

ENVIRONMENTAL SCANNING PROGRAM AND METHODOLOGY

{The following notes are provided for managers responsible for or seeking to set up a scanning system}.

Scanning fuses the collection, exploitation and harvesting of good ideas to ensure coverage of issues that may be missed in the intelligence process.

What is an environmental scanning issue?

Items of interest are those which have a strategic focus, a futures orientation and/or which discuss trends or new drivers likely to have a strategic impact on the threat environment for an organisation. They are issues normally outside the high priority / high resourced areas of the intelligence component of the organisation and usually have a contextual relevance to strategic and operational level analysts' work. To identify potential issues, the scanner needs to:

- Think beyond the immediate bounds of organisation and the issues it faces in the short term; noting the range of subjects which scanning covers, including the strategic setting, organisational management issues, methodologies etc.
- Keep in mind the set of judgements and associated indicator and warning sets for which they are responsible, and include material which is relevant to these.
- Think about which other agencies or organisational areas the information might be relevant to.

Source of material?

The main sources of material that require fusion are:

- Analysts' random thoughts
- The organisations operational sources
- Sensitive sources
- Foreign affairs and international reporting
- Open sources / media / internet
- Law enforcement sources
- Regulatory sources
- Academia and researchers
- Conferences
- Meetings
- Liaison reporting

What do you do when you find something relevant?

One of the critical features to a good scanning system is knowing what is going on in the analytical world within the organisation. This allows the scanner to pass on tid-bits of use to other analysts.

An understanding of the needs of the broader audience should arise from the setting of clear intelligence priorities. When issues are found that meet the requirements of the broader audience then the meaning of the item is noted (inductively) and the issue is passed to intelligence management for a decision on dissemination. The simple report format of Issue, synopsis, and significance¹⁰⁰ should be used.

It is important to have the meaning of the item clear prior to presenting the items for inclusion in weekly or annual scanning products.

How many items should be found each week?

On a weekly basis there should only be a few issues raised for attention in scanning reports. In national security circles there may be a large number of issues per day, but if correctly designed each 'desk' or area of designated analytical focus would have only a few issues per day. Key issues requiring discussion and development as part of the build of any annual strategic environmental scanning paper may be discussed as part of a quarterly review.

Quarterly/annual review program

The most comprehensive environmental scanning program has not only a daily review of feeds, but also a consolidation phase every quarter and then annually. This appears daunting for any business, however, can be simple and indeed should be inherent in any organisation that considers risk analysis important. More details on issues and analysis arising during these reviews are in Chapters 9, 10 and 11.

During review meetings, managers can use the following processes to assist the analytical effort and stay on track:

- Cluster ideas. Maybe use post-it notes or computer clustering tools to collect ideas under driving force themes. (Focus on innovative/lateral groupings that are outside the agencies' traditional frames of reference, cross-cutting issues);
- Review each cluster to confirm its validity (Who? how? why? So what?);
- Brainstorm 1st, 2nd and 3rd order consequences which might flow from the driving forces for each cluster;
- Brainstorm possible policy implications for programs and stakeholders

¹⁰⁰ Significance here is used in an evaluation sense. It normally relates to the relative merit of further analysis/research.

arising from these consequences;

- Consider the implications which might arise for your analytical program – if it overlaps with current projects or requires rebalancing of priorities.
- Consider gaps in knowledge, the need for further research, and new information requirements to follow-up some analytical themes.

Products

Scanning Report – Digest or Summary

A scanning report provides a compilation of items of interest. They are sometimes referred to as an intelligence summary or an Over the Horizon Report. This digest serves as a vehicle for highlighting items of interest and provides team-based comment about potentially significant activities derived from a range of sources, including highly sensitive data from partner agencies and departments.

The principal client for the product is often a risk identification or assessment group of senior intelligence managers able to influence intelligence priorities and the analytical production schedule. This group may sit weekly, fortnightly or monthly depending on the level of churn in events. The report is one tool to allow managers to have a brief insight into issues of current or future interest to the organisation beyond those being considered under daily intelligence management processes. The report is not meant to contain detailed assessment, but rather contain an initial evaluation or overview the current level of understanding of the issue. Each issue should be for note, for additional collection effort, or for further research action. Intelligence management can in turn either note as part of the risk register or shift analytical priorities or intelligence coverage to meet the emerging issue.

The report is a compilation of items of interest garnished from an infinite range of sources which fall into one of the four broad categories:

- Sensitive. That information which, for various reasons, is disseminated to an extremely limited audience and is protected by the use of national or other security caveats and classifications. This information has usually already had some form of analysis and processing performed on it (that is, intelligence rather than information). Examples of this are those items produced by national security and intelligence bodies which is not directly actionable but may be of scanning interest to the organisation.
- Restricted. That information which whilst still limited is generally available to a wider audience and is usually produced from within the community of interest of the organisation – be it corporate, law enforcement, defence or regulatory. Examples include operational or strategic reports from other agencies on overlapping areas of interest – not areas of priority concern.
- General access or open. Information from a range of media including emails, periodicals, conference notes and internet (news sites and so on). Of these, the most common of the open sources is the daily Media grabs

on topics of general interest to the agency.

- Good ideas. Different issues from any source that when fused in the mind of the analyst become an idea that may require further development in assessment or collection terms.

Prior to entry into the report, the item of interest must have the reliability of source and credibility of the information assessed – using a tool like the Admiralty System (Reliable, Unreliable, Cannot be Judged, etc).

