



Why you should be interested in intelligence studies

In this issue most articles are reflections (bibliometrics, scientometrics) on what has been done in intelligence studies in business (IS) and more particularly in competitive intelligence (CI) and business intelligence (BI), so some reflections and analysis on the subject proper seems to be appropriate for these notes.

Almost all articles in IS (CI, competitor intelligence, market intelligence (MI), BI, and competitive technical intelligence (CTI)) are empirical contributions that show how to work more effectively with need to know information in business. Authors submit empirical articles that solve new and specific problems. It can be a new method, the introduction of a new model or the application of some new technology.

During the past eight years, since the journal started, I have written articles on what customers expect from BI (Sabanovic & Søylen, 2012), about what vendors do to differentiate themselves in BI (Søylen & Hasslinger, 2012b), and I have done an analysis of previous and similar articles in *Journal of Competitive Intelligence & Management (JCIM)* and *Competitive Intelligence Review (CIR)*, two journals that in many ways are the predecessors of *The Journal of Intelligence Studies in Business (JISIB)* (Søylen, 2013). In Agostino et al. (2013) we studied how both customers and vendors think about Cloud solutions to BI. In Søylen (2014) I did a spot check to see if the journal was writing about the topics that practitioners were concerned about, or interested in. The survey showed that JISIB was more or less on the right track here, but that practitioners prefer case studies to empirical research articles, which the journal is now soliciting more actively and also publishing. Good extensive cases are hard to obtain, but the journal has been publishing a number of empirical articles in the form of industry analysis connected to different countries around the world. In Vriens & Søylen (2014b) we show how the process of gathering intelligence for disruptive innovation is distinct from other forms of intelligence gathering. In Søylen (2015) I try to show some problems that CI has had in the past; with agreeing upon clear definitions, but more fundamentally by clearly showing how the field is different from other disciplines studying information, like the more established journals in management and information systems. The study shows that respondents could not list any analysis that is not used by other areas of study and that a majority of the analyses the respondents think are unique to their own study actually come from the area of strategy and military intelligence. Instead it is suggested in the article that what is different is that that intelligence studies bring a number of unique dimensions and perspectives to the social sciences, a new way of seeing and studying business which is an adaptation from military intelligence.

In the next article (Søylen, 2016) I suggest a research agenda for intelligence studies. I go deeper into the conclusion suggested in Søylen (2015): It is suggested that the difference between information science in business, business- and market research and intelligence studies is mainly one of perspective and scope and less one about the content of problems or scientific methods used. Intelligence studies in business see the organization much like an intelligence organization, the offspring of the study of state and military intelligence, where the aim is to find information that affect the business as a whole (as in "surrounding world analysis" or in Swedish "omvärldsanalys"). A study of intelligence studies –management information or information sciences - that does not explain what outside events affect the business becomes sterile and uninteresting. The essence of intelligence is to scan the world for relevant developments, to find out what is going on that effect our organization (need-to-know, strong signals, trends). How to do this should be the focus of the subjects' research agenda and what sets it apart from other disciplines studying information in a business context.

Sometimes this goal seems far away as when reading about how a new technique is applied to an industry in a specific market. Sometimes I miss hearing about how basic methods like traveling to foreign countries (the spirit of Marco Polo) and reading books may be the best methods for understanding what affects an organization. We must always remember that the technology is only there to facilitate the process, it never explains why things happen and it seldom helps us in the actual understanding of the data. Statistical analysis does not explain why or how things occur: at best it summarizes what has happened. Authors of articles I read in other journals too often miss the difference between correlation and causation.

What is then so special and different with intelligence studies? Intelligence studies - at the present at least - are less a series of theories than a new perspective on (micro and macro) economics. Intelligence studies is not exclusively about management, but also about economics as it's just as relevant for how nation states become competitive. It is the suggestion that competitive organizations of all sizes are best organized as intelligence organizations, focusing on the process of gathering, analyzing and delivering need to know information to decision makers. This is a different way of looking at organizations and what they do. Competitive organizations today all basically work with information. It is how they work with this information that decides whether or not they will succeed.

The importance of building a formal intelligence organization was realized more than two hundred years ago in the military domain with the Prussian and Russian armies. In the study of business this was first realized with the shift in thinking that came with the Information Age and the development of computers, the realization that competitive advantage is more about what you know than what machinery you own or how much money you have in your accounts.

If the introduction of IT represented the 1.0 version of this development, then the introduction of the Internet represents the 2.0. Many saw this development coming. Some experts thought that it would not only lead to intelligence studies being introduced as a special function in the organization but that we would see the implementation of separate departments of intelligence, or that the whole current division and structure of business activities, into marketing HRM, finance, would be abandoned for functions of intelligence gathering. When this did not materialize many started to question the value of the approach all together. Many still think that the approach failed, that the perspective has passed and been surpassed by other subjects and disciplines. I disagree. Even though things have not happened as quickly as many expected or hoped, we are still moving in that direction now more than ever. B2B digital marketing is a good example. Today it is less about push marketing and sales and more about gathering and distributing valuable information to potential customers. When customers see that we are knowledgeable not only about our products but also about the industry we are in, they start to trust us and we are able to build a customer relationship. This is not only changing how B2B marketing is done, but also the competences needed to succeed in B2B marketing.

