MS9354: COMPETITIVE INTELLIGENCE AND STRATEGIES

Instructor: R K Amit*
TA: Yash Gopal Deshpande†

EMBA Course
Quarter VIII: 2026-2027
Venue: DoMS 401

Prerequisite: Eagerness to Learn

What is essential is invisible to the eye.

Antoine de Saint-Exupéry, *The Little Prince* (1943)

About the Course

Competitive intelligence (CI) helps managers convert external signals into better strategic decisions. The course treats **CI as an organizational capability** to **sense, interpret, anticipate and act**. It combines competitor forensics, strategic use of data, information aggregation, forecasting, and cooperative intelligence. The emphasis is managerial: participants learn how to read signals, ask the right questions, and design simple information systems for decision making. The course uses short cases, classroom games, and an applied project. The course consists of **10 sessions of 100 minutes each**.

Readings

- R K Amit. Game theory and its applications in Operations Management. Springer, 2024.
- Issac Baley and Laura Veldkamp, The Data Economy, Princeton University Press, 2025.

Pedagogy and Assessment

Lectures are discussion-oriented and supported by short cases, classroom games, worked examples and one applied course project. Assessment may combine class participation, case analysis, a short forecasting/information exercise, and the poster.

The grading for this course will be based on relative performance.

Class Discussion and Participation: 30%

Poster (Max. 5 students): 40%

Code of Honor

The participants must adhere to IIT Madras and DoMS policies. The participants are expected to go through the reading material and come prepared in the class whenever it would be announced. Group work has to be done as a team work. While evaluating for the group work, anyone participant from the group can be called for randomly to answer the questions related to assigned work.

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Course Contents

1. Competitive Intelligence as a Capability — 100 minutes

What competitive intelligence is—and what it is not. CI as a repeatable managerial capability: sensing, interpretation, anticipation and response. The **VCAP framework** as a lens for judging the value, cost, adaptability and performance of intelligence. Reading basic financial and operating signals. *Pedagogy: lecture, mini-case on Zara, class discussion. HBR: Gilad & Hoppe, "The Right Way to Use Competitive Intelligence" (2016).*

2. Indicators of Risk, Distress and Disruption — 100 minutes

Indicators of accounting performance, liquidity and leverage risk, financial distress, earnings-quality concerns, technological disruption and business-model disruption. Leading versus lagging indicators. Distinguishing temporary deterioration from structural change. *Pedagogy: lecture, short examples, business case discussion. HBR: Wessel & Christensen, "Surviving Disruption" (2012).*

3. Case: The Unidentified Industries — 100 minutes

Using financial statements and ratios to infer the economics of an industry. Asset intensity, margins, working capital, inventory, receivables, leverage and R&D as competitive signals. The objective is to move from ratio calculation to managerial interpretation. *Pedagogy: Mihir Desai's Unidentified Industries case and debrief.*

4. Strategic Data and Expectations — 100 minutes

Choosing and using data in strategic settings. Data quality, relevance, confidentiality and security. Expectations, beliefs and higher-order expectations: what a firm believes, what it believes competitors believe, and why this matters for strategy. *Pedagogy: lecture and guided discussion. HBR: Gilad, "How to Actually Put Your Marketing Data to Use" (2015); Kahn, Leinwand & Mani, "How to Gain a Competitive Advantage on Customer Insights" (2022).*

5. Forecasting and Forecasting Others — 100 minutes

Forecasting fundamentals for managers: judgmental forecasting, time-series methods, regression, forecast combination, uncertainty and forecast errors. Extending the idea to **forecasting the forecasts of competitors and other decision makers**. *Pedagogy: lecture, worked examples and forecasting exercise. HBR: Coyne & Horn, "Predicting Your Competitor's Reaction."*

6. Information Acquisition — 100 minutes

Why firms acquire information, what makes information valuable, and when more data may not improve a decision. Cost of information, precision, strategic complementarities and substitutabilities in information acquisition. *Pedagogy: lecture, simple numerical illustration, discussion. HBR: Hagiu & Wright, "When Data Creates Competitive Advantage" (2020).*

7. Mechanism Design for Information Aggregation — 100 minutes

How to obtain useful information when people hold private information and may have incentives to misreport. Desiderata of an information-aggregation mechanism: participation, truthfulness, simplicity and usefulness. Prediction markets, auctions and incentive-compatible elicitation as managerial ideas. *Pedagogy: lecture and classroom activity.*

8. Community Sensing and Collective Intelligence — 100 minutes

Aggregating dispersed observations from customers, dealers, suppliers and employees. Wisdom of crowds, correlated information, strategic reporting, peer prediction and community sensing. