Business and Competitiveness Intelligence: an Ethical Frameworks Approach

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Abstract:

The more information organizations have the better their decision is. Business intelligence (BI) is the most up to date method of taking organizations to this position. Business Intelligence therefore guarantees organizations better business decision-making and is thus vital for any major private company or governmental institution. The ultimate goal of Business Intelligence (BI) initiative is to deliver data in the most appropriate way for making informed business decisions.

Business intelligence intends to support improved business decision-making, though the term business intelligence is sometimes used as a synonym for competitive intelligence, because they both maintain decision making. The ethics of competitive intelligence has been the topic of much discussion over the years; the trouble is where to draw the line between competitive intelligence and industrial espionage. The Ethics of Competitive Intelligence can really be: clarification of what constitutes ethical and legal competitive intelligence activities, developing and implementing a competitive intelligence ethics professionals also to abide by all applicable laws: (Competitive Intelligence, 2012).

In general and in competitive intelligence in particular, what is legal can be ethically questionable. There are many gray areas. Consequently, and as shown from the cases presented, unethical CI practices are not worth the risk There are some ethical guidelines in Competitive Intelligence to do their job in a completely ethical manner they can consider several elements for guidance: the law, industry guidelines; personal moral codes and corporate ethics policies - if they exist – if not organizations must have their own codes of ethics. BI helped Arab Potash Company as an example application in Jordan.

Introduction:

Nowadays, economic organizations are subject to external forces that they must deal with and respond to: increasing superiority of competitors, clients and suppliers, globalization of business, international competition. Perhaps the most critical component for success of the contemporary enterprise is its ability to take advantage of all obtainable information internally and externally. People need to have some sort of basic thought about what it is that they want to do or accomplish. Therefore identifying strategic objectives is an activity that precedes information gathering. The next rational step is obtaining the necessary knowledge in order to achieve those objectives. Then the Business Intelligence purpose is to support strategic decision-making, grow the business and keep an eye on the organization's competitors. Intelligence for its own sake is of little business value unless it can provide actionable value. It means that opportunity analysis should be the goal we attempt within Business Intelligence (Wein, 2011).

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What is Business Intelligence

In a 1958 article, IBM researcher Hans Peter Luhn exploited the term business intelligence. He defined intelligence as: "the ability to apprehend the interrelationships of presented facts in such a way as to guide action towards a desired goal (Luhan, 1958). Business intelligence as it is understood today is said to have developed from the decision support systems which began in the 1960s and developed throughout the mid-1980s (Wikipedia, 2011). Business intelligence (BI) mainly refers to computer-based techniques used in discovering, extracting and analyzing business data, such as sales revenue, costs and incomes (Business Dictionary, 2010).

According to Evelson (2008), Business Intelligence refers to "a set of methodologies, processes, Architectures and technologies that transform raw data into meaningful and useful information used to enable more effective strategic, tactical and operational insights and decision making". Business intelligence, also, "refers to the technologies, applications, and skills used to help a company or corporation acquire a better understanding of its commercial context. In plain English, business intelligence aims to support better business decision-making (Squidoo, 2012). Further, Business Intelligence (BI) is a term used to cover the processes; methods, measurements and systems businesses use to more easily view, analyze and understand information relevant to the history, current performance or future projections for a business. Other conditions that people often use to explain BI include business analytics, decision support and executive decision support (Small Business Computing, 2012). Gartner clarifies this by explaining Business Intelligence as a set of all technologies that gather and analyze data to improve decision making. In business intelligence, intelligence is often defined as the discovery and explanation of hidden, inherent, and decision-relevant contexts in large

amounts of business and economic data (Herschel, 2008). The ultimate goal of Business Intelligence (BI) initiative is to deliver data in the most appropriate way for making informed business decisions (Thomsen, 2003).

Importance and Applications of Business Intelligence:

The biggest dilemma facing organisations today is how to manage business intelligence (BI) quicker and better "data consistency and quality was the original business driver for data warehousing. In the past, there were multiple disparate and inconsistent data sources that were never designed to work together, and had incomplete and low-quality data. The goal was to achieve a single version of the truth" (Kayle, 2012). Business intelligence solutions give businesses a way to simplify and unify the data collection, analysis and reporting process. BI solutions are built on a integrated database, so all employees involved in the process gets a single, real-time view of the data (Small Business Computing, 2012). Up to 80% of business information is not quantitative or structured in a way that can be known in a relational database and, hence, not well suited to the highly structured data requirements of a database application. BI systems are becoming increasingly more significant to the daily operation of organizations (Herschel, 2008).

