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INFLUENCE OF BUSINESS AND COMPETITIVE INTELLIGENCE ON MAKING RIGHT BUSINESS DECISIONS

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Abstract

In business environment in which a company operates, when technological possibilities are very developed and accessible, when a great number of data from business transactions is generated, and when knowledge is the only resource contemporary economy is lacking, if they want to maintain and improve their positions on the market, decision makers have to be able to make correct business decisions very quickly. This text presents positive effects of a simultaneous use of tools and techniques of business and competitive intelligence in the process of making right decisions in a company. The text will present evidence that information on yourself, acquired through techniques of business intelligence, and information on competition, acquired through practicing competitive intelligence, present a basis for making right business decisions which leads towards reaching the established business goals of a company. Criteria are explained which have to be adhered to when introducing the concept of business and competitive intelligence in a company.

Key words: data, information, knowledge, business decision, company, business intelligence, competitive intelligence

*“The future is already here,
it’s just not evenly distributed.”
William Gibson*

1. INTRODUCTION

In business environment in which a company operates, when technological possibilities are very developed and accessible, when a great number of data from business transactions is generated, and when knowledge is the only resource contemporary economy is lacking, if they want to maintain and improve their positions on the market, decision makers have to be able to make correct business decisions very quickly. A need for business decision at the right moment is based on true facts and exists at strategic, operative and tactical levels. If a decision is made too late or is based on wrong facts, regardless of which level of business it pertains to, it can have far-reaching negative effects on business. In order for a company to avoid this, it needs to be as informed as possible, so that making right decision would be more probable. In order to assure a „360-degree view“ from its perspective, a company needs to conduct the process of gathering true facts in two dimensions.

The first dimension is getting to know yourself. When practicing the techniques and using the tools of business intelligence (hereinafter BI), a company gathers information from huge amount of data it has access to, finds hidden facts which contribute to business, discovers links between events which effect business and which seem unconnected to each other, detects problems easier, etc. Knowledge acquired through BI is one of the most important inputs for making a rights business decision. However, it is not enough.

The second dimension required for making accurate and timely business decisions is knowing environment. A company is not alone on the market, except in case of a monopoly. Every day, it is facing competition, new products, substitutes, general political stable and unstable movements, economic crises, etc. Knowledge required for this part of a business decision can be gained through use of competitive intelligence techniques (hereinafter CI).

Information on company's work gathered through BI techniques and information on market movements gathered through practicing CI represent a basis for making right business decision, which lead towards reaching the established business goals of a company.

2. INFLUENCE OF DATA ON BUSINESS DECISIONS

*The Economist Intelligence*¹ Unit conducted a survey in 2007 which involved 154 managers from around the world, mostly from big companies (80% of correspondents with income between USD 500 million and USD 5 billion), who work in various market segments, with the aim of revealing the main factors

¹ Kielstra, Paul „In search of clarity-Unravelling the complexities of executive decision making“, The Economist Intelligence Unit, 2007,

which affect the way they make business decisions. The research has undoubtedly shown that bad data lead to bad business decisions. Of the total number of employees, 78% of them believe good data are the critical input in making a right decision which is strategic in nature, while 79% believe that good data are crucial in making operative decisions.

According to this survey, only 10% of correspondents confirm they are getting the necessary information when they need them, 46% say they have troubles searching through such a huge amount of data for those they need in order to make a decision. At the same time, 56% of correspondents are concerned they might make wrong business decisions due to incorrect and incomplete data.

Most correspondents, 61% of them, say the decisions made by their companies' managements are averagely efficient, while 72% of correspondents from big companies think the same. Between 20 and 25% of correspondents (depending on geographic area) believe that management often makes wrong decisions.

