

THE POST COVID ERA: TOWARDS A GOVERNANCE THROUGH COMPETITIVE INTELLIGENCE.

L'ÈRE POST COVID : VERS UNE GOUVERNANCE PAR L'INTELLIGENCE ECONOMIQUE.

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Abstract:

Towards the beginning of 2020, economies were severely disrupted by the covid-19 pandemic. Many businesses have been facing serious difficulties, going from a significant decrease in their revenues to the suspension of their activities. This crisis has, in fact, exposed the vulnerabilities of companies, and the limits of their traditional modes of governance focused mainly on adapting and reacting rather than anticipating.

This paper is a non-empirical article with the aim of outlining how companies can manage covid-19 costs by adopting competitive intelligence as a new mode of governance.

It shows that relaunching and maintaining a business in this new context relies mostly on mastering information and strategic knowledge. Therefore, companies are required to adopt a knowledge-based governance mode focused on competitive intelligence practices.

Keywords: Competitive intelligence, governance, knowledge, anticipation, post Covid-19

JEL classification : M15, L2, M10.

Résumé :

Vers le début de l'année 2020, le monde a connu une crise sans précédent. Suite à la pandémie, de nombreuses entreprises ont été confrontées à de graves difficultés, allant d'une baisse significative de leurs revenus à la suspension de leurs activités.

Cette situation complexe a mis en avant les vulnérabilités des entreprises, et les limites de leurs modes de gouvernance traditionnels axés principalement sur l'adaptation et la réaction plutôt que sur l'anticipation.

Le présent papier est un article théorique qui a pour objectif d'exposer comment les entreprises peuvent gérer les retombées du covid-19 en adoptant l'intelligence économique comme nouveau mode de gouvernance. Il souligne que la relance et le maintien de l'activité de l'entreprise dans ce nouveau contexte reposent principalement sur la maîtrise de l'information et des connaissances stratégiques. D'où la nécessité d'adopter un mode de gouvernance basé sur la connaissance et axé sur les pratiques de l'intelligence économique.

Mots-clés : Intelligence économique, gouvernance, connaissance, anticipation, post covid-19

Classification JEL : M15, L2, M10.

Introduction

The world has lately experienced an unprecedented crisis that resulted in the collapse of its economy. In many countries, companies were heavily affected and their previous mode of governance were deeply questioned. In fact, it is necessary for them to start reconsidering their own governance modes in order to survive and be able to face such a new context and relaunch their activities.

In fact, Auger (2013) argues that individuals are never more creative than when they have to respond to a situation of crisis: this corresponds to their life instinct. The author adds that for companies, the crisis should not be perceived as a recurring economic cycle in front of which their powerlessness seems to be proven, but as an opportunity to rethink themselves.

As knowledge is one of the key elements of a company's strategic capital that strongly supports competitiveness, its management and processing must be a priority. Therefore, companies should adopt a knowledge-based government mode with the aim of anticipating potential threats, and overcoming the difficulties and the challenges that may appear.

Since it is based on information processing and knowledge creation, competitive intelligence proves to be the most appropriate mode of governance in the current business context. The purpose of this non empirical paper is to explain how governing through competitive intelligence can help and assist companies in coping with covid-19 damages and relaunch their activities in the post-covid era.

After defining the concept of competitive intelligence, an overview of covid-19 pandemic and its major effects will be given. Then, the focus will be on competitive intelligence as a mode of corporate governance in the post-covid era.

I. AN OVERVIEW OF COMPETITIVE INTELLIGENCE.

Competitive intelligence is a multidisciplinary concept for which there is no lack of definitions. It was developed under the influence of several factors including globalization, the overabundance and the availability of information, the proliferation of information and communication technologies and the intensification of competition between firms.

In the words of Slimani & Youcefi (2014), competitive intelligence is the set of coordinated activities of collecting, processing, disseminating and protecting information that is useful to economic actors and that is legally obtained. One can add to it the actions of influence and notoriety.

According to Dupré (2002), competitive intelligence is a new concept that covers all the issues of protection and management of strategic information as well as influence actions for the benefit of companies. As a practice, it is characterized as a very dynamic approach of open information research. It can be practiced inside the company or outside, for example in a consulting firm. Competitive intelligence professions are subject to the rules of law.

For Pautrat & Delbecque (2006), competitive intelligence cannot be reduced to a security obsession, even if economic security is an essential part of it. Conditioned by the respect of the legal framework and the use of open information sources, economic intelligence is defined by three words: openness, quality and solidarity.

In this vein, Blondel (2007) and his colleagues explain that competitive intelligence refers to the management of information and knowledge in order to improve competitiveness. Its missions are to provide timely information and knowledge about its main competitors in order to determine how they can harm the interests of the organization and to continuously inform

the company on the technological, political, economic, legal and social conditions that may affect its competitive position.

These definitions reveal that competitive intelligence is an ethical practice. Indeed, the leaders of companies and competitive intelligence professionals are required not to manipulate information, to use verified, credible and legally accessible information, to respect national and international laws, and to reveal their identities when conducting their missions.

