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Brazil - Evolutions in CI and some aspects of a current scenario

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ABSTRACT: Ten years have gone since Competitive Intelligence was regarded as being in its initial phase in Brazil, according to the statistics from the application of the internationally accepted program for the sector. This article talks about the evolution of the Brazilian scenario in this field of activity and about aspects of the current reality which entitles us to outline the evolution of the practice of intelligence, as well as what is thought to be its application and results. The work focused mainly on three aspects: The evolution of the concept of Competitive/Economic Intelligence in the Southeast region of Brazil; the biggest recurring deficiencies in CI projects and obstacles to their execution; and the major recurring skills highlighted in the projects. The article shows culture as an influence that favors the aspects that affect the desires and decisions of companies located in Brazil. Conclusions point to an evolutionary scenario regarding the volume of project results in big companies and the presence of fragmented discourses in a market eager for a bigger volume of closed deals, less worried about delivery depth and quality.

KEYWORDS: Competitive Intelligence, Business Strategy, Organizational Sustainability, Evolution of CI in Brazil, CI Practice, CI Projects.

Introduction

Ten years have gone by since Competitive Intelligence was regarded as being in its initial phase in Brazil, according to statistics from the application of a program that is accepted as being representative of processes identified as

Competitive or Economic Intelligence and different from Business Intelligence (BI)¹, Marketing Intelligence², and Market Research³ processes, among others.

Nowadays, we can discuss the evolution of the

Brazilian scenario in this field of activity and aspects of the current reality allow us to outline the evolution of the practice of this concept, as well as what is thought to be its application and results⁴.

Method

The basis of study for this article is approximately 100 medium and large sized Brazilian companies monitored for at least 5 years by business strategy and CI (consulting companies located in Sao Paulo) consultants that work with medium and large sized companies, in addition to scientists holding patents who want a strategic plan in the field of Innovation/feasibility of new businesses).

The results considered were those described according to the view of the organization's main decision makers in line with the evolution/highlight of the business shown through internal numbers and/or external metrics.

We know that the dynamics of life is more and more intense and it is worth to investigate how such dynamics leads our actions and skills to solve problems capable of expanding our capacity to build the reality we wish for. Approaching such question requires a qualitative analysis, which is what this article proposes to do.

The goal here is not to exhaustively investigate all analysis aspects possible, but rather to understand some aspects of the actions and reactions of Brazilian companies in their market in a more in-depth fashion as to reveal they are connected to other aspects that also have a huge impact.

The conclusions hereof and the analyses point to a global reflection on how we do what we do and on how we realize that we walk the path that should take us to the expected results.

The analysis on the evolution of CI in the Brazilian scenario is highlighted here, and it reveals some aspects that - according to the proposal - are relevant in the current scenario.

The basis of study:

60 medium and large sized companies researched, monitored for at least 5 years by business strategy and CI consultants.

Experiences and results of academic classes, experience in CI congresses and panels held within such period by the consultants involved in the projects also complement the contents for later

analysis.

The 3 main focus points for the conclusive analyses were:

- 1) The evolution of the concept of Economic/Competitive Intelligence in the Southeast region of Brazil. The Southeast region of Brazil holds the 3 largest metropolises in the country. According to the census carried out in 2010, the Southeast region is the most populated in Brazil - 80,353,724 people - where Sao Paulo, the biggest city in Brazil, is home to 41,252,160 people. The Southeast region is also the place with the highest concentration of income and businesses, and Sao Paulo is the # 1 place home to international companies and HQ's of Brazilian companies, in addition to being the third biggest megalopolis in the world and being known as the "city of excesses."⁵ The Southeast region is responsible for over 70% of the value of industrial transformation in Brazil and has the highest GDP vs. the other regions.⁶
- 2) The biggest recurring deficiencies in projects and which were obstacles to their execution
- 3) The results of the analyses on the evolution of the CI concept and practice in Brazil point to a spreading of the subject, but without the maturity of ownership over the use or control of results. In addition to that, they also point to an application which is often scattered and targeted at the core education of the competitive intelligence analyst, which happens mainly when designing the intelligence plan, followed by the cross analyses of critical information, as shown in table 01.

Table 1. Evolutions of the concept and practice of CI in the Southeast region of Brazil in the last 10 years.

