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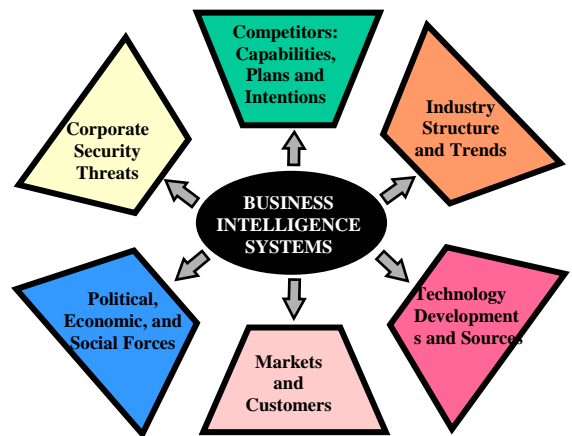
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The Global BI/CI Corner: What does the term, "Business Intelligence" Mean?

I have often been asked, "why do you call your MBA class, 'business intelligence'? I'm confused about what that means."

Why is that? Well, since the term is not trademarked, it has come to be used in several ways. It surfaced in the early 1980's in articles from leading external analysis gurus such as Jan Herring, who set up Motorola's internal "CIA," and Ben Gilad, who's first book on external analysis was entitled, "The Business Intelligence System." Both chose to use the term to define a robust external environment that included factors such as competitors, industry trends, markets and customers, technology developments and sources, political/economic/social forces, and even corporate security. The point was to perceive competitive intelligence as *only one* of several key external influencers to corporate decision making.

Others have simply called all of this, "competitive," or "competitor" intelligence, and indeed, the profession's organization is called the Society of Competitive Intelligence Professionals, not the society of business intelligence professionals. This, even though many of its members are engaged in monitoring more than just the competition. (And, perhaps "SCIP" simply rolls off the tongue easier than "SBIP.")



Enter the software world...

On top of all this, by the late 1990's, the software world had begun to utilize the term, "business intelligence" to refer to an emerging set of solutions designed to help companies capture all kinds of knowledge, but with a focus on internal data. Several consultancies, such as Hitachi Consulting, now offer expertise in "business intelligence," meaning that they can help design and implement such systems.

So, today the term, "BI" is being used by both camps, although it appears to be increasingly associated with the software world. For example, at IBM, "BI" is used to mean the data analysis world, and "MI," or market intelligence, is used to capture the external analysis arena. Still, the divide exists, as is illustrated by the terminology use at two of the larger external analysis consultancies—Fuld & Co. characterizes itself as "a full-service business intelligence firm"... "in the field of business and



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competitive intelligence,” while Proactive Worldwide calls what it does “business intelligence.”

Asking the next question...

I personally like the combination approach, since while “CI” is probably more recognized as a term for purely external analysis, I think it also symbolizes too great a focus on the competitor part of the external environment.

Given where things are, the current confusion will continue for a while. In the end, I tell my students two things that should help guide them: first, with regard to robust external analysis, it doesn’t really matter what companies call it; it’s whether they’re engaged in it or not. (Most members of SCIP don’t actually have the words, “business intelligence,” or “competitive intelligence” in their titles.)

Second, when they see the term, “business intelligence” in regard to a job opening or a company’s skills sets, they should ask the next question, which is, “are you talking about internal data analytics, or external analysis”?

Terms “external analysis” has been called:	
Business intelligence	Market intelligence
Competitive intelligence	Commercial intelligence
Competitive assessment	Market research
Competitor intelligence	Business research
Corporate intelligence	Business Analysis

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