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Journal of Intelligence Studies in Business Vol 4, No 1 (2014) 36-42

## The development of North Sulawesi through Competitive Intelligence

Julyeta P.A Runtuwene, Audy Aldrin Kenap and Verry Ronny Palilingan<sup>1</sup>

<sup>1</sup> Universitas Negeri Manado, Kampus Tomohon, Sulut, Indonesia

Email: [info@mail.unima.ac.id](mailto:info@mail.unima.ac.id)

*Received September 3 2012, accepted February 9, 2014*

**ABSTRACT:** in this paper we present how Competitive Intelligence was introduced into the North Sulawesi in Indonesia. Starting from education and to the development of a threshold of graduated student in that field, it was necessary to move to the conquest of local policy positions to be sure that the methods and tools of Competitive Intelligence will be used to second regional development. The SULUT region constitutes a living laboratory where the methods and tools of Competitive Intelligence have been used not only to develop a Competitive Intelligence Regional Unit, but to create policy conditions enabling the development of this unit.

**KEYWORDS:** Competitive Intelligence, Indonesia, North Sulawesi, SULUT region

### 1. Synthetic presentation of the North Sulawesi Region (SULUT)

The North Sulawesi Province was recognized in 2011 and has about 2.5 millions inhabitants, among them 65% are catholic. The region is characterized by several volcanoes still active for some of them and by several diving spots of international value. The Province gets its revenues mainly from the

fisheries and from agriculture, but different natural resources are threaten by different market shifts. For instance the introduction of cloves into cigarettes (after the extraction of the oil from the cloves) is decreasing because people will smoke less or will smoke lighter cigarettes. In the same way copra oil and palm oil are competing. it is urgent to develop new products from the natural resources or to promote a better quality to maintain

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a high price level. The following maps extract

shows the geographical location of Manado city:

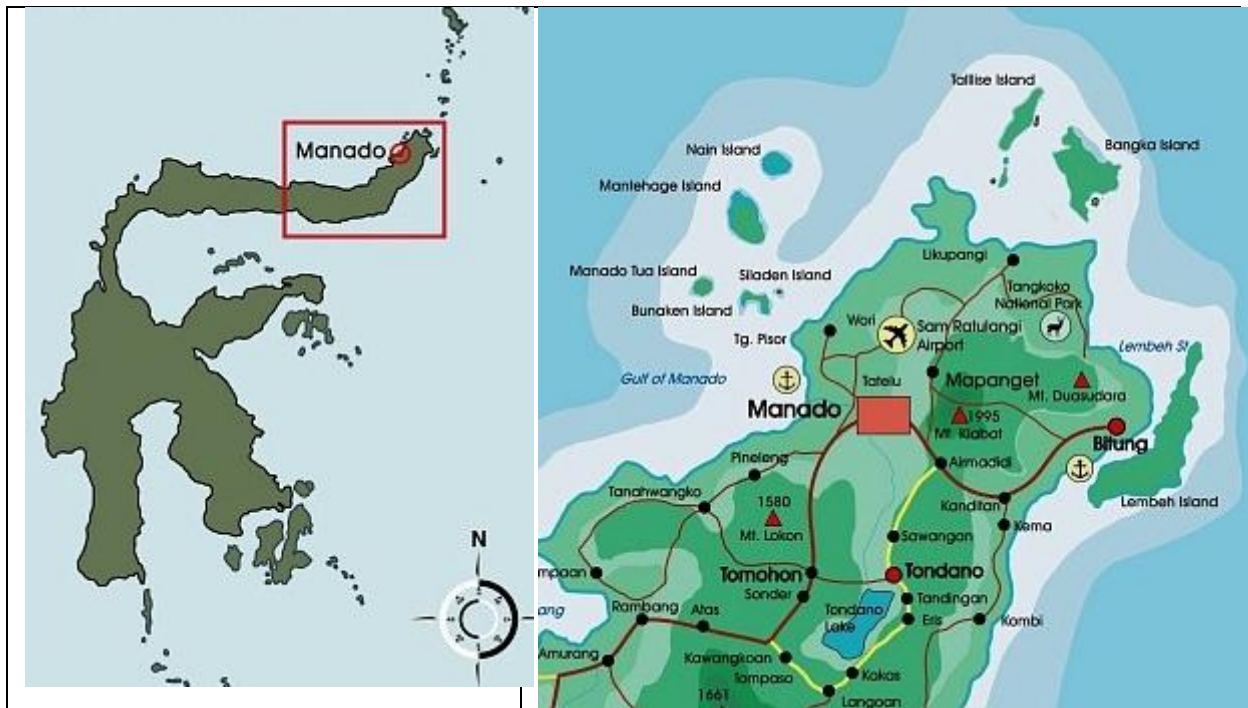


Figure 1. The Manado area (from <http://www.north-sulawesi.com/northsulawesimap.html>)