EVOLUTIONS	CONSEQUENCES FOR BRAZILIAN COMPANIES	COMPARISON OF RESULTS IN 10 YEARS
EVOLUTIONS OF THE CONCEPT OF COMPETITIVE INTELLIGENCE		
Initially unknown, competitive intelligence became more and more popular mainly in the Southeast region and among large sized companies.	Higher attendance of executive in related events. Increase in the amount of executives who attend such events.	Increase in the proposal and execution of CI projects. Boom of ideas and consultancy for a broad concept.
Increase in courses, sites, workshops, speeches, blogs, higher participation in forums, more freedom to interact with the concept.	Increase in the amount of professionals working in the CI market. More projects identified as CI projects.	Increase, from hundreds to thousands, in the amount of professionals that received of direct CI education. (Attendance in workshops, subjects in graduate/MBA or specialization courses.)
Adaptation of the practice of the concept to the understanding of each professional and/or Brazilians' culture trend not to follow processes and use their creativity instead (pDca).	Over 60% of the companies visited believe they carry out CI in their own way. Lack of structured processes and the non-observance of programs, due to neglect or ignorance.	From a lack of process to a difficulty to identify valid CI processes. Results insufficient because they do not approach the completeness required in the concept.
Defense of more awareness of interrelations, operational coherence, and results. Beginning of the systemic discourse. Interest in networks and the search for relevant information.	No connection with what is actually done. Presence of the proposal, but with traditional implementation plans. As if the concept alone could generate a different practice. Lack of awareness that changing action is required in order to change behavior.	No comparative evolution.
Division of focuses when offering projects according to the type of education obtained (generally, education is incomplete). An initial general view is missing.	It is usual to suit the intelligence need to the focus of the professional hired. (Monitoring of the competition, management of knowledge, strategic planning, among others.)	Companies have problems to find the right professional, which often results in the fact that the concept is not understood or in fragmented results. Fragmentation of the solution.
Evolving: with the creation of the Web 2.0, weak signs suggest a growing participation and domain of the collectivism as cultural skill for CI programs.	More quality in proposals to solve problems and challenges and good use of Brazilians' cultural skill. More integration and focus on the business.	Positive effects and results rely on local culture, rather than on what was planned as strategy. Future possibility: the discourse is incorporated into practice.

The second analysis focus - table 02 - were the main challenges faced internally which, depending on the depth of the view and on the awareness of the contractor, limit project results more than the external difficulties to find the relevant information required to make the right strategic decision suited to the moment, time, location, and breadth. Such datum is not right only when it comes to the services provided where the intelligence need was related to a product and process to collect relevant information, but mainly of a single area or mainly external, with no main need to make the business more intelligent.

The table resumes a study that started in the 90's and was exposed in the book *Veille Technologique et Competitivité - L'intelligence économique au service du développement industriel* (DOU, 1995 pg 11). Such study has a grouped analysis of 7 of the main skills highlighted when using CI, making the practical use of relevant information in some countries evident. Based on that, a chart with trends was generated⁷.

Out of 7 of those main skills, 4 were present in companies located in Brazil at 50% rate of all projects, which, in spite of being considered in a small sample (30 out of 60 companies analyzed), such answer intensity indicates, at least, a trend towards the development of a dormant potential in the current Brazilian scenario and which already produces concrete results in highly strategic projects, i.e., the capability to respond to stimulus is high⁸. The table below highlights how such skills arose and impacted the result of each work.