The survey has shown that the following elements are very important in making a right business decision²:

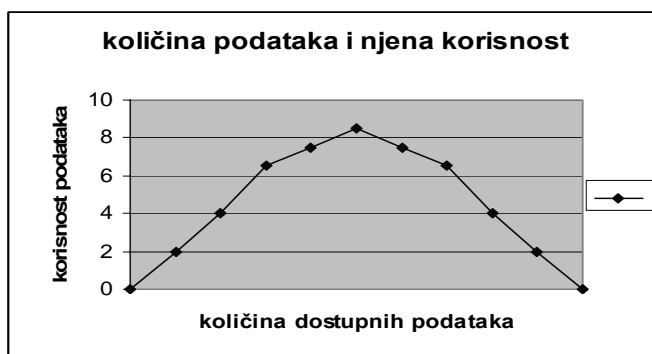
1. **„High-quality data.** This is a prerequisite for consistently sound decision-making. The greater your understanding of your company, your competitors and your environment, the more you can move from guesswork to making strategic choices.
2. **Employees need access to good technology and training** - Access to advanced information systems is crucial to improved decision-making, as is training in helping employees to make full use of them. Such tools must also be easy to use.
3. **Sound judgment** - Decision-making processes, whether formal or not, need to leverage the strengths of human intuition. Data does not run companies; people do.
4. **Trust** - To gain employees' confidence in management decisions, establishing transparency and trust is at least as essential as a good track record.
5. **Flexibility** - Approaches to decision-making, and even to the use of data, need to reflect the fact that the world is a diverse place, and one size does not always fit all.“

² Ibid, p. 2.

2.1. Relation between amount and usefulness of data

In its everyday business, a company generates a great number of data. Every organizational unit generates data from its business area. In a business system which does not have a unified platform for storing these data, this represents a huge problem for decision makers. Such data are not uniformed not stored in a previously designed way, they do not represent a proper „material“ for construction of an information, and turning those pieces of information into knowledge which can serve as basis for taking a right business decision. When we look at piling of unstructured data in the context of usefulness, we can conclude that, after a certain amount, they bring negative usefulness, i.e. they represent a concrete financial cost.

Picture no. 1 shows that in the context of usefulness of data in making a business decisions, it turns out that a company is in the same position both when it has no data at all and with a huge amount of unstructured data.



Source – the text author

Figure 1. Relation between amount and usefulness of data

Količina podataka i njena korisnost – Amount of data and their usefulness

Korisnost podataka – Usefulness of data

Količina dostupnih podataka – Amount of available data

Usefulness of data grows with the amount of available data. This growth has to correspond to the possibilities for processing these data. When the amount of available data outgrows the available capacities for processing, their usefulness starts decreasing. As generation of data is continued, under assumption that nothing is being done to improve the resources required for processing, usefulness keeps diminishing.

Decision makers spend more and more of their precious time on processing information contents. Company is unable to make decisions quickly, data cannot be controlled and they become subject to gradual alienation. Additional human resources have to be engaged for storage and manipulation of

data, individual organizational units create knowledge of the company each for themselves, and due to lack of compatibility in processing, data do not represent a useful input for another organization unit of the same company. This leads to duplication of processes, costs and to negative consequences on data usefulness.

Usefulness decreases to the level when it is no longer possible to safely use and efficiently process gathered data. At this moment, usefulness of data is non-existent.

In this situation, decision makers are not able to intervene promptly in order to enhance business processes, nor are they capable of improving cooperation with clients, suppliers, planning stocks correctly, removing mistakes timely, as well as the reasons leading to them, they are not capable of adequately managing human potentials, etc. All this leads to weakening of competitive position of a company, which has negative effects on its overall performance.

Decision makers are unable to respond to all challenges in real time, and a long time has to pass before they undertake any corrective measures, which influences credibility of business and results in lack of loyalty among clients and a negative image, which, in the end, affects business results negatively. Negative business results, signals which show we are not keeping pace with market developments, worsened financial results, decrease in dividends for owners, point to the fact there are problems in management and that a process of reorganization, reconstruction and improvement of the overall system has to be started. A problem emerges here as well. Under assumption that we have high-quality human potentials, the question arises of where to start. A thorough analysis needs to be conducted in all segments of the company, which involves the problem of processing a huge amount of unstructured data.

