

Book Review: The Importance of Private and Public Intelligence

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Abstract

Aim: The aim of the paper is to critically review the book “*Introduction to Private and Public Intelligence: The Swedish School of Competitive Intelligence*” by Søylen (2005). The aim of the book has been to gather ideas and concepts about the subject of private and public intelligence for students to use in an introductory course.

Structure: The paper is structured that first an introduction of the book is provided, after which the content of the book is presented by chapters. Thereafter, the discussion and conclusion about the book are presented. The book is structured as a systematic review of private and public intelligence. The book contains definitions, theories, discussions, practical examples, and analytical implications.

Authorship: The author of the book, Klaus Solberg Søylen, is a professor and researcher at Halmstad University in Sweden. His research is mainly within the fields of management, intelligence studies, competitive intelligence, geoeconomics, digital marketing, etc. He has many years of experience within marketing research and auditing. Moreover, he serves on the board of several companies, as well as, operates as a consultant. He is also the editor of the Journal of Intelligence Studies in Business (JISIB).

Audience: Students, professionals and anyone else who is interested in private and public intelligence.

Impact: The book has been reviewed and cited from numerous authors. Most of them, agree with Søylen, and use the book as a foundation of the study of private and public intelligence. However, there are authors who argue against Søylen’s opinions.

Introduction

This paper is a critical book review of the book “*Introduction to Private and Public Intelligence: The Swedish School of Competitive Intelligence*” by Søylen (2005). The book is a foundation of the study of private and public intelligence, since it is the first one that attempts to gather ideas and concepts about the subject of private and public intelligence. However, the book is more focused on the private, rather than the private intelligence, and it also excludes the military intelligence. Besides the definitions and theories, the book contains explanations, discussions, practical examples from large (multinational) companies, and analytical implications. The aim of this paper is to critically review the content of the book. Therefore, the structure of the paper is that the content of the book follows, divided by the chapters of the book, since it is used as a foundation for the discussion that follows. In the discussion the book is questioned and evaluated as a whole, taking into consideration all its aspects and components. Finally, the paper ends with a conclusion about the book.

Content

The following section presents the content of the book divided by the chapters of the book. The content summary serves as a foundation for the discussion that follows.

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

The first chapter starts with the synopsis, presenting the overview of the book and the main points of each chapter. This chapter serves as an overview of the study of private and public intelligence (PPI). It lays out the history of the study and introduces the most important terminology used throughout the book.

It also shows the disciplines which are close to the study of private and public intelligence, and the differences between them. The study of private and public intelligence draws heavily on the study of economics and business on one hand, and on political science on the other. Many universities, especially on the European continent, have a tradition of treating topics of private and public intelligence under the name of geopolitics. The study which is even closer than geopolitics, is the study of geoeconomics.

Moreover, this chapter shows the development of private and public intelligence, from ancient times until today. The author mentions the first terms, as well as the first courses and programs about private and public intelligence in Sweden. The definition of intelligence that the book adopts classifies intelligence as an actionable information which employees can use as a basis for business actions or decisions. The author also introduces the term of business intelligence (BIT), and its characteristics.

The chapter ends with a detailed explanation of the two main terms of the book: public intelligence and private intelligence. The main focus of the book in general is on private intelligence. On one hand, the author defines public intelligence as gathering of information for interest of regional and local government, and states that public intelligence is more complex than private intelligence in the respect that the goals of businesses are clearer. The author also classifies public intelligence in three categories: local, regional, and national. On the other hand, the author mentions that the private intelligence includes business and non-profit-organizations intelligence. The author notes that it is important to pay attention, since business intelligence has two meanings. At the very end of the chapter, the author shows the differences between private and public intelligence and customer relation management, as well as the differences between private and public intelligence and knowledge management.

Chapter 2: Elements of private and public intelligence

This chapter explains and discusses the main elements of private and public intelligence, the practical use, and the PPI process. Additionally, the chapter covers the strategies used in PPI, the benefits and the opportunities it brings to organizations, as well as the risks.

According to the author, the PPI process is primarily based on obtaining and gathering information. There are many means of collecting information, based on the three main types of sources: (1) *information obtained directly from people*, (2) *information obtained from traces of human actions*, and (3) *information obtained from nature interaction*.

The collection of data is an important part of the intelligence working process. Therefore, it is recommended to use a business interdisciplinary team to carry out this process, with specialized professionals who possess knowledge and experience in different fields. Furthermore, this process requires careful attention to legal, ethical, political and economic aspects, being aligned with laws, regulations, as well as ethical codes.