All in all, competitive intelligence is actually very effective and highly recommended when it comes to shaping and making strategies in an uncertain environment. It allows companies to organize, process, and put into context an enormous flow of data. The aim is to obtain a knowledge which represents a strategic resource for the company, able to provide a sustainable competitive advantage.

II. AN INSIGHT INTO THE COVID-19 EFFETCS.

Covid-19 is an infectious disease, easily transmitted through human contact. It resulted in a global pandemic towards the beginning of the year 2020. In order to contain the spreading of the virus, countries have proceeded to a closure of the borders and a lockdown to allow social distancing.

The adverse economic consequences of new forms or types of these diseases can be severe given the high degree of interdependence in economic activity in modern economies. For example, the absence of workers from work due to such infections, or the risks of these infections, can disrupt production at the workplace level. As well, supply chains are liable to be broken or disrupted by these pandemics, and they usually have negative effects on the aggregate demand for commodities (Tisdell, 2020: 17).

Based on many studies, the table below gives an overview of the pandemic effects worldwide.

Table 1: The global effects of the Covid-19 pandemic

Studies	Years	Covid-19 Effects
Eka	2021	Significant drop in business revenues. Layoffs and job losses. Decrease of the company's turnover.

Pinshi	2020	<p>Loss of real GDP.</p> <p>Unemployment increase.</p> <p>General price increase.</p> <p>Decline in commodity prices.</p> <p>Threat to peace and social cohesion.</p>
McKibbin and Fernando	2020	<p>Mortality and morbidity.</p> <p>Global economic activities slow down.</p> <p>Production interruptions.</p> <p>Global supply chain disruption.</p> <p>Limited transport</p>
World Bank Group	2020	<p>Large number of deaths.</p> <p>Disruption of economic activity worldwide.</p> <p>Persistent slowness of growth and investment.</p> <p>Decrease in commodity prices.</p> <p>Increased food insecurity in several African countries.</p> <p>Depreciation of currencies.</p> <p>Disruption of agri-food supply chains.</p> <p>Reduced movement of labor.</p> <p>Difficulties in accessing credit or cash.</p> <p>Budget deficits.</p>
Wren-Lewis	2020	<p>Significant fatality rate.</p> <p>Collapse of stock markets.</p> <p>Supply and demand shocks.</p>

Reducing GDP.

Fall in production.

Note: Edited version from (Kettani, 2021: 5)

The corona virus pandemic represents both public health and economic crisis. While the public health crisis addresses disease containment measures, treatment and development of vaccines; economic crises are reflected in supply and demand shocks as well as oil price shock, consequent upon disruptions in economic activities caused by global lockdown. The outbreak of the corona virus has thus disrupted the conduct of major macroeconomic policies across the globe. (Adesoji Farayibi & Simplice Asongu, 2020: 4)

The elements above outlined the serious consequences of this crisis. Today, the most important issue for companies is to overcome the pandemic effects, cope with this new context and manage to restart and relaunch their activities.

III. COMPETITIVE INTELLIGENCE AS A MODE OF GOVERNANCE IN THE POST COVID ERA.

Corporate governance can be defined as the system by which business corporations are directed and controlled (Castrillón & Alfonso, 2021: 180). The issue is that in the context of the covid-19 pandemic, the rules have changed and the business world has been more than ever oriented towards a knowledge-based economy, driving companies to reinvent their governing methods.

Therefore, companies need to opt for knowledge-based modes of governance that can enable them to identify strategic information, detect opportunities and threats, anticipate environment changes in order for them not to be overwhelmed by unexpected events such as the pandemic.

Actually, information is that raw material that feeds the competitive intelligence process. Delbecque (2006) notes that in the singular or plural, it does not have the same meaning. In the first case, it includes the following three sets: data, information and knowledge.

The difference is that data are raw elements with little value since they have not been processed or contextualized. Information, on the other hand, refers to data that has been filtered, selected and classified according to its relevance, and knowledge refers to information that has been interpreted, reformulated and synthesized through the expertise and analytical skills of an individual.

It should also be noted that information can be classified into three main categories according to its source. First of all, there is white information with an open and public source; it is acquired easily and legally. Then comes the grey information which is certainly accessible within a legal framework but which requires subscriptions to databases to be obtained. And the black information comes from a secret, highly protected source, it can only be obtained illegally. Competitive intelligence does not cover this last type of information.