2.2. Three models of information management within a company

When we look at information within a company in the context of its accessibility to employees, three models can be detected³:

- **„Information Dictatorship“** is when data and information are in the hands of a small number of employees and when they cannot or can hardly be disseminated among other employees. Information acquired in one business area cannot or can hardly be linked to information from other business areas. Such information management does not contribute to flexibility in decision-making, the process of decision-making cannot involve a larger number of people, so employees are not able to contribute to enhancement of business. The setting such as this results

³ Liautaud Bernard, Hammond Mark, "E-Business Intelligence - Turning Information Into Knowledge and Knowledge Into Profit", Prudens consilium, 2006, p. 14

in conflicts among line managers, and top managers have difficulties making right decisions without input from their subordinates.

- On the other hand, **„Information Anarchy“** is a state when there is very little control of data, while at the same time large-scale accessibility is allowed. This form of information model emerged when technological solutions became very accessible and when line managers realized that in order to improve their business performance, quality information they are getting from a centralized database, usually located in IT department, do not suffice. In order to improve their business and reach their goals, managers of some departments create their own databases independently and introduce technological solutions which „suit“ their needs. Such technological solutions are not „interoperable“ in other departments. Mutual „communication“ is much harder, because departments base their work on different applicative solutions, use different parameters for data entry, and use non-compatible hardware technical solutions. In the state of information anarchy, everybody is in charge of creating databases. In case of high fluctuation of work force, if one of employees would leave the company, his/her „memory“ would also be lost. Organizational memory, as well as organizational intelligence, is very small. The first time a decision maker would get two contradictory pieces of information from two different departments, it would be clear that this structure is poor.
- **„Information Democracy“** is a structure in which data are accessible to a big number of employees, but according to an established system of information flow. Data are no longer entered into a big number of different and differently organized databases. They are all in one database and are entered in line with uniformed parameters, which make establishing correlations possible. The process of acquiring useful information and knowledge from these data is automatic and very quick, and the method of presenting results is based on user-friendly interfaces. This model characterizes a state in which information are accessible to a great number of users, who use the data to reach their organizational goals. A great number of employees are involved in the process of decision-making, who, based on available information, enhance the business area in their charge and the overall business of the company.

3. TWO-DIMENSIONAL APPROACH TO CREATING KNOWLEDGE

3.1. The first dimension - BI

One of prerequisites for a successful business is large-scale involvement of employees in the process of decision-making. Of course, every employee makes decisions at their level. This means that „information democracy“ is present in the company. The best way to introduce information democracy in a company is through introduction of the BI system.

Mr. Martin Lynch⁴ published results of a survey conducted by Gartner Group which involved 1500 managers of IT departments. A great majority of them said that, besides decrease in IT budgets in their companies, priority was acquisition of BI tools. According to this research, total expenditures for 2008 for BI applications were USD 8.8 billion, which, compared to 2007, represents increase of 21.7%. The same author states as an example a survey conducted by the Economist Business Unit⁵, where 85% of correspondents said the reason for this dynamic demand for BI tools lies in the fact that accessibility of data within a company has significant or very significant effects on financial or business performance⁶.

A great number of definitions of BI can be found in literature. They are very important since they provide a concise explanation of the role and position BI has in the overall business of a company⁷. Analyzing definitions, we can conclude that BI is - 1) a system, concept, method, process or structure 2) of a continuous, defined and organized gathering, keeping and processing of data and access to data 3) on clients, products, financial indicators, business transactions, stock management, orders, etc., 4) for the purpose of acquiring correct and timely information, necessary for making right and timely strategic, operative and tactical business decisions, 5) with the aim of overall enhancement of business performance.

From definitions and examples presented in the literature on the matter⁸ it can be concluded that BI can be applied to all subjects that generate huge amounts of data in their work, and the subjects that face decision-making in their business. Besides in companies, BI can be of use in universities, hospitals, ministries, governments, etc.

⁴ Lynch, Martin “How business intelligence can improve your bottom line”, October 08 – 2009, available at <http://www.ameinfo.com/210861.html>, accessed on 3 March 2011

⁵ Ibid.

⁶ When there is information democracy present (author's note)

⁷ E.g. <http://competitive-intelligence.mirum.net/business-intelligence/definition-business-intelligence.html>

⁸ Panian, Željko; Klepac, Goran „Poslovna inteligencija „, Masmedia d.o.o., 2003 godina, str.

3.2. The second dimension - CI

Companies have to strive towards being well-informed on developments which can affect their business. Information which influence business, and which are a direct product of business activities of a company are, as we have seen, very important, but are not providing a 360-degree view.