The strategies used for gathering public and private business information, are ruled by laws and regulations, which may be difficult to be aware of when operating internationally. However, it can be solved by the socialization process. The four main strategies of information gathering are: (1) *defensive strategy*, (2) *offensive strategy*, (3) *ethical offensive*, and (4) *ethical defensive*.

The author also states the differences between data, information and intelligence, by explaining their interrelations in the process towards intelligence. Nowadays, in the information era, the companies gain competitive advantage by efficient and effective handling and managing information. Additionally, the author mentions the information asymmetry as a source of competitive advantage, which is described as a possession of valuable information in comparison to the competitors.

Security and counterintelligence are also covered in the book, as important factors in the use of intelligence. Counterintelligence helps eliminating risks, by decreasing and minimizing possible damages competitors may cause to the companies. Security regarding information is a requirement for companies, in order to prevent other companies, in special competitors, to have access to their information, therefore, losing their competitive advantage. Besides that, large companies have close ties and relationships with governments, which also increases the necessity for a higher level of security.

The business intelligence requires a set of steps in order to be effective, and reaching the right target audience, as obtaining answers from wrong sources may lead to wrong decisions. Therefore, good management, logistic and structure is mandatory. The author states four steps of the classic intelligence cycle: (1) *direction*, (2) *accumulation*, (3) *elevation*, and (4) *presentation*. Business intelligence is a useful tool for companies, especially for their research and marketing departments. However, as mentioned by the author, companies pay little attention to business intelligence, focusing mainly on customers and competitors, paying only small attention to other important actors and forces.

Furthermore, the author proposes and elaborates a “scheme” of important considerations and tips when gathering intelligence. Firstly, it is important to have reliable source and continuously change the used sources. Besides that, it is recommended to experiment with new types and modalities of sources. Secondly, time has been considered as an important variable for gathering intelligence, especially when assessing or measuring a future phenomenon. As a future phenomenon, has not happened yet, it is recommended to use the newest available sources, however, historical data may also be used, but it may lead to wrong predictions. Thirdly, an efficient intelligent system leads to a shorter product life cycles, as it is possible to bring faster and newer products into the market. Fourthly, to be able to develop a better business plan and strategy, it has been shown as crucial the use of both, company and industry analysis. Fifthly, it is important to include the relational and instrumental perspectives, which are based on the analysis of results on the nature of relationships, between the parties involved, or as a result of changes in the instrumental facts. Sixthly, the author mentions the need of a macro and micro economic view in the study of public and private intelligence, due to their great impact in gathering intelligence. Finally, throughout the chapter, the author makes use of Nordic companies’ case studies to exemplify and show the experience of business intelligence systems.

Chapter 3: Analysis in private and public intelligence

The third chapter is entirely dedicated to the analysis of public and private intelligence. The author states the importance of taking into account all the dimensions affecting the organization for analysis, without ignoring dimensions we may consider to be less important. Some of the factors that are influencing the organizations are the impacts of internal, micro and macro environments. The book provides the main dimensions of internal, micro and macro environments.

The author also highlights the importance of the intelligence in detecting a problem, before it becomes uncertainty or even a risk. The use of models which define groups of factors that influence the companies, helps the companies to better investigate the different scenarios. The most widely used models are: *the Catalysm model*, *Porter’s model based on his 5 forces*, and

the Submarine intelligence model. Moreover, according to the author, it is important to develop a business intelligence system based on the world's present characteristics. A good analysis must not only show how the system performs, but also to understand the logic behind it, in a way that it leads to an additional value. The author lists the 5 steps in the analytical process: (1) *choosing the right kind of analysis*, (2) *evaluating the content of each box or factor*, (3) *conclusion of the evaluation*, (4) *consequences of the conclusion*, and (5) *implications*. The author also provides an introduction and explanation of the most used techniques and analysis for public and private intelligence:

Table 1: *Most used techniques and analysis for public and private intelligence.*