On the state or macro level we are living in a period of (neo-) mercantilism and geoeconomics where intelligence is key. The states that are succeeding economically today are countries like China, Singapore, and South Korea, but also Norway. These are representatives of state capitalism, not free market liberalism. The individualist, liberalist model supported by neoclassical economics and its foundation in the writing of Adam Smith (not always fairly interpreted, so I prefer to call them the marginalist school), Walras, Marshall and Samuelsson, have greater difficulty convincing readers today. As Piketty showed in his vast empirical project about capital, their (our) societies led to an extreme wealth being assembled at the very top with very little trickle-down effects. When the crises came it was the rest of society had to take the hit, while the elites bailed themselves out to save a dysfunctional system. After a period of prosperity, which lasted for some four generations (and was only extended during the past two generations through massive debt), the populations in the Western world are experiencing a decline in their standard of living. These causes were all missed by the marginalist school whose members have been advising governments for more than half a century. The consequences of these policies have been massive protests and disbelief - almost hatred - of their own elites as in the US, but also in France, the UK and Italy. The point is that our leading social science paradigms and especially our economic and

management theories that brought us here by not being relevant and, worse, by supporting the wrong policies; regardless of the good intentions, which many of my colleagues even doubt. Mainstream economics combined with too narrowly and fragmented studies of management obsessed with a method of small empirical investigations have become the supporters, not only of an elite – the status quo- but more worryingly of an uncompetitive society. Now, for business studies that is almost what we should call a contradiction. Our reigning business theories and research are making us less competitive.

The new economic powers in the East have copied what has been done well in the West, but it is unlikely that they will copy our leading social science paradigm. It is the message China sends out when it says “...with Chinese characteristics”. Chinese leaders are following the thinking of Drucker, Schumpeter, and Michael Porter; more so than the winners of the Nobel prize in Economics and their schools of thinking. They are not reading our thousands of small business journals, even though their own scholars are taking a larger part in the work of running them and contributing to them. Instead they are first and foremost inspired by their own values, their own history and their own thinkers of strategy and philosophy.

China is already a superpower of intelligence gathering, which they see as essential for strategy. Not only have our theories of political science been contested, but there is now clear critic of Western Moralism. There are hardly any independent thinkers outside the Western world who believe in the good intentions of Western political and economic interferences anymore. As we in the West have failed to keep up the living standard of our middle classes (our promise to the voters) “Eastern arguments” are starting to convince a large part of our own populations in the West. The failure of the Western world to compete becomes a confirmation of the weaknesses of our strategic thinking (the weakness in our political system to make plans), and in our ideas which at the end is a critic of our reigning social science projects. Eastern ideas will be closer to practice.

The West is left with a number of paradoxes. For all our interest in strategy during the past two decades we have no strategy, no long term thinking and no major infrastructural projects. Instead we are consumed with our immediate problems and crisis handling. We are so obsessed with the critic of China as a dictatorship that we refuse to see that they are undertaking the largest infrastructural project in world history (the Belt and Road Initiative, or BRI), that their mercantilist ideas are engulfing our markets but also helping to improve the living standard of people living in the developing world. Our media is full of stories about Chinese exploitation in the developing world, which also exist, but forgetting that exploitation - even slavery - used to be our specialty for centuries and the hallmark of the British Empire.

Now, what does this all mean for business studies? It means we have to search for other paradigms other than the existing one if we want to become competitive again. We have to become more interested in what is actually going on in the world, more curious. This reality must be led by business disciplines.

Some of the more successful university groups in intelligence studies today, like the GREThA (le Groupe de recherche en économie théorique et appliquée de l’université de Bordeaux) at the University of Bordeaux, have left the idea of theory building and focus instead on applications and being relevant for industry. As such they have also left much of the article-writing world of academia except as when recording what they have accomplished.

The same thinking is well known in the development of new technology. Focus is on application. If you have developed something truly new you will try to patent it or apply it. If you publish something valuable in a journal not only will very few read it, but it will also be copied, or stolen.

This way of learning by doing is very much the Chinese way of doing business, but also of studying business. If society is structured in this way then the experts will be in the practical field, less moved forward by research at the universities. This is already happening in some fields today, as in Artificial Intelligence (AI). The most respected experts in the field are found in large corporations, like Google and Facebook. Another example is digital marketing. Most academics are just running behind, trying to figure out what is happening. A number of social science scholars are reasoning in the same way: to have real impact (not academic impact, measured as a popularity contest among peers of articles and citations in Google Scholar) they try to go out and change the world. There are many research institutes that think

more like this now, particularly in the area of environmental studies, disillusioned by existing social science departments at the more established schools. One example is the IIIIE in Lund.

At the end both developments are important (theory and practice), as we also need to teach new generations of students how to work with intelligence, but it must be based firmly in practice, it must be relevant and it cannot be too narrowly defined. This does not mean we cannot develop theories or focus on causations.