Activities of our competition and anticipation of its future activities are very important for the process of decision-making. Information of competition's work and its intentions can be found in numerous public sources (publications, daily press, interviews, presentations, participation at fairs, exhibitions, etc.). These sources are not centralized, but are dispersed and each of them represents a piece of the riddle. It is widely believed that 90% of information can be found in public sources, so a company needs to be technologically equipped and have human resources to be able to put these pieces from dispersed sources together to get a full picture. The remaining 10% of information is protected and presents strategic material, and extraction of these pieces of information is done through methods of industrial espionage⁹. Practicing CI is an allowed and moral activity of every company that wants to maintain or increase its market share.

Analyzing definitions of competitive intelligence which can be found in literature¹⁰ we can construct a general definition according to which CI is a 1) continuous process of monitoring and analyzing situations in an industrial segment or on the market, 2) through publicly available sources and ethical and legal techniques, 3) which are used to identify present and potential competition (*but also other external factors which can influence business, author's note.*), 4) in order to understand how their present and future, announced and unannounced activities will affect our company, 5) with the aim of defining answers, 6) and for the purpose of ensuring present competitive position or future competitive advantage¹¹.

What BI and CI have in common is that they are both continuous, systematic and legal methods of gathering and processing dispersed data which influence a company's work, with the aim of creating knowledge which is a basis for making timely and right decisions that lead to reaching business goals.

⁹ Kralj, Božidar, „Competitive Intelligence vs Business Intelligence“ available at <http://www.business-intelligence-secrets.com/competitive-intelligence-vs-business-intelligence>, accessed on 11 March 2011

¹⁰ See <http://competitive-intelligence.mirum.net/business-intelligence/definition-competitive-intelligence.html>, accessed on 11 March 2011

¹¹ available at <http://www.businessdictionary.com/definition/competitive-intelligence.html>, accessed on 3 March 2011

One of the differences between BI and CI is that BI uses data that arise directly from a business activity of a company (internal data)¹², while CI uses publicly available data from external sources¹³.

When results of BI and CI are combined, under assumption there is high-quality staff that uses these results, we get a very efficient way of minimizing the possibility of making wrong business decisions.

4. BENEFITS FROM PRACTICING BI AND CI IN A COMPANY

4.1. Benefits from practicing BI

Magazine *Business Week* states that companies which use a well-developed and established BI mark up to 20% faster growth of income than their competition which does not realize the benefits of BI¹⁴.

Introducing a BI system in a company does not necessarily have to be seen through increase in income. It can be seen as prevention of loss, the way to retain key clients, who are targeted by competition¹⁵. An analysis conducted by Mr. Hrvoje Patajac simulated effects of BI on certain categories which influence income and profit of a production company and a wholesale company. In both simulations, BI brings significant improvements in business results where return on investment (in this case investment in a BI system) amounts to 21.5% for the production company and 79.46 for the wholesale company.¹⁶

BI enables its users to analyze and better understand their organizational plans and results. BI provides insight in what works while at the same time it enables identification of potential problems, allowing decision makers to act timely in eliminating problems. BI enables detection of problems and possibilities and alarms when something unplanned happens¹⁷. In line with this, in the context of finding out more about themselves, BI solutions help organizations:¹⁸

¹² Pells, David L. "Global Business Intelligence for Managers of Programs, Projects and Project-oriented Organizations", published in *PM World Today* – June, 2009 (Vol XI, issue VI), p. 2

¹³ Steyel, Jan „Business Intelligence vs. Competitive Intelligence“, available at <http://it.toolbox.com/blogs/bi-ci/business-intelligence-vs-competitive-intelligence-32441>, accessed on 8 March 2011

¹⁴ available at www.htnet.hr/gospodarstvo/poslovnivodic/page/2005/05/02/0512006.html, accessed on 16.06.2008

¹⁵ Patajac, Hrvoje „Analysis of Cost-Effectiveness of Investing in Business Intelligence System“ available at www.skladiste.com, 2011

¹⁶ *Ibid.* p.4 and 5

¹⁷ Schiff A. Michel, „Business Intelligence – The Definitive Guide for Mid-size Organisation“, available at www.businessobject.com, 2007