Focus Group	Methodology in social research with interactions and discussions based on the participants' personal experiences.
Questionnaires	A set of questions which are filled out by different people, who are able to fully answer the questions, thus providing useful chunk of data.
Trend Analysis	An analysis of scenarios, however more descriptive, with a focus on providing a whole picture of the future.
Forecasting	This analysis is usually carried out by financial and accounting departments, focused more on quantitative rather than on qualitative data.
Benchmarking	Companies' analysis of key success factors based on competitors within their own industry.
SWOT Analysis	It analyses the companies' strengths, weaknesses, opportunities and threats, taking their environments as a base of the analysis.
Game Theoretical Approaches	It is based on a decision tree, in which each action is accompanied with a probability calculation of a consequence.
Simulations	It is an analysis used to simulate the results of potential actions, especially regarding future changes. It is often used for contingency plans.
Ratio Analysis	Model used to extract intelligence from combinations of comparable figures.
Cost Analysis	Analysis based on the investigation of costs, by extraction of figures, in order to help the management in the decision making process.
Spread Sheets	Normally it is used along with other analyses. It is a helpful tool for analysis, providing an overview of the data.
Devil's Advocate Analysis	This analysis consists of putting the company in the same perspective as its competitors, customers, suppliers or other actors of influence. By doing this, it is possible to analyse how the other parties perceives the problems.
PEST Analysis	It analyses the companies within the political, economic, social-cultural and technological perspectives.
Power Analysis	Analysis based on the economic and political distribution of power.
Statistical Analysis	Model based on techniques used for counting, summarizing and finding relationships between data sets.
Scenario Analysis	Typical qualitative method, based on detailed descriptions of possible future states.
Signal Analysis	Based on evaluation of how important and valuable a specific information is for the analysis.
Early Warning Analysis	Analysis based on the assumption of which unimportant signals today may receive higher attention and value in the future.

Furthermore, the chapter ends with an explanation of how to make the presentation of the intelligence material, in a way that it is straight to the point and that it embraces all the aspects involved in the process. The author argues that a structured presentation of the findings makes it easier for the reader to understand the content. Also, the author suggests that attention should be paid to the used language, as well as on the ability to transform linguistic data into mathematical data.

Chapter 4: The technology of intelligence

The fourth chapter is mainly about the use of technology in the intelligence process. The emphasis is on computer systems and software, but the chapter starts with a general description of the techniques and terminology. The use of sophisticated technology for information gathering has been developed rapidly since the Second World War, all through the Cold War. Information gathering through the use of technology is divided into several areas, including signal intelligence (SINGINT), which includes electronic interception and cryptanalysis, and consists of communication intelligence (Comint). Then we have imagery/photo intelligence (Imint/Photint), which is intelligence from photographic and other image sources. There is also a radar intelligence (Radint), radars used for gathering information, and acoustic intelligence (Acoustint/Acint), the tracking and identification from underwater sound. Finally, there is also an electrical intelligence (Elint)

There are basically two quite different markets for intelligence technology: access of information from major intelligence installations for larger, multinational companies, and large consumer market for smaller equipment. There are both advantages and disadvantages of the use of technology to gather information from a distance to the source. The author also provides the advantages and disadvantages of the biggest source of non-technological intelligence gathering (Human intelligence –HUMINT), as well as its characteristics.

Moreover, the author explains that the awareness of the increasing use of technology to gather intelligence, has led to a focus on counterintelligence measures as companies try to safeguard themselves against what they perceive as the risk of eavesdropping, through the use of new technology. The author also explains where and what type of counterintelligence items can be purchased.

Furthermore, the author talks about the business intelligence software and business intelligence on the web, as well as the many different technological solutions to business intelligence problems. Then, the software analysis and its division are covered. The chapter continues about data mining and data warehouses, as well as the possibilities of the Intranet. The chapter ends with the three kinds of intelligence risks an employee is faced with, as well as the ways companies try to protect themselves from those risks.

Chapter 5: Intelligence ethics

The last chapter goes deeper into the subject of business ethics, as related to the study of private and public intelligence. The author argues that it is the financial interest that has the highest power to reduce business ethics.

The chapter begins with the ethical and legal limits in private organizations, through a discussion about cases and ethics in general. Then, the author explains the creation of a number of intelligence interest groups, including the most known one - *the society of competitive intelligence (SCIP)*, which has developed ethical rules, which are presented in the book.

The author continues with explanations about the industrial espionage, and notes that very little has been based on research from much of the text about industrial espionage. After that, headhunting is explained and discussion about employing a competitor's employee is provided. The last chapter ends about the economic intelligence by ELINT and HUMINT, the creation of ECHELON system, to gather communication intelligence worldwide, and the SINGINT,

which is only one way in which states are helping their own companies to gain a competitive advantage in the global marketplace.

Discussion

In this section the book is questioned and evaluated as a whole, taking into consideration all its aspects and components.

The book begins with an overview and the terminology of the topic of public and private intelligence, which is good, since even the readers with no previous knowledge in the field can be hooked and able to understand the book. Moreover, the synopsis helps the reader to get to know how the book is structured and what follows next. The book's headings of the sections and subsections, makes it easier for the reader to follow, and be aware of what is the following section about. However, only in the fifth chapter, under the section about ethical and legal limits, the author is discussing ethical cases, rather than providing information about ethical and legal limits, which is the section's heading.