## 2. Method

Several year ago the University of Aix Marseille (Paul Cezanne) developed with the Universitas Negeri Manado (UNIMA) a joint DEA program in Technology Watch and Competitive Intelligence. This cooperation was conducted in such a way that students may follow the DEA in France in Marseille at the CRRM, and in UNIMA in the Tomohon City in the North Sulawesi. Both groups of students develop during the DEA (now called Master second year) various projects dealing with the development of the region as well from a natural resources point of view as of a global approach to get better local conditions favoring industrial and tourism development. After the DEA or the Master degree, some students continue their study to get a PhD in Competitive Intelligence in Marseille (CRRM, University Aix-Marseille III).

The development of this process during more than 15 years paved the way for the development of a local consciousness about Competitive Intelligence not

only focused on industry development, but concerned globally by the social impact of the development of the region. Various subjects such as water resources, fish resources, development of tourism, the creation of added value products from natural resources, energy alternatives, the use of Competitive Intelligence to improve various educational programs, contributed to create among various different slices of the local society a deeper concern for the critical points to be examined in depth and if possible solved to improve the local social conditions as to achieve a long term competitive advantage.

At the very beginning, the students (most of them coming from various local institutions such as towns districts, administrations, education, police, private companies) planned to develop locally a Competitive Intelligence unit which will provide key strategic information to think-tanks, for them to be able to formulate advice and recommendations for local decision makers. However, it was very rapidly noticed that many internal forces did not accept the idea to move ahead, since this will

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modify the local political power in place today as well as some industrial positions.

It was then decided to use Competitive Intelligence not only to promote new economic and development conditions, but to move to local policy to promote in some key positions people which will have a Competitive Intelligence background and which will be able to facilitate a global move of the local stakeholders to new horizons.

This is the story of this global development of Competitive Intelligence in North Sulawesi, that we are going to present here, underlining the main steps of its development and the actual stage of development opening the way to a new mind set among decision makers

### 3. The structure of the local decision makers

The region is politically structured around a Governor, and for the Manado city a Bupati (equivalent to a mayor in the Western world, with a land extension far larger than the simple town area) since the Bunaken Island (one of best diving spot in the world also depends of Manado City). The University play a critical role through the education of local people involved in the municipality, administration and other local structures. There are seven universities in the region among them three are of importance and the largest one being UNIMA.

From a political point of view, the main political parties present are the Democratic Party which is the one party were the President of Indonesia SBY belongs to, and the Golkar party of the former president Magawati. The election which are

|           | 2010-09 | 2008-07 | 2006-05 | 2004-03 | 2002-01 | 2000-99 | 1998-97 | 1996-95 | 1994-93 |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| DEA Sulut | 16      | 18      | 12      | 13      | 16      | 20      | 21      | 0       | 0       |
| DEA other | 0       | 2       | 3       | 0       | 0       | 0       | 5       | 3       | 4       |
| PhD Sulut | 0       | 5       | 2       | 0       | 2       | 6       | 0       | 0       | 0       |
| PhD other | 1       | 2       | 0       | 0       | 0       | 0       | 2       | 0       | 0       |

*Table 1. Sulut Sulawesi Utara (North Sulawesi)*

The number of students and more specifically the various subjects developed in the DEA-Master Thesis as well as in the PhD, created to a certain degree a critical mass necessary to implement a local Competitive Intelligence spirit. In the same

organized as well for the Governor as for the election of deputies and Bupati are controlled by a supervisor which is appointed by the Central Government in Jakarta.

Other structures are also present for instance the police which depends on the Bupati, and the army which is linked to the Central Government and to the Governor. Other institutions private or public are more or less related to the former decision makers, except for religious power structure which is divided in two parts, one Christian (the larger part) and the second Muslim.

The relationships with the Central Government and more specifically with the democratic party are important since many local decisions concerning the election organization as well as the validation of the candidates, etc. are related to them.