¹⁸ The Business Intelligence Guide, available at <http://thebusinessintelligenceguide.com/index.php>, accessed on 3 March 2011

- identify the reasons why market share is not satisfactory,
- better understand the factors influencing profit,
- identify business areas where unacceptable costs occur,
- gain an accurate view of sale and/or distribution costs, per channel, per customer, per transaction, per day,
- recognize business areas of high performance,
- identify market opportunities,
- identify the key performance indicators [KPI's] to use to measure capability,
- calculate sales commissions, number of sales closed, highlight good and poor performers,
- track whether strategies for certain markets or customers are working and driving business value,
- get instant insight to the exact profit by company of each sale (e.g. daughter company) and much, much more.

Besides this, direct benefits from BI are:

- improvement of the planning and important decision making processes,
- identification of internal opportunities and threats,
- increase in maneuvering space for decision-making,
- minimizing a risk of a business decision.

The most efficient way to reach the set business goals is making the best business decisions possible. A good decision we make today will have a positive effect on the company's position in the future. One of key elements in making a decision is time decision makers have on their hands to go through all necessary phases of decision-making.

Table 1

Analysis of time consumption¹⁹

Analysis of productivity of employees of companies practicing BI and those which are not		
<i>Time employees spend on certain things during a day</i>		
	Without BI tools	With BI tools
Data gathering	35%	10%
Data analysis	35%	15%
Decision choice	15%	35%
Planning	10%	20%
Working according to a plan	5%	20%

As Table 1 shows, decision makers who do not use BI tools have little time to make a decision (15%), because they spend much time preparing input they need for the process (70%). At the same time, decision makers who use BI tools have far more time to make decisions (35%), because they spend less time gathering and analyzing relevant data which provide a basis for decision-making (25%). This time compression is provided by BI tools. BI tools leave decision makers with much more time to plan and act according to a plan. If we keep in mind that untimely decisions have the effects of wrong business decisions²⁰, the relevance of introducing and practicing BI and the total intelligence becomes more important than ever.

4.2. Benefits from practicing CI in a company

A study prepared by SCIP shows that companies practicing a higher level of CI are able to increase their business performance much more than their competition that does not practice CI or practices it to a lesser extent²¹. The same source reveals the following results²²:

- A company which practices high level of CI has a 37% higher level of product quality and 68% increase in business performance.
- A company which practices high level of CI has a 36% higher level of strategic planning quality and 48% increase in business performance,
- A company which practices high level of CI owns a 50% higher level of market knowledge and 36% increase in business performance.

¹⁹ Oreščanin, Dražen „Intelligentno upravljanje“, Trgovina Online p. 79., 12.09. 2002 (ref. Gartner dataquest 2002)

²⁰ Liautand Bernard, Hammond Mark „E-Business Intelligence.....“ p. 87.

²¹ Global Intelligence Alliance, “Measuring the benefits of competitive intelligence”, White Paper 3-2004, available at [http://www.gcc-consulting.com/GIA+WhitePaper_Measuring\[1\].pdf](http://www.gcc-consulting.com/GIA+WhitePaper_Measuring[1].pdf), accessed on 11 March 2011

²² Ibid, p. 4. – ref. Jaworski & Wee 1993, ref. McGonagle & Vella 1996, p. 187

Mr. Ben Gilad, one of the most renowned theoreticians in the field of CI²³, states that „knowledge on future market trends, on activities of competition, as well as knowledge of technological developments, represent today the most important asset of a company. Systematic monitoring and professional analysis of relevant information, acquired through primary and secondary sources, make a basis for a company's success.“²⁴ He further states that competition, clients, potential clients, market, consumer sector, industries, individuals, products and services, nations and regions are in the focus of CI.

Some of the direct benefits of practicing CI are:

- detection of profitable market niches,
- detection of competition's strengths and weaknesses,
- detection of warning signals in case of political instability,
- detection of recession signals,
- detection of new administrative and legal possibilities and limitations,
- detection of new or potential competition,
- enhancement of reliability of prognoses of leading forces in a business environment,
- decoding of competition's intentions, etc.

