and provides a good foundation for further research in the topic of PPI. As mentioned before, the author tends not to focus on certain areas of public intelligence, but he does however suggest this as a topic for further research. Through the implications, practical examples and discussions the author also manages to raise issues that would provide interesting cases for further research.

### Validation of Theories

The author's arguments from the book have received different responses from other scholars. Sjøilen (2005) states that the study of PPI should be a positive science in the sense that it should not mix science with too much philosophy. Further, he describes Gilad's (2008) work as important contributions in a writing tradition and academics should stick to this tradition in building an intelligence science. The suggestions received an opposed claim from Hoppe (2015) that it is needed to accept different philosophical foundations for a true science to emerge.

Side by side with Sjøilen (2005), there are also several authors, such as O'Guin and Ogilvile (2001) and Drucker (2002), who point out the formal analytical method of information gathering. For Drucker (2002), for instance, a formal team of employees and managers that must be well organized and skilful when dealing with information in order to achieve the organizational objectives.

The explanation and implications of Sjøilen (2005) about Porter's model of competitive advantage are heavily adopted by Cavallante (2007). Cavalcante (2007) also agrees with Sjøilen (2005) that it is necessary to clarify the distinction between data, information, and intelligence as well as the relationship among these intelligence products.

Regarding the terminology among the Swedish authors, it is complicated by the lack of an adequate translation. This has led to the use of the English intelligence terms which adopted by; Sjøilen (2005) - Private and Public Intelligence, Sandström - Business Intelligence, Pagels-Fick (1999) - Business Intelligence, Nelke & Håkansson (2015) - Competitive Intelligence.

### **Conclusion**

*This section summarises the overall quality of the book as discussed in the previous sections. Implications and an introduction to further contributions related to the topic are provided.*

The book determines the relevance to the field of PPI for professionals and students who are approaching a career in business intelligence. The author adopted vast and deep professional information of his own and different sources to provide a foundation of the subject. The author discussed the topic, PPI, from different perspectives. The book is focused on the Swedish perspective and is designed to give an insight to the non-Swedish audience. The author provides basic knowledge of this applied field of the study combined with various practical examples in order to discuss many topics further.

As a foundation for the theories and practical tools for professionals and students to proceed a career as analysts, the author also presented an in depth understanding of different types of private intelligence. This can be found in several other books by the author or in cooperation with other authors, for instance, *Market Intelligence: Building Strategic Insight* by Jenster and Sjøilen (2010), *Business Marketing Intelligence: Analysis and Tools* by Jenster and Sjøilen (2010), and *Exhibit Marketing & Trade Show Intelligence - Successful Boothmanship and Booth Design* by Sjøilen (2013).

The book has a clear structure and the reader can easily follow what to expect under each heading, particularly it has red thread and builds on previous discussed topics. The section in the beginning provides the reader with an overview of what to expect in each chapter. The author defines different concepts of PPI by developing a wide and intense theoretical base and various practical aspects in relation to the concept. However, in this part of the book, the reader must be highly focused to determine what the author mainly wants to present. It might be easier for the reader if the author concluded in the end of each subsection the main features of the concept. The book is divided in sections with appropriate length in order to present the balance of the author's focus. Some assumptions of the author are made that may not have a clear validity and may be subjective. It is not stated clearly that it is his own assumptions or other scholars'. Alternatively, the author makes use of informal and engaging language to maintain the reader's interest. The author also shows his respect and gratitude to participants of the conduction process.

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