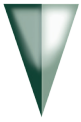


PEAK VALUES

ECONOMIC INTELLIGENCE

An Introduction



Introduction to Economic Intelligence

Definition

Economic Intelligence describes the process of coordinating the search for information, its uses, and its distribution through the enterprise it is meant to serve. Such intelligence aims to protect and ensure the organisation's growth in a timely and cost-effective manner.

In other words, Economic Intelligence is a process of collecting, analysing, evaluating, distributing, and protecting information of strategic and economic importance. The process aims to improve the competitive situation of an enterprise by recognising the economic risks it faces and enabling it to influence the environment in which the company works.

Economic Intelligence Cycle

The Economic Intelligence cycle, shown in *Figure 1*, is composed of 11 steps, starting with an organisation's **awareness** of the need for reliable, complete, and unbiased information enabling sound decision making. Once an organisation is aware of available information, it must **define** the precise aim(s) it wishes to achieve.

Collecting information and data can be accomplished through observation, computer-generated efforts, interviews, or other kinds of field work. This activity would be done manually or semi-manually.

The data collected then must be **processed** to establish a formal visible structure revealing patterns, relationships, and trends.

The results of collecting and processing information is then **analysed** to determine its possible uses.

How the information would be used then needs to be **formalised**, giving it a fixed structure and establishing rules and procedures.

Relevant information should then be **communicated** with appropriate stakeholders in a timely manner.

Simply sharing information, however, is insufficient. Disclosing the plan in place to **exploit** the information enables decision makers to act in a well-informed manner at the right moment.

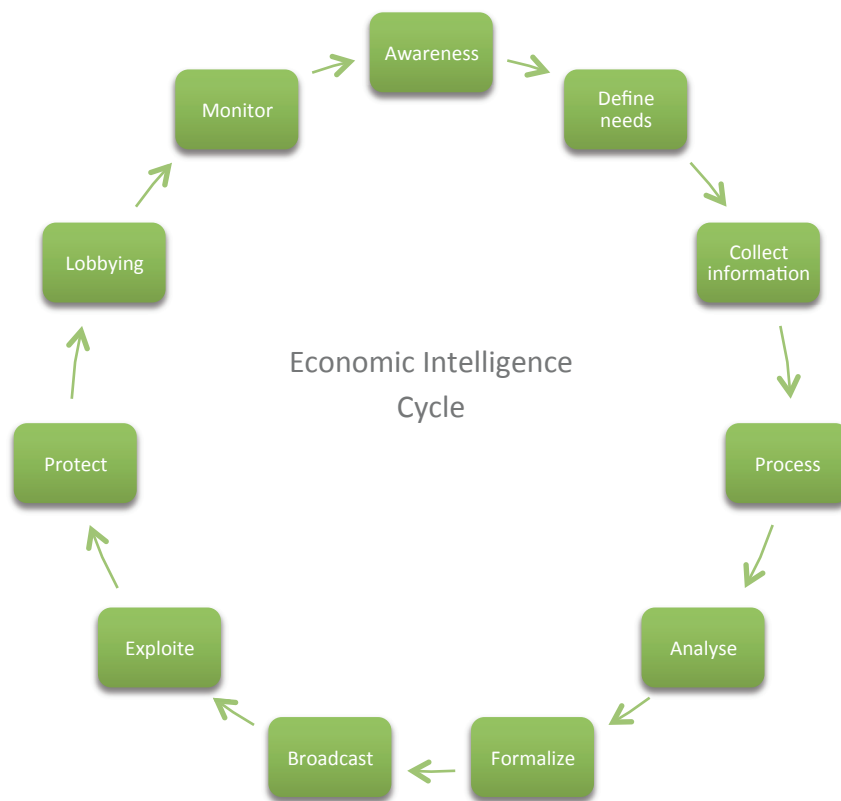
While Economic Intelligence aims to improve the competitive situation of a company, it must also **protect** itself against the various risks it may face, including leaks of information, dilution of a unique selling proposition, industrial espionage, disaffected personnel, or changes in the legal environment.



As the company deals with clients, local and national authorities, and other stakeholders, influence would have to be exercised through **lobbying**, marketing, or technical measures.

Finally, the company must put in place a system to **monitor** the results of the decisions made and actions taken, and as the monitoring system digests this new information, a new Economic Intelligence cycle would begin.