According to renowned consulting company „GCC Consulting“, the benefits of Competitive intelligence are as follows²⁵:

- „Identifying new business opportunities / growth opportunities before they are obvious
- Improving the organizations ability to anticipate surprises
- improving manager's analytical skills
- Faster and more targeted response to market changes / reduced reaction time
- Identifying critical points of vulnerability
- Early warning for competitive threats

²³ Sankstone, Shannon „Law Firm Competitive Intelligence“, available at <http://www.law.com/jsp/lawtechnologynews/PubArticleLTN.jsp?id=900005508289&slreturn=1&hbxml=1> accessed on 8 March 2011

²⁴ Gilad, Ben. "The Future of Competitive Intelligence: Contest for the Profession's Soul", *Competitive Intelligence Magazine*, 2008, 11(5), 22

²⁵ available at <http://www.gcc-consulting.com/default2.htm>, accessed on 8 March 2011

- Identifying blindspots
- Synchronizing information from all providers
- Conduct accurate marketplace assessments for tactical moves
- Improved quality in strategic and tactical planning
- An increased understanding of customers current and future needs
- Organizational learning and increased sharing of knowledge“

4.3. Synergistic effects of practicing BI and CI in a company

The goal of introducing the system of „total“ intelligence, i.e. introducing the system of BI and practicing CI, enables a company to have a „360-degree real time view“ of internal and external factors influencing business. This comprehensive view contributes to

- analysis of current position,
- better understanding of factors contributing to that position,
- better understanding of the set trends,
- detection of new trends which can positively or negatively influence the company's work.

5. CRITERIA TO BE ADHERED TO WHEN INTRODUCING BI AND CI IN A COMPANY

Storing and extraditing data which „have potential“ can be done in various ways, because market offers specialized companies which provide software solutions enabling this²⁶. These solutions are very handy since they create a basis for decision-making quickly and efficiently. Reports are very concise, user-friendly and clear.

When introducing a BI system in its business, a company should adhere to the following criteria²⁷

„Simplicity of the system“ - in order for a BI system to be used by employees, it has to be simple. BI tools have to help users detect links, causes and trends, as well as changes in trends in the easiest way possible. Almost all BI vendors on the market are trying to make their BI products very interactive and visual.

²⁶ For an example, see the list at <http://www.istart.co.nz/index/HM20/AL211749/AR213566>, accessed on 10 March 2011

²⁷ Dion Tapscott „Business Intelligence - Actionable Insights for Business Decision Makers“, available at www.businessobject.com

Results acquired through BI tools are shown as easily comparable and comprehensible. Results are presented to users in form of traditional reports, interactive analytical tools, web-based search engines, all the way to 3D presentations. Users of BI tools do not have to possess any previous knowledge on structure and content of data. This enables users to access databases individually, to employ multiple dimensions when looking for an analysis. Data are accessed directly and no previous reports and matrixes are required.

„Relevance“- results acquired with BI tools have to be relevant in the context of the purpose they are used for. It is very important that results are correct and that decision makers have high level of trust in them.

„Agility“- a result acquired through BI tools needs to provide for a timely decision-making. This primarily pertains to markets in which seconds matter, e.g. capital or financial markets.

„Integration“- for an efficient BI system it is important that the platform being used can respond to the needs and specific features of a company. BI platform which is implemented has to assure uniformity of data storage in different organizational units. The platform has to ensure establishment of full integration with the company's activities. All data, regardless of where they come from, have to be stored uniformly and structurally and have to be available to decision makers.

5.1. Criteria to be adhered to when practicing CI

Fred White²⁸ emphasizes that, according to the survey SCIP has conducted among its members, most correspondents say that, when allocating their scarce resources in all components of a CI cycle (planning, gathering, processing, analyzing and distributing), they dedicate most time to analysis of data and gathering secondary information.

This survey has also revealed the following:

- employees of the company in question represent the most important primary source of information, while Internet publications are the most important secondary source of information.
- SWOT analysis is the most commonly used method of analysis,
- in the context of dissemination and acquisition of information, e-mail has become more important than printed reports, interviews and presentations.