### 4. Creating a critical mass

It is clear than in regions like the North Sulawesi, where Competitive Intelligence is quasi unknown and where most of the population is rather conservative, the people in place is reluctant to move to new (may be uncertain) conditions. We therefore think that the introduction of the Competitive Intelligence concept, method and tools necessitate the creation of a critical mass of people to spread the idea in various areas of the inhabitants.

The following table summarizes the results obtained from 1993 to 2010 through the development of the DEA, Master, and PhD for Indonesian students with a focus on CI (from North Sulawesi and other parts of Indonesia).

time we edited two books in English dealing with regional and industrial application of Competitive Intelligence, with various examples all related to the Indonesia development. (Dou 2003, Dou 2007)

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We also developed a PhD dealing with the study of the development of added value products in the region. These ideas came out of the competitive intelligence field. Energy being a very hot problem because of the lack of energy resources, different works were done on biodiesel and different conferences presented about this subject related to CI (Liow 2010, Kister 2010).

### 5. Development of a close relationship with the democrat party

One of our most talented students developed during her PhD a project, the creation of a Competitive Intelligence Center in Indonesia, close to the French notion of a model of Economic Intelligence (Manullang 2003a, 2003b) with a national senior advisor connected. During her PhD (Manullang 2005), several key conferences were developed in Jakarta<sup>1</sup> mainly, with the venue of various top French people in the field<sup>2</sup> (Alain Juillet, Philippe Clerc, Henri Dou). This gave the opportunity for her/the student to have various contacts with national Indonesian policy makers and then to promote this idea. Other meetings of the same type were also held in Bandung, Medan, Manado). The result was half of what we expected: because we did not have any Indonesian success story in the domain the decision makers if the assisted to the various conferences and talks did not feel concerned and the idea to promote Competitive Intelligence at the national level failed. But, in spite of this failure, the person who promoted the idea integrated the democrat party at a key position enabling her to present and push CI at the national level some of the initiatives which will be developed in SULUT.

This was the starting point of the use of the methods and tools of Competitive Intelligence on two ways: one technical using the patent analysis to promote locally new ideas of development by showing clearly that the creation of added value products from local resources will be possible since in the world the same resources were the source of profit through new products and applications. It was obvious that in these various analyses we take

<sup>1</sup> See

<http://s244543015.onlinehome.fr/ciworldwide/?p=28>

<sup>2</sup> See <http://www.ciworldwide.org> and from China see <http://s244543015.onlinehome.fr/ciworldwide>

into account the local level of competences as well as the facilities available to select the right products and technologies to develop and use (Dou 2004).

The second step paved the way of the development of a strong political interaction that we have to create: one of our PhD student (Tulungen 2006) from the region was jobless and we took this opportunity to present its candidature at the national political instances to fill the role of mediator and guarantor of a fair progress for future local elections. Because Competitive Intelligence was known at a certain level of the political instance (thanks to the work of the very start promoter), he was granted the job.

### 6. Competitive Intelligence influence and human network information

It is well known that besides the classical role of implementing and facilitating the decision in companies and institutions Competitive Intelligence presents other aspects such as the development of human networks and the creation of spheres of influence. In UNIMA, the only cooperation agreement with a foreign university was at this moment the one concluded with the University of Aix-Marseille (CRRM). This situation opened to the local students the opportunity to have various grants from the local Governor and from the local Municipalities to study in France. This situation favored a better perception of Competitive Intelligence in the University and helped for the promotion of one of our PhD students at the grade of Vice Rector of UNIMA (Tuerah 2003). Two years after (2008) the same student became Rector of the University.

Two years later, the position of Professor in Competitive Intelligence was created in the UNIMA University opening the way to a more structured development of this discipline. This was achieved in 2010. The person in charge, got her PhD in Marseille and presented 4 years before the project to develop a Competitive Intelligence Unit in the Region (Runtuwene 2007) to one of the main conference held in Jakarta. She developed also the local facilities: Internet via satellite and office in town to shelter the Competitive Intelligence Centre in Manado.

The last step, but not the least, was to gain a top political position in the regional hierarchy. This

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was achieved in 2010 with the election of the Bupati of Manado (Lumentut 2008) city of one of our PhD students. The election was difficult since the first round gave rise to a suit which conducted the judge to call for a second new election which was won definitely in October 2010.