Some useful hints on selecting those items that may be included in short-listing for the report are:

- Does the item concern an incident, which, in the opinion of the scanner, will potentially become an issue in the future?
- Does the article/report concern an incident which is a stated intelligence priority or is a focus area for analysis or operations? Does it have an effect on the way in which the analysis being conducted in the organisation is focussed or progressed?
- Does the article/report concern an incident or opinion which is related to a priority and appears to be a significant change from the usual Modus Operandi, outcome, or entities involved? For example, a new method of importing a drug, a different method for transporting goods, a new business model, or new weakness/opportunity for criminal abuse, etc.
- Does the article/report concern an incident or opinion which is related to a priority and appears to support or specifically negate a previously made assessment?
- Is there a specific reason why the article/report should or should not be in the report (security, of interest for other reasons, etc)?

Once selected, the report/article is summarised to a few lines indicating the key message or theme by the key interrogatives: who, what, why where, when and how. Of note, all items should be cross referred back to the original article/report.

Included in the compilation will be an area for the appropriate scanner or analyst to make a comment on the issue, the related current intelligence priority, and any proposed action in relation to the item.

Analyst team comment may be provided not as an assessment on the issue, but more a comment on whether or not the item/subject is known to the team and previous assessments on level of risk. The types of action advice statement that may be attributed to an item of interest include:

'For Note'

This means that management should note the issue but that no further action in respect to it is to be taken. The risk register may note the initial, comparative evaluation of the risk at that point in time was Low.

'For Development'

This means that active pursuit of more information against that item is required – other agencies may be levied for information or assessment in relation to the issue.

'For Assessment'

This means that the issue warrants more detailed analytical effort and needs to be managed within the priorities of the Analytical Production Schedule.

In some circumstances, these types of reports may be put on a broad circulation which adds a security dimension for managers where sensitive source information is used in the report. The simplest way around this problem is to not indicate the source but still gist the message. This is possible if the source cannot be extrapolated from the text and if the agency is able to provide this level of sanitisation. A more convoluted solution is to attempt to find the same information from another, less sensitive source and then reference that report.

A warning report

Warning reports are produced on a single item of strategic change or interest. These aim to inform senior management of change in national threats/issues that may require a change in intelligence priorities. It is a report produced when indications of strategic change emerge for designated warning problems or areas of priority intelligence interest. The report is clearly identifiable as a national warning intelligence product with warning problem and key judgements on the front page.

Strategic environment paper

Strategic environment papers are normally produced annually or every two years and form a foundation document to the business planning cycle – especially components related to intervening or mitigating against external threats. It should consider the breadth of drivers effecting the environment for the organisation, the range of criminal, non-compliant or threat issues faced and emerging issues from global, regional and domestic contexts. It supports longer term decisions on strategic assessment priorities and as such may be fully completed every few years and subject to a more limited review in the intervening years. It advises a number of five year strategic planning processes on key thematic areas of implications for policy, capability development and response options.

Capturing all that is known and all that is possible in a strategic environment paper that is both useful and concise, is no easy task. There are many examples of these types of assessments around, yet most are close hold as they are usually quite sensitive for decision-makers. The sensitivity is not so much related to the classification of content – most papers are relatively generic and don't have details of names, places etc. The sensitivity more relates to the fact that fearless and frank papers will overview all the issues arising in an environment, including those impacted by a lack of capability on behalf of the agency. In addition, fearless and frank papers will provide some map of where to next or at least some important strategic themes to be considered. Often these may challenge the current path for management and hence are not for broader release. Last, many strategic plans are simply a compilation of what has been

done before started up as an expression of what will be done in the future. The last thing that authors of such documents want to see is an environmental paper that challenges some of these basic premises of poor strategic planning!

The best strategic environment papers are a compilation of the input from the range of experts or expert input that can be garnished and should be a never-ending product; that is, the intelligence system will always be compiling thoughts for the next version. Also the best papers should look forward (as a norm 5 years) and in addition to setting some issues up for strategic response, should assist the framing of strategic assessments and collection effort through a complete driver analysis component.

While the scope may be five years, such papers should not be written every five years. They should be subject to annual review and in some cases, key components should be challenged every quarter. This process may be formalised as part of the annual review and/or may be embedded in a strategic warning program. As a general rule, a full process should be run at least every two years with a shorter update document produced in the interim year on only those issues that have changed or assumptions that have subsequently been tested.

While the style, look and feel may change, the generic components of any strategic environment paper are as follows:

Executive assessment

This needs to be specially crafted to focus in on the key environmental factors, the key drivers (impacting these factors) and the strategic themes or implications arising. Again – as per any strategic assessment – the flow is what, so what, now what; however, the complication here is the complexity of the amount of information at hand.

Environmental overview

This picks up all the key trends and facts related to the environment up to a specified point in time. Past risks (harms and threats) can be overviewed.

Driver analysis

An analysis of the key drivers impacting expected to be impacting the environment over the next five years, the implications of their 'change' nature or impact (in positive and negative consequences), and finishing with a section that rates and ranks these drivers. The latter component is purely subjective and prone to bias and false groupings; and any good analyst will seek to avoid it like the plague. However, if done well, it forms a useful construct against which to build futures and to derive strategic themes requiring some form of response.

Futures

Your paper would benefit from trying to capture for the reader some scenarios of how things may evolve over time in a picture that they can relate to. Again this is a difficult task but it does not have to be dramatic or detailed. Simply overviewing the types of manifestations and consequences of 'things staying the same' or 'things getting worse', at least assists the analyst and manager to think through some of the complexities ahead.

Strategic themes or implications

The use of the term 'strategic themes' is often helpful in those circumstances in which too much 'fearless and frank' is a career limiting option. The term is relatively innocuous and allows the intelligence manager to pull together some generic areas of risk or vulnerability into short statements that could be areas worth addressing by the agency in the next few years.