

# THE ECONOMY, POLITICS AND THE FUTURE OF COMPETITIVE INTELLIGENCE

JOHN J. MCGONAGLE, *The Helicon Group*



All of us in the competitive intelligence community are looking intently at the current global financial and economic turmoil. And that is as it should be, particularly since we can use our competitive intelligence (CI) skills to the benefit of our firm, our employer, and our clients as we navigate these troubled waters.

CI now has the opportunity to make the case for its importance by pointing to a single concept: in the face of continual economic instability, it is *suicidal* for a company to operate without a clear understanding of what the competition will do, particularly since the only certainty is that what they do tomorrow will *not* be the same as what they did yesterday.

## IMPACTS ON THE CI FUNCTION

However, we must not become so focused that we overlook potential impacts on the competitive intelligence function itself. First among these is the pressure on businesses to cut costs, which reduces the funds available for CI. As I have argued in the January/February 2009 issue (“Why do CI? Because it makes economic sense!” p33,39), CI is critical to survival and success, but reality suggests that management does not always see it that way.

Other trends impacting the competitive intelligence community are embedded in the takeover of a new administration in Washington. There will be changes in leadership at the Central Intelligence Agency as well as in the Director of National Intelligence’s office. These changes will automatically cascade downward throughout the U.S. intelligence community.

## GOVERNMENT INTELLIGENCE INFLUX

One school of thought holds that many senior intelligence officers in both civilian and military service will consider retirement if changes in intelligence community management result from policy decisions and global views they find unacceptable. Another school holds that such retirements are inevitable in any case and could reach significant numbers.

Another underlying pressure for change is demographics. Based on prior estimates, the entire federal workforce over the next seven years faces a potentially large loss of employees through retirement, conceivably as high as one-third. These retirees are by definition the most senior and experienced persons in their respective agencies and organizations.

While the current economic situation may not be particularly conducive to retirement for either group, we can reasonably expect that many people in each group will still choose to retire—at least in part. And by “in part,” I mean that they will join those currently of retirement age who have chosen to continue to work or volunteer on a part-time or even full-time basis.

To the private-sector CI community, this implies a potential influx of individuals with very specific skill sets who are motivated to continue to work rather than to retire altogether. There is no way to estimate how many individuals will make their way into the business world from the government intelligence community. But based on previous outflows of personnel due to changes in the intelligence community’s senior management, we can expect

many of these individuals at least try to enter the competitive intelligence business or seek to enter security, counterterrorism, and other business areas where their skills and background are marketable.

## EFFECT ON CI COMMUNITY

So, our CI community could have many new members trained in governmental or military intelligence, but not in competitive intelligence. What can we look forward to because of that? For competitive intelligence consultants, this could create increased competition. For firms seeking to build, restore, or maintain a competitive intelligence function, this could provide a source of trained individuals.

What about the competitive intelligence community itself? To put it gently, our community has, spent over 20 years weaning itself from its associations—both historical and intellectual—with civilian governmental and military intelligence.

My fear is that this influx of individuals may cause stresses within the profession that cannot be foreseen. It would appear we have an application of the law of unintended consequences: the very thing that might be good, say spreading the gospel of competitive intelligence by these people, may also cause an undesirable reemergence of the hardy misperception that competitive intelligence is simply governmental intelligence dressed up in civilian garb.

I am very concerned because I do not think the competitive intelligence community is prepared for this government-trained influx. This may well set us back in our efforts to continue to distinguish competitive

---

intelligence from military intelligence and other forms of governmental intelligence.

---

*John J. McGonagle is a managing partner of The Helicon Group in Blandon, Pennsylvania, a competitive intelligence consulting, training, and research firm. A Meritorious Award winner, he has presented competitive intelligence workshops, seminars, and training sessions on six continents and served as an expert witness on competitive intelligence. McGonagle is the coauthor of seven books on competitive intelligence. The most recent is *The Manager's Guide to Competitive Intelligence* (2003). He can be reached at [jjm@helicongroup.com](mailto:jjm@helicongroup.com).*