The second chapter, provides definitions, as well as the main elements involved in the process of generating intelligence. By providing definitions and introducing the elements of the process, the author explains the dynamics of its development and use in practice. The main focus of the book is on private intelligence rather than public intelligence, as well as it excludes military intelligence. The second chapter is of extreme importance for understanding the elements involved in the whole process of business intelligence, which is extensively based on information. While the theories and the definitions are covering the theoretical part, the use of case studies and examples, provides the reader with practical knowledge. Talking about the examples and case studies used in the book, the author makes use mostly of Nordic companies' case studies to exemplify, which helps the reader to understand the concepts and theories. However, the use of mostly Nordic companies is in a way limiting the book. Furthermore, the author ends the second chapter with a bridge that links towards the third chapter, which makes it easier for the reader to follow as well as keeps the reader interested.

The third chapter is dedicated to the analysis of public and private intelligence. This chapter is much related to the second chapter, which can be both seen as an advantage and a disadvantage. Another positive side of the third chapter is that besides the analytical tips that it provides, it is written in a very practical way, which helps readers to understand with a step by step explanations. The third chapter also provides a range of analysis used for private and public organizations, explaining its use and etc. It also provides a helpful and practical guidelines, which students can use while performing their own analysis and research. The chapter is also very comprehensive and gives a good practical view when, at the end, it shows some methods of presentations of the analysis.

The author's arguments, in the second and the third chapter, are aligned with the theories and conceptions presented by other scholars and authors. O'Guin and Ogilvile (2001), also emphasize the importance of a formal analytical method of information gathering. Besides that, in agreement with the need of a an interdisciplinary team, Drucker (2002), states that a formal team of employees and managers must be well prepared and skillful to deal and manage with the information, in order to accomplish the objectives intended with the carried study. Moreover, Cavalcante (2007) also highlights the need of distinguishing data, information, and intelligence, as well as their relationship and connections. Furthermore, in order to summarize the business intelligence concepts presented, Abdari and Esfidani (2013), state that the business intelligence process of organizations is mostly about being aware of the information, and being able to analyze it correctly and timely, in order to produce valuable responses.

The fourth chapter is mainly about the use of technology in the intelligence process. The author provides descriptions, explanations, as well as advantages and disadvantages of different

technologies. Author's opinions and explanations about data warehouse and data mining are in line with the ones by Beynon-Davies (2009). Furthermore, when the author is talking about the business intelligence systems, would have been easier and beneficial for the reader if the benefits and categories were covered in the book, as Baltzan and Phillips (2009) do. An interesting part is that the author explains where and what type of counterintelligence items can be purchased.

The fifth chapter is covering the subject of business ethics as related to the study of private and public intelligence. It is good that the author covers it, since ethics and security are two fundamental building blocks for all organizations (Baltzan & Phillips, 2009). The book provides a good overview of the ethical and moral issues that are arising both through theory and practical examples. The author connects failing to meet ethical and legal obligations to repercussions, but not also with the wrath of consumers who have high expectations on how their personal information is handed by companies (Baltzan & Phillips, 2009). Moreover, the fifth chapter is not covering the established information-related laws.

The author ends the book with an interesting and unusual ending, which makes this book unique, yet the conclusion could have been longer and provide an overview of the whole book.

Conclusion

First of all, it is important to mention that this book is a foundation of the study of private and public intelligence, since it is the first one that attempts to gather ideas and concepts about the subject of private and public intelligence. However, it is important to mention that the book is more focused on the private, rather than the public intelligence. The book is unique as well, since it is not based on extensive examples and cases, but it is focused on the academic foundations of private and public intelligence. Moreover, the focus on the language of analysis, can help students to learn the techniques of building or adapting his or her own analysis to fit any practical problem. This book is beneficial for the academia, since it gathers some of the research in business intelligence and presents to the non-Swedish reading audience, whether students or professionals. However, a small limitation of the book may be that many of the examples and even some of the terms are from Sweden. The book also provides an overview of the study of private and public intelligence, as well as theories and definitions, which is very good, since the reader does not have to possess any previous knowledge of economics or statistics. However, the author states that the reader might be limited if does not possess some knowledge in marketing and in scientific method for the social sciences. Furthermore, in some parts the author is going very deep into the explanations or the discussions, which might make it harder for the reader to follow. Therefore, the author could have concluded each subsection with the main points of it. However, in general the book is clearly structured, containing many sections and subsections, which help the reader to easily follow and understand what is going to be discussed next. The book starts with a synopsis, presenting the overview of the book and the main points of each chapter. Finally, some of the assumptions, discussions, and implications might not have a clear validity and may be subjective to some extent.

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