The important of business intelligence is that it offers organizations immediate and powerful tools to store, recover, model and analyze huge amounts of information about their operations and, in some cases, information from external sources. To increase the value of the information that exists in their databases. Using the analysis functions of business intelligence, firms can look at many aspects of their business operation and recognize features that are affecting its performance (Herschel, 2008).

Business intelligence applications in the past have simply analyzed in depth data warehouse and formed high-level summarized data, or measurements, about business performance. The recent trend, however, is toward the use of business performance management (White, 2005). In this digital age organizations depend upon the technologies to provide customer-centric solutions by understanding well about their customers' behavior and continuously improving business process of the organization. Business intelligence (BI) applications will play an essential role at this stage by determining the knowledge hidden in internal and external sources (Koteswara et al., 2011). BI technologies provide previous, current and projecting views of business operations. Common functions of business intelligence technologies are reporting, online analytical processing, analysis, data mining, process mining, complex event processing, business performance management, benchmarking, text mining, and predictive analysis (James, 2010). Demand for Business Intelligence (BI) applications continues to develop and to report considerable profits (Gartner Research, 2006). The BI applications have emerged as the top spending priority for many executives and remain the most important technologies to be purchased.

Application of Business Intelligence System in Jordan: The Arab Potash Company

Case:

Based on Microsoft Share Point and SQL Server, Estarta's 's BI solution aims at providing the APC with a centralized database; that obtains and analyzes data, and issues reports spontaneous. The system also seeks to link the database to the concerned departments to assess progress, boost productivity, and increase the work efficiency of the sales and marketing department (Estarta Solutions, 2012). "The BI solution will help the company unify the way it explores data and provide the required information through info sharing environment; that can be easily used by the administrative sections to examine the overall performance and take strategic decisions to solidify the company's competitiveness". Head of APC IT Department, Rami Malkawi, said (Estarta Solutions, 2012). In addition to its ability to perform data analysis and comparison processes and issue reports, tables, and charts, the BI system enjoys high levels of comprehensiveness and flexibility which satisfy the Arab Potash Company's 's future visions and plans to strengthen its global market share (Estarta Solutions, 2012).

On the other hand, Estarta's 's Acting CEO, Samir Abu Nemeh, said, "The Business Intelligence enables the company's decision makers to timely access the right information, and convert it into insightful knowledge and smart decisions to improve the performance management. Additionally; it could be combined flawlessly with systems and multiple-data sources in the company's infrastructure "(Estarta Solutions, 2012). Abu Nemeh added, "We are keen to deploy our technical capabilities and

programming expertise to assist Arab institutions to develop their work. As a pioneering regional company in this field that understands the needs of the various sectors, the company is committed to improving the BI system which includes tools and practical applications planned for carrying out planning and integration operations, issuing reports and balanced score cards, performing analysis, and managing basic data" (Estarta Solutions, 2012).

Competitive Intelligence:

Business intelligence intends to support improved business decision-making, though the term business intelligence is sometimes used as a synonym for competitive intelligence, because they both maintain decision making, BI uses technologies, processes, and applications to analyze mostly internal, structured data and business processes while competitive intelligence gathers, analyzes and disseminates information with a topical focus on company competitors. Business intelligence understood generally can include the division of competitive intelligence (James, 2010). Competitive intelligence is really using all legal means at organizations disposal, i.e. information found on the internet or using specialist software and any other information which is publicly accessible or via a subscription source, organizing the information, analyzing it and using it to help make important decisions for the future of your company (Competitive Intelligence, 2012).

What Are the Ethics of Competitive Intelligence?

The ethics of competitive intelligence has been the topic of much discussion over the years, the trouble is where to draw the line between competitive intelligence and industrial espionage. The five principles of ethical intelligence are: Do No Harm, Make Things Better, Respect Others, Be Fair, and Be Loving. It's not always easy to do the right thing, or even to know what the right thing is. The principles of ethical intelligence present the base for making the accurate choices in every area of life (Wein, 2011). The Ethics of Competitive Intelligence can really be subdivided into three main categories:

- Clarification of what constitutes ethical and legal competitive intelligence activities
- Developing and implementing a competitive intelligence ethics policy (Competitive Intelligence, 2012). Honest competitive intelligence practitioners do however follow a strict code of conduct, which have been formulated by the SCIP, Society of Competitive Intelligence Professionals:
- To abide by all applicable laws – this includes domestic and international laws, covering things like bribery, bugging and other illegal codes of conduct to accurately disclose the correct information including identity and organization, prior to any interviews. You can't expect to gain ground on your competitors by filling them with lies – it's just not on.
- Provide honest, complete and realistic conclusions to the organization they are working for (Competitive Intelligence, 2012).