I was reading one of the last books by Herbert Simon the other week, based on some lectures he had given. They reminded me of the last book by Schumpeter "History of Economic analysis", published posthumously. Both authors tried to explain how their ideas fitted with the evolutionary thinking of Charles Darwin, an attempt suggested earlier by the German Historical School led by Wilhelm Roscher. A generation after Roscher it also found support in the US for a short while, with Torstein Veblen (before it was picked up again many generations later by Kenneth E Boulding and others). They realized that a promising path for the social science was to connect to the theories of Darwin, but a new superpower demanded a new scientific paradigm. So the attempts halted, except for a few satellites in Germany (The International Joseph A. Schumpeter Society) and England (G. M. Hodgson). The historical school which was dominating in the 19th century, disappeared, basically I think because fellow economists stopped reading seminal books or even older articles, which are often in German and French.

Intelligence studies can continue to be relevant by helping organizations become more competitive. It can do this without developing theories. Still I think that it can achieve much more by being more rigorous: defining variables, setting up axioms, hypotheses and discussing causations.

For my own part, this led to my interest in combining intelligence studies not only with evolutionary theory, but with the disciplines of geopolitics and now geoeconomics. In the early 1990s I started to develop my own ideas of geoeconomics, based on observations of the Chinese eclipse and Western decline. It was followed by numerous travels and two stays in China, where I started to write the book "Geoeconomics", completed at Stanford in 2012. This was done independently of Luttwak who I read first much later, and before Lorot. Geoeconomics helps me understand intelligence studies on a macro level. In 2017 I published an article in JISIB called "Why the social sciences should be based in evolutionary theory: the example of geoeconomics and intelligence studies". The historical reasoning in the article basically comes from the same book.

At the end of his wonderful book "History of Management Thought" Witzel lines up present and future directions of management thinking. He talks first about what can be expected as Asia surpasses the Western world economically and he draws lines as to present directions of thinking: sustainability research, but also the information turn, starting with thinkers like Toffler, who is also well known in the literature of intelligence studies.

It is in this direction of the information turn that intelligence studies in business must be understood and placed, not as the primary venue, at least not at the present. That place has been occupied by the management of information systems (MIS) literature with a handful of journals, but as an alternative approach, a niche built around another tradition of management: the organization as an information gathering organism. Another established direction in management has focused on decision making. Intelligence studies looks as the process that leads up to decisions as decisions can only be as good as the information at hand (ignored by the marginalists, as they typically assume full information) and the (bounded rational) mind that is used to process it.

Intelligence studies as a discipline today has two main directions, how to work with the process of information gathering (1) and how to set up an organization to fulfill that aim (2). The initial answers to both are the same, much like successful state and military intelligence organizations. The problem is that military organizations and businesses are different, so a direct application is not possible, just like a direct adaptation of geopolitics is not possible. The size and goals of the organizations are different, technology is different, but also in terms of the legal and ethical framework the two forms of intelligence operate within. This is what warrants two distinct and different disciplines.

Today state intelligence services work less with economic questions but as the success of state capitalism spreads this is bound to change. Already today state and military intelligence is learning from the private sector, less vice versa.

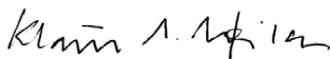
Looking back at more than three decades of studies in intelligence studies (with CIR, JCIM and JISIB) we now have a “discipline” – formally - in the sense that there is a catalog and archive for a new body of information produced by a scientific community. We also have a number of regular conferences dedicated to different forms of intelligence studies in business. Some of the larger of these conferences are dominated by practitioners, which I rather see as a healthy sign (but I realize that my thinking here is contrary to that of most colleagues). It is a challenge for this small group of scholars to convince the world that the problems studied under the umbrella of intelligence studies in business (a term coined by Sheila Wright and Arik Johnson at the ICI conference in Bad Nauheim in 2010) are worth undertaking. When work piles up like now before Christmas, I like to think that Stevan Dedijer, one of the founders of intelligence studies (social intelligence, he called it), would have been pleased if he had lived today and saw how his ideas have evolved and multiplied.

What is more fitting then, than to start with the largest bibliometric analysis that has been done on the field of intelligence studies authored by López-Roble et al. It shows what areas of IS are most popular, who the contributors have been and what their contributions have been. The paper by Ojinagar is also an analysis of scientific contributions to the field of intelligence studies in business, but is narrower. It analyses 72 papers published in Mexico between 2000 and 2015 on competitive intelligence. The paper by Garcia-Garcia and Rodríguez presents another form of bibliometrics, called scientometrics. It's an example of how scientometrics can be used to show the most influential authors and inter-institutional collaborations in a specific industry, namely additive manufacturing for hand orthoses. The paper by Svarre and Gaardboe is an analysis of business intelligence tasks, use and users in a workplace setting. The contribution by Ottonicar et al. investigates how information literacy and competitive intelligence are connected in business management and information science fields.

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On behalf of the Editorial Board,

Sincerely Yours,



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