²⁸ White, Fred „Competitive Intelligence vs. Espionage“, available at www.scip.org, accessed on 22 May 2007, ref "State of Art: Competitive Intelligence: Competitive Intelligence Foundation Research Report 2005-2006"

- almost a half of correspondents are certain they are using the most appropriate technologies in their work.

As already stated, CI involves gathering information from environment and from public sources. Due to regular overlapping and difficulties in establishing a strictly defined border between CI and industrial espionage²⁹, an international association of CI professionals (SCIP- *Society of Competitive Intelligence Professionals*) has issued a Code of Ethics³⁰ which those dealing with CI have to adhere to in their work. Among other, this Code prescribes users of CI:

- to comply with all applicable laws, domestic and international;
- to accurately disclose all relevant information, including one's identity and organization, prior to all interviews,
- to provide honest and realistic recommendations and conclusions in the execution of one's duties,
- to avoid conflicts of interest in practicing CI.

6. DO NOT FORGET

One should always keep in mind that a company is on an open market, and as such it is an object of competitive CI. Assumption is that our competition acts the way we do, that it is also trying to find out which plans, capacities, new products and strategies we are entering the market with. Under the assumption that we are subject to CI, this might not seem as a big problem, because information we are sending out can be efficiently controlled through certain organizational measures. However, we must not neglect the fact that competition often systematically practices illicit and unmoral industrial espionage.

What is specific for industrial espionage is that it often remains undetected or is detected too late, when the damage has already been irreversible done. In such circumstances, a company is not even aware that it is subject to special operations, that its knowledge, e.g. results of a research on a new product or its know how, is already in the hands of competition, and that competition did not have, or had financial costs which are far from being proportional to results.

Another specific feature of industrial espionage is that the most common sources of information, purposely or not, are the company's employees, who are objects of industrial espionage. In order to protect itself from such malversations, a company has to be aware of and familiar with all forms and techniques of industrial espionage. It should introduce control mechanisms aimed at preventing

²⁹ Heims, Peters "Countering Industrial espionage", p. 10 and 11

³⁰ available at <http://www.scip.org/About/content.cfm?ItemNumber=578&navItemNumber=504>, accessed on 28 February 2011

possibilities of „leakage“ of scarce resources into the hands of immoral competition, thereby maintaining its advantage on the market.

7. CONCLUSION

BI and CI can provide a 360-degree view of a company's business. Knowledge represents a strategic resource which enables management to make right and timely business decisions, which leads to reaching the set goals and enhancement of business.

Potential gains, but also losses on the market are huge, and modern conditions in business dictate that nothing can be left to chance. The time when human intuition played the most important role in making a decision is behind us. Although intuition is still important, knowledge is taking primacy. One of the most efficient ways to create and use knowledge is a systematic use of BI and CI tools and techniques in a company.

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**UTJECAJ POSLOVNE INTELIGENCIJE I INTELIGENCIJE
KONKURENTNOSTI U DONOŠENJU ISPRAVNIH
POSLOVNIH ODLUKA*****Sažetak***

U uvjetima poslovanja u kojima tvrtke funkcioniraju, u vremenu kada su tehnološke mogućnosti razvijene i dostupne, kada se stvara velika količina podataka iz poslovnih transakcija, i kada je znanje jedini resurs koji nedostaje suvremenom gospodarstvu, ako odgovorni žele zadržati i poboljšati svoju poziciju na tržištu oni moraju znati brzo donositi ispravne poslovne odluke. U ovom članku su predstavljeni pozitivni učinci istovremene uporabe alata i tehnika poslovne i inteligencije konkurentnosti u procesu donošenja ispravnih odluka za tvrtku. U tekstu su predstavljeni dokazi da informacija o samoj tvrtki, dobivena tehnikom poslovne inteligencije, i informacija o konkurenciji, dobivena inteligencijom konkurentnosti, predstavljaju temelj za donošenje ispravnih poslovnih odluka koje dovode do željenog cilja tvrtke. Objasnjeni su kriteriji kojih se tvrtka mora pridržavati prilikom uvođenja koncepta poslovne i inteligencije konkurentnosti.

Ključne riječi: podaci, informacija, znanje, poslovna odluka, tvrtka, poslovna inteligencija, inteligencija konkurentnosti

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