In general and in competitive intelligence in particular, what is legal can be ethically questionable. There are many gray areas. The Society of Competitive Intelligence Professionals (SCIP) has published the following ethical guidelines for CI professionals. When joining, its members voluntarily agree to abide by the SCIP Code of Ethics: To continually strive to increase the recognition and respect of the profession, 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 evade conflicts of interest in fulfilling one's duties, to provide honest and sensible recommendations and conclusions in the execution of one's duties. To endorse this code of ethics within one's company, with third-party contractors and within the entire profession, to faithfully stick to and abide by one's company policies, objectives, and guidelines (SCIP, 2011).

Examples of Corporate Codes of Ethics:

Examples of the organizational code of ethics Fuld (2010): never induce or pressure a source to disclose information they have specifically categorized as proprietary, confidential or a trade secret. Making use of information you know to be confidential is illegal and unethical, regardless of the manner in which you obtained the information. If you believe information has come into your hands illegally, or through someone who was breaking a confidentiality agreement when disclosing the information, bring the information to the awareness of your Project Manager. Never disclose a client's name to a source or to anyone outside the firm. Unless you are told otherwise, consider client confidential, and do not discuss projects, clients or project information with anyone outside the company or in public places. Do not pay a contact for information, unless a Project Manager has approved that payment in advance. You are never to pay a competitor's employee) (Fuld, 2010).

Never talk directly to a client without first receiving permission from the Project Manager. Never remove project information from company offices, including papers, data disks or other project-related information, unless you have first received permission to do so from the Project Manager (Fuld, 2010). Use common sense. If you believe your actions in gathering information are questionable, it is likely that they are. Ask your Project Manager for guidance and support. Remember, the manner in which you conduct yourself is not only a reflection on you as a professional, it also reflects how your company is viewed by potential clients and others in the marketplace. Our reputation is important, so please act accordingly (Fuld, 2010).

Ethical Challenges in Competitive Intelligence

Misrepresentation is falsely identifying oneself in order to receive or access information that would not have been provided if one's identity was used. There are three common cases of misrepresentation where there is some ambiguity (Trevino, 1997): excluding some details about one's identity, not revealing one's identity in a public venue after overhearing classified information, not disclosing true intent on how information will be used usually clients often seek CI consultants to gather information about their competitors. The ethical issue is at what cost or length does the clients expect the CI consultants to get the information. One of the reasons the clients hire a CI consultant is to try to distance themselves from facing those ethical situations.

Cases of Organizations Accused of Unethical CI Practices:

WestJet

A Canadian example of unethical CI practice is WestJet . In 2004, Air Canada files a $5 million against rival WestJet , claiming that some WestJet's officials logged on to Air Canada's internal employee-only website many times over a 10-month period, and used that information to make decisions on flight load schedule (Barbir et al., 2009).

Hewlett-Packard

One of the scandals that have received the greatest media coverage in recent years is the lawsuit, which is still disclosed. In 2005, Hewlett-Packard sued his former VP, Karl Kamb, for $100 million. HP claimed that Kamb had betrayed the company and appropriated its trade secrets to launch his own TV Company (Barbir et al., 2009).

Conclusion:

The term Business Intelligence (BI) represents the tools and systems that play a key role in the strategic planning process of the corporation. These systems allow a company to gather, store, access and analyze corporate data to aid in decision-making. The Business Intelligence enables the company's decision makers to timely access the right information, and transforms it into insightful knowledge and smart decisions to improve the performance management.

The argument has been made that companies that employ unethical practices will have a competitive advantage over those who limit themselves to ethical activities. However, the competitive advantage of CI does not consist in the information collected and the way it is collected, but in the synthesis and analysis of the collected information. Consequently, and as shown from the cases presented above, unethical CI practices are not worth the risk (Barbir et al., 2009). There are some ethical guidelines in Competitive Intelligence to do their job in a completely ethical manner they can consider several elements for guidance: the law, industry guidelines; personal moral codes and corporate ethics policies - if they exist – if not organizations must have their own codes of ethics.

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