Table 2. Recurring obstacles found when executing CI projects

MAIN PROBLEMS	CONSEQUENCES FOR BRAZILIAN COMPANIES	IMPACTS ON CURRENT RESULTS
<p>Mainly with chairmen/CEO's:</p> <p>a) Focus mostly internal (vs. external);</p> <p>b) Arrogance regarding knowledge;</p> <p>c) Lack of strategic focus.</p>	<p>a) Believe the problem is internal or</p> <p>b) they have all the knowledge and skills required to be successful and make decisions alone, or</p> <p>c) that the HQ has the strategy, everything is ready, or it is implicit.</p>	<p>Obstacle to project execution. Obstacle to the synchronization between the external and internal environments. Operation without a purpose, with no strategic focus. Company with highs and lows and/or dependant on a favorable market, economy, or product.</p>
<p>President or chairmen are far from the operational reality or the local culture.</p>	<p>The company is not capable of identifying the type of intelligence it needs. Lack of perception of the current reality. No thoughts about operational coherence with the strategic direction.</p>	<p>If the project is carried out without the prior identification of the intelligence need, results are compromised because a target does not exist.</p>
<p>The main decision maker or the manager of the strategic area in question does not have visionary or strategic characteristics.</p>	<p>Limited sight or lack of courage or long term desires (seek something beyond his/her period of employment or the goals he/she defined).</p>	<p>CI hiring is difficult and slow (long term, if any), followed by a slow execution due to lack of response to the command. Lack of energy and internal alignment. Timing and synchronization are missed.</p>
<p>Fragmentation of the execution. (Happened frequently in the development, research, or innovation departments.)</p>	<p>Division between departments, conflicts of interests. Generally, maintaining tasks separate prevails.</p>	<p>Prevents the execution of solutions such as they had been proposed, preventing the systemic effect of results. Limited breadth.</p>
<p>Lack of financial resources or long term planning culture.</p>	<p>Short term vision prevails and the company does not invest in the project or starts it, but does not end it.</p>	<p>The company does not accept fund management integrated with commercial initiative.</p>
<p>Stakeholders lack strategic capability (professionals who implement the strategy defined).</p>	<p>Current executives who perform tasks without using strategic thinking are often not capable of carrying out a project that requires a higher degree of thinking.</p>	<p>The team never has time to meet, does not understand the coherence between the process and the result desired, and thinks the project needs to provide answers, rather than ask questions.</p>

SKILLS	CONSEQUENCES FOR BRAZILIAN COMPANIES	IMPACTS ON CURRENT RESULTS
Highlights of the Brazilian culture which are already present in CI projects		
Collectivism	Use and propagation of relevant information. Learning, improvement of communication, and feedback. Use of Collective Intelligence.	The entire company becomes more intelligent as time goes by. Intelligence is spread around the departments, and no longer concentrated - usually - in the commercial or technical (production) departments.
Individual Talent	Individual talents step up and lead the process. Highlighted performances to: Act as data miners; Identify the need for Intelligence; Keep the team focused; Design the strategic plan.	When using such skill, a single actor assures most of the results of the project. Higher amount of Case publications in congresses in Brazil and abroad, highlighting government and private companies located in Brazil. Brazilians awarded in competitiveness/innovation contests, as well as writers of national and international books.
Strategic & Operational Synergy	Quick assimilation of actions relevant to make the company more competitive. Team more focused on the business and more aligned.	Higher quality and quantity of solutions obtained. The evolution of the business provides safety. The client's/market's perception of the company's competitive edge is inevitable.
National Culture	Use of creativity in processes and in the use of information technologies and resources available. Ability to do more using less.	Positive results with the smallest investment possible. Produces more relaxed and spontaneous atmospheres. Ability to innovate.

Table 3. Main skills that helped the projects to achieve success, based on DOU studies.

Conclusive analysis

More than a program that proposes a variety of techniques to collect relevant information from the market and the environment, Competitive Intelligence is a strategic tool that relies directly on the foresight of projects' stakeholders and supporters to maximize its results relating both to the technique and relations, in order to make the business and processes more and more intelligent⁹.

In Brazil, it is possible to see a significant evolution both in the amount of applied projects and in the better education and growing experience.

A negative factor is the discursive market, where the lack of planning and depth has a huge impact.

Analyses also point to an original situation which is ignored by companies' decision makers and owners: how hard it is to manage and sustain businesses in Brazil, both regarding the strategic commercial management and the strategic financial management, which are especially discrepant when compared with countries in Europe and North America¹⁰.

Becoming aware of such issue and the corrective measures may be critical strategic

implementations in the field of CI, which may increase competitiveness significantly in times filled with opportunities, such as the one we are living now. At last, they point to the appearance of an attitude that is more systemic and coherent with a positive aspect of our culture, as shown in table 3 above, including the ability to work in teams in a fun and creative fashion, in addition to the ability to innovate. That is, being aware of the ability to produce wealth respecting the Brazilian tools and originality, and succeeding without having to make huge efforts.

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