Figure 1 The Economic Intelligence Cycle



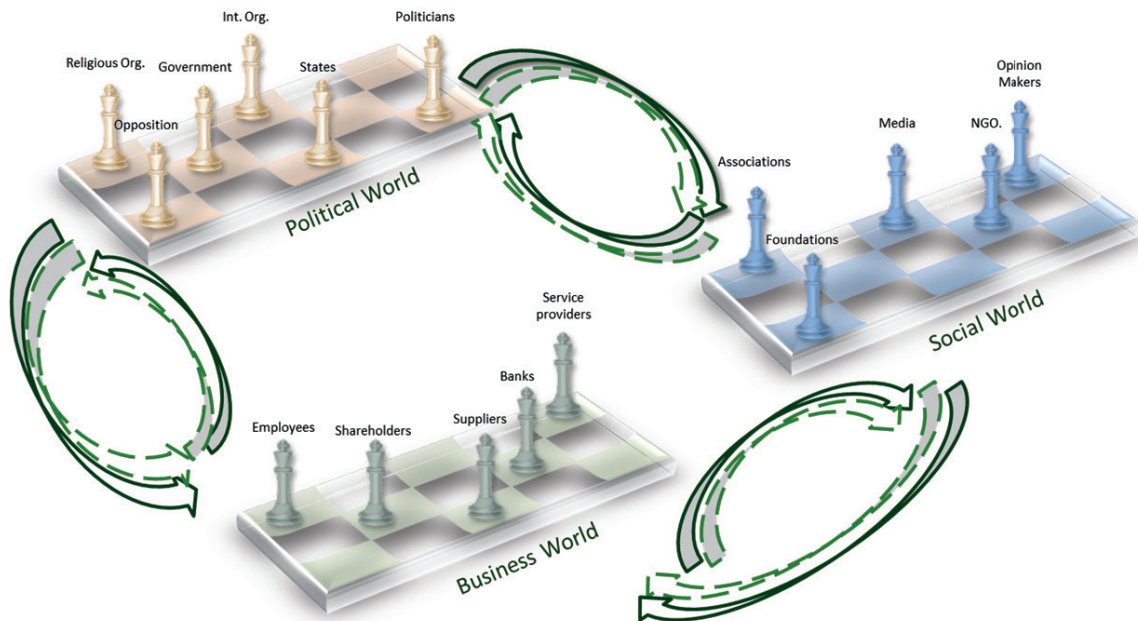
Economic Intelligence Activities

Two thousand five hundred years ago, the famous Chinese General, Sun Tzu, said “For an army to gain victory, it needs to know itself and its enemy.”¹ That applies to any company or business—for it to succeed, it needs to understand itself, its stakeholders, and its environment. In short, it needs to understand its Economic Operational Environment (Figure 2).

¹ Sun Tzu, “The Art of War”



Figure 2 Economic Operational Environment



Economic Intelligence activities emphasise business intelligence, competitive intelligence, and the company’s relationship with legal, social, and political issues (Figure 3). The difference is in the focus.

Business intelligence is the management of a company’s internal data, helping the decision makers to take decisions based on the company’s own historic base of information and the company’s commercial context to project trends.

Competitive intelligence is constructed on external data, helping the decision makers to take decisions based on the behaviour of the market. This might include the activities of competitors, the needs of clients, and the behaviour of regulators, enabling the decision makers to make shrewd decisions assisting them to better manage day-to-day operations around their information reporting needs.

Legal, social, and political intelligence concerns the realm of the company’s business practices. It is not related to industrial espionage or illegal or immoral activities. Collected information needs to be of use and benefit, otherwise it is non-actionable.

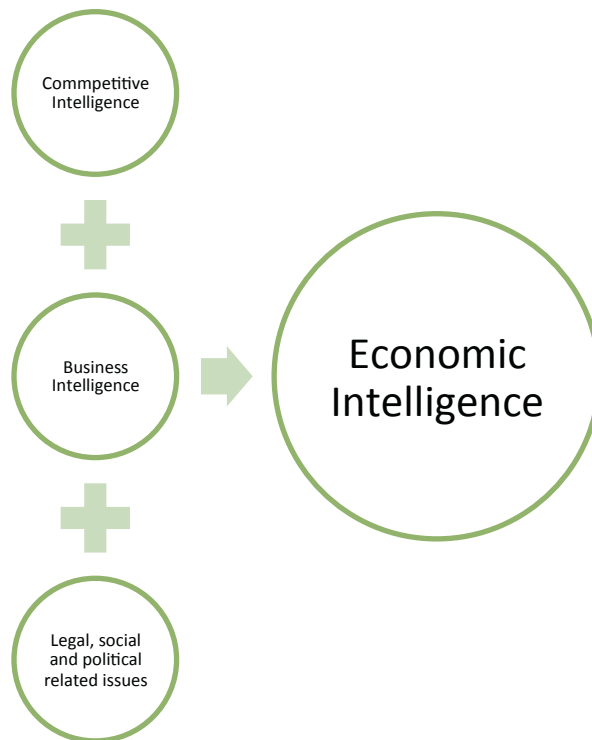
This combination of looking inward (business intelligence) and outward (competitive intelligence) is an essential element of analysing the economic operational environment of a company. It should be



useful for—among other things—monitoring corruption within the institution and scrutinising relationships between staff that could reduce or block the company’s development.

In short, the focus of Economic Intelligence is on the entire company’s eco-system.

Figure 3 Economic Intelligence Activities



Peak Values Ltd., with its network of more than 1,100 experts in the various fields of intelligence, uses essentially the same techniques any intelligence service uses in collecting, processing, and analysing data to find connections and relationships with the aim of protecting the company’s interest and ensuring its prosperity. The insight gained is used in two areas: to provide information to our clients directly in response to specific needs, and into our investment decision-making process when managing clients’ assets and wealth. This makes it a unique feature in the world of wealth management service.



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