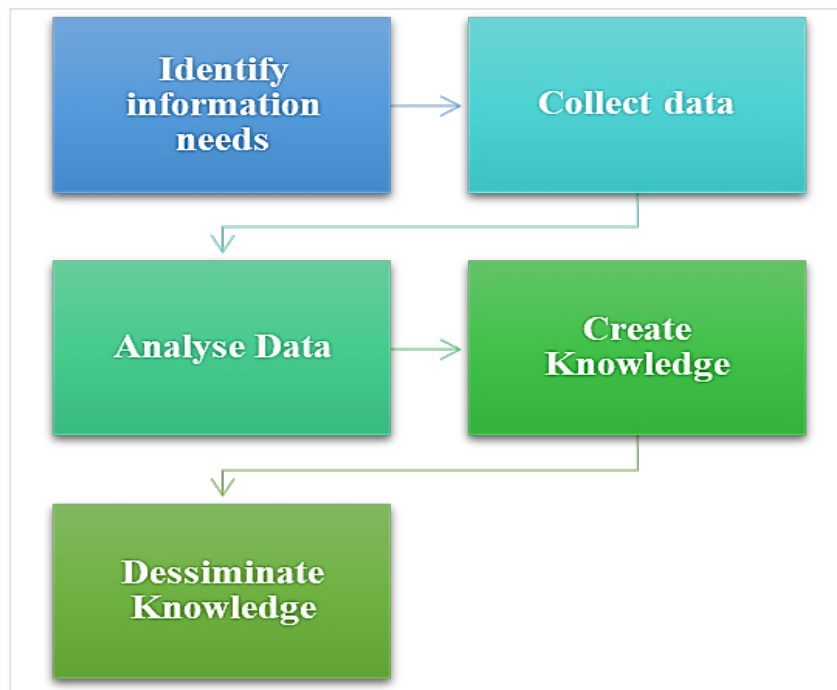
Competitive intelligence is, actually, one of the best practices that put information at the heart of its process and allow the development of a strategic knowledge, that is useful for any decision making in a complex and uncertain environment. Indeed, Achard (2005) explains that it allows leaders to respond to increasingly complex issues, focusing on substantive solutions by adapting a proactive attitude, detect in real time the obstacles to competitiveness, and react quickly within the framework of a learning logic in the company. All in all, competitive intelligence is a mode of governance based on the mastering and the use of strategic information in order to create a sustainable value for any organisation. (Sbihi, 2016). It actually helps in the:

- Identification of different scenarios to overcome crisis impacts.
- Adaptation to exceptional changes and new situations.
- Anticipation of environment evolutions.
- Process information to achieve predefined goals while consuming few resources.

Governing through competitive intelligence requires the implementation of its coordinated process and the practice of its three components. In what follows, the focus will be on the key stages of competitive intelligence process as well as its different components.

Literature reveals that competitive intelligence process involves five key steps. Based on the work of Oubrich (2007), the following figure shows the CI process.

Figure 1 : Competitive intelligence process



Note:
version

Edited
from
Oubrich (2007)

Identifying information needs consists in defining and specifying what types of information does the company need. The second step is collecting data. Then comes the analyzing and interpreting stages which lead to creating a strategic knowledge. And the last one is to disseminate it to the relevant managers. As for its components, competitive intelligence has three: Monitoring, protecting information, and lobbying.

Since strategic monitoring is the most common aspect of competitive intelligence. These two concepts have always been confused. Monitoring is a permanent and continuous activity of surveillance of the external environment in order to collect relevant information.

It is a generic term that can be associated with many terms because there is no such thing as a single monitoring system, but rather a number of different ones which will depend on the sector, the company's culture, its competitive field and the resources allocated (Marcon & Moinet, 2011). According to the literature, it can include competitive, commercial, environmental or technological aspects.

Protection of information is a defensive aspect of competitive intelligence. In its pursuit of strategic knowledge, the company exposes itself to a wide range of threats and increases its

level of vulnerability. In this sense, Pépin (2007) explains that the challenge of protecting the company's technological and information assets is therefore to control the risks linked to the information cycle in the context of an extended company and in an uncertain geopolitical environment.

Competitive intelligence enables the implementation of an active defensive information approach based on reputation management and disinformation problems. It also promotes the implementation of an information security strategy through the control of human and organizational aspects

The third component of competitive intelligence is lobbying. Décaudin & Malaval (2008) tend to define it as a strategy of influencing the political, executive or legislative power, with the aim of modifying a rule in a way that is favourable to the interest of the initiator of the operation. Massé et al. (2006) point out that it consists of getting others to do something freely that they would not have done spontaneously without your intervention, which amounts to using the freedom of the other according to our convenience.

In other words, lobbying refers to the ability to act on one's environment by using the information collected. It involves the diffusion of representations in favour of the company's interests at the origin of the influence actions. However, its practice is often linked to manipulation and disinformation. It thus has a negative connotation and remains tainted with illegality.

Conclusion.

To conclude, the Covid-19 pandemic has been deeply affecting companies all over the world. It has created a new business context with a high level of volatility, uncertainty and complexity. In order for companies to revive and relaunch their activities in such conditions, they ought to privilege another form of governance based on knowledge and therefore on competitive intelligence.

Thanks to its dynamic process and its three components, Achard (2005) recalls that competitive intelligence report on threats and the changes that have occurred in its environment, bring a prospective look and an opportunistic dynamic in a competitive environment where the advantage is defined in terms of speed, flexibility and adaptability.

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