### 7. The recent development

At the beginning of 2011, there was the official announcement of the creation of the Competitive Intelligence Unit of the Manado Region. It operates from the University, in close relationship with the Manado city and the national poll representative. In these conditions we created locally the triple helix (Leydesdorff 1998) condition enabling the development of various public and private partnerships in area such as the promotion of cloves, coconut products, corn, tourism, etc. to gain broader strategic abilities for regional competitive advantage.

This Competitive Intelligence Unit, the first in Indonesia will be promoted at the national level being in the same time leverage for the regional development but also an attractive structure to implement real and robust projects.

It must also be noted, that a few years ago, the work done by various Competitive Intelligence students helped to develop a project to clean the city in relationship with tourism development. This led Manado city to obtain the title of the best cleaner city of the year in Indonesia (“Adipura”), the price was given to the city by the President SBY in person<sup>3</sup>). Also in the same time Manado city was chosen to organize the World Ocean Summit which bring to the city various foreign delegates and promote the city and its vicinity (for instance the Bunaken Islands diving site, etc.). These realizations helped since they show to the inhabitants that international initiatives may go through when they have a guideline and a road map closely related to Competitive Intelligence.

### 8. Conclusion

In this example, we have shown that to create the conditions necessary to start the introduction of the Competitive Intelligence concept, methods and tools in an area where this discipline is quite unknown took several years. The same situation

can be reach if one wants to develop Competitive Intelligence activities in an area where the education of the stakeholders has not been to the level. This is the case for instance in certain poles of competitiveness. Of course if you set up some basic conditions and practice the policy of the “laissez faire”, the implementation of Competitive Intelligence can be done in time, but it will take too long. We are now in a world where the speed of almost all activities increases. If you are not going fast enough your competitors will overpass you and you will not be able to catch up.

The second point which is important is that Competitive Intelligence is related to social cohesion and then its perception by the local people is important. Cases of success are needed and winning the “Adipura” context and hosting the World Ocean summit were two elements which show directly the usefulness of the Competitive Intelligence process (those two events were widely related to efforts made in the local press and TV).

The third point which is important to recall is that policy makers decide. If they are not convinced of the efficacy of the method or if they feel that they are taking some risks, nothing will happen. It is clear, that for developing countries a strong commitment from the policy makers is necessary. In developed countries and for instance in countries like France, which have created various poles of competitiveness, it is clear that the role of the central government should not end after the selection of the poles or after some initial evaluation processes. The role of the Central Government should be permanent and it should be done through the road map and the governance of the pole, in close relationship with a Competitive Intelligence unit which will provide independently of the stakeholder information that is strategic enough to be the seed of a starting collaboration between the participants. The animation (this is true for a region as well as for a pole of competitiveness) need to be catalyzed and among the best catalysts the use of patents analysis (Dou 2009) (APA<sup>4</sup> Automatic Patent Analysis) is important since it provides an unique information filling the gap between fundamental aspects of research and industrial development.

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<sup>4</sup> See <http://www.matheo-software.com/en/products/matheo-patent.html>.

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<sup>3</sup> See PhD thesis Lumentut, opus cited.

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On a regional point of view and to create a strong motivation among the inhabitants, new techniques have to be used. In fact giving information even of high quality is not enough. People need to break the silence (Perlow 2003) and open a fair collaboration<sup>5</sup>. To reach this objective stories which will make them dream are necessary. On a R&D point of view the application of this storytelling management (Salmon 2007) can be done through the use of patent analysis. This will provide the best way to construct a history of the development of products and services and show clearly that what others do can also be done here. Because the story will concern resources found locally over many decades, even centuries, focus should be on bringing back people to their roots and strengthen the local cohesion. We used a form of storytelling management to pick up innovative attitudes and maintain the local unity.

Now the actors are on stage and they must succeed if they want to maintain their position and continue to be backed up by the inhabitants. Of course it will be a difficult challenge but “the game is worth the candle”, as we say, and we believe that this will create an incentive strong enough to develop the condition of success without falling, as is pointed out “in the triple mezzogiorno” by Jean Marie Rousseau on the Nega-development (Rousseau 2010).

### Acknowledgement

We wish to thank Professor Henri Dou for his help and involvement in the development of the Technology Watch and Competitive Intelligence in the Manado Region., as well as Miss Sri Damayanty Manullang for her constant help in favor of the development of Competitive Intelligence in SULUT.

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<sup>5</sup> Opposite to the silence, but with the same result, is the development of a constant «noise» done by the exchange of perfect useless information.

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