



Security Nexus Perspectives

STRATEGIC COMPETITION, NATIONAL SECURITY AND THE NEED FOR 'COMPETITIVE INTELLIGENCE'

By Deon Canyon*

In Sep 2020, the U.S. House Permanent Select Committee on Intelligence observed that intelligence agencies are treating [traditional intelligence missions as secondary](#) to counterterrorism, and that a [lack of intelligence](#) that is focused on soft, interconnected, and chronic national security threats is resulting in the U.S. failing to succeed in strategic competition with China. These soft foci include the subtle and sometimes dramatic impacts of disease outbreaks, climate change, and macroeconomics on national security.

When it comes to international relations, we normally talk about cooperation and the ways to achieve cooperation. For instance, the standard [negotiation matrix](#) pits the importance of the outcome against the importance of the relationship. Depending on a party's stance, the result might be 'avoiding,' 'accommodating,' 'competing,' or the highly prized collaborating. At the center is a fifth category, 'compromising.' Diplomats and trade deal negotiators are driven to achieve collaborating or at least compromising agreements, which signal successful meetings.

The current U.S. stance of [strategic competition](#), particularly pointed against China and Russia, flips this notion of collaborative outcomes on its head. This geopolitically driven power struggle has military, economic and political ramifications that have significant implications for the way that U.S. national security strategy and U.S. foreign policy are developed and tested.

Tools for strategic evaluation emerge from different sectors, depending on the challenges they face. Occasionally they originate in the military and make their way into politics and business, but more often, they do the opposite. The concept of '[competitive intelligence](#)' is very similar to the idea behind Homeland

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Security [Fusion Centers](#). Both seek to systematically collect data from multiple sources, analyze it to produce useful information, fuse it to create actionable intelligence, and distribute it to inform executive decision makers (Figure 1). The intent is to develop ‘[strategic choices driven by insights](#)’ rather than by gut feeling, conventional wisdom, or the loudest voice in the room.’



Figure 1: The process involved in competitive intelligence.

In this climate of strategic competition, the U.S. is [lagging behind in the intelligence game](#) and competitive intelligence methods are crucial for success. While they come from business and focus on market competitors, U.S. agencies can use them as they gear up to compete more effectively with China and Russia. Competitive intelligence is not spying, nor is it corporate espionage. In the corporate world, its entirely ethical and legal methods are used to gain a fair, competitive advantage. However, when it comes to applying this tool to national security, the thin line between ethical and legal and unethical and illegal may become more difficult to see.

We live in an age in which technology is rapidly transforming every aspect of our lives. Since these advances bestow upon nations considerable advantages, they are coveted and sought after with [increasing criminally-motivated avarice](#). This has increased tensions and competition between the great powers, which forces us to analyze how to compete in the present and the coming future. In this age of significant cooperation and competition, we all need a [competitive edge](#) to survive and flourish.

Competitive intelligence thus lies at the center of any strategy to maintain political, economic and security posture in the Indo-Pacific region. Learning as much as possible about the primary competitors, China and Russia, is of the utmost importance. We need to enhance our [woefully deficient cyber capacities](#) to generate, analyze and fuse data to produce actionable intelligence on all matters on land, sea, air, space and the cyber realm.

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Our Homeland Security fusion centers are still in their infancy and [have a long way](#) to go before they function as intended. But as our understanding of technology grows and our artificial intelligence systems become more proficient, our capacities in competitive intelligence will naturally expand as we use it to detect both threats and opportunities.

This lens requires a new matrix with which to understand interactions between competitors. The following matrix is a remodeled blend of notions in the negotiation and [Kraljic](#) matrices (Figure 2).

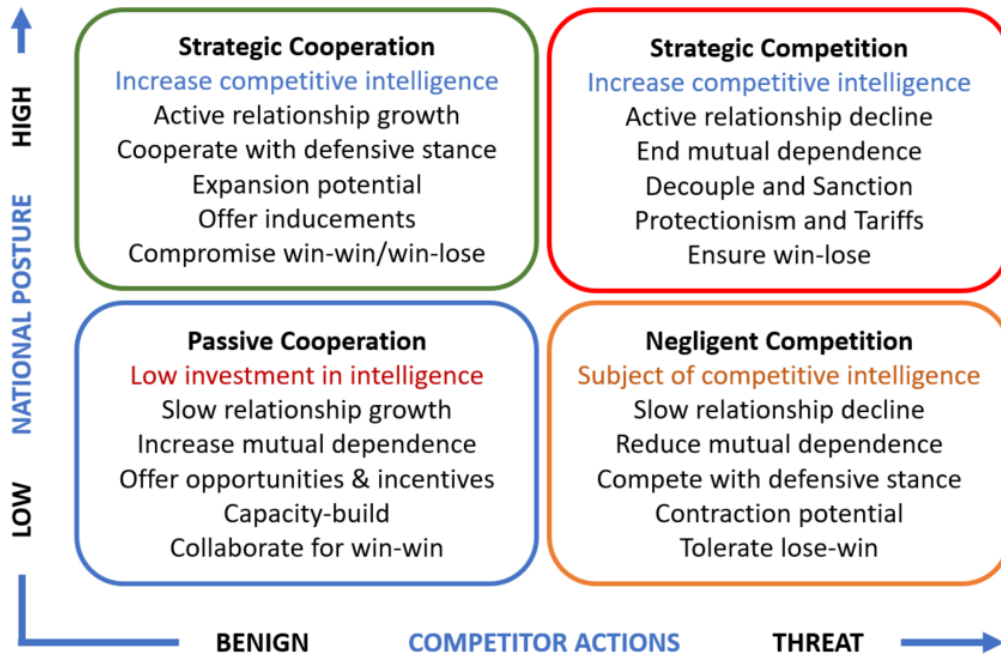


Figure 2: Strategic cooperation and competition matrix.

Competitive intelligence has [many uses in the corporate world](#), where the aim is to predict the activity of competitors, but these can be expanded upon when the approach is applied to national security. [Typical methods](#) that are used to make meaning of multi-source data include strategic foresight and scenario planning, wargaming, surveillance and early detection systems, research, and win-loss analysis.

Within the U.S. corporate sector, most [Fortune 500 companies](#) invest in competitive intelligence. According to [SG Analytics](#), pharmaceutical, biotechnology, manufacturing, and telecommunications companies represent 45% of all intelligence efforts, each spending more than \$2 million annually. From 2011 to 2016, telecom firms shifted from spending nothing to spending over a million each per year, and all intelligence budgets will increase in the coming years in line with technology advances.

Given the new U.S. Indo-Pacific strategy and deficient capacity in national security intelligence, the pursuit of competitive intelligence is of the utmost importance to ensure that all executives in the security environment have competitor strategies in mind when they make important decisions. All agencies should explore how to build internal capacity in this skill to ensure that recommendations for strategic direction are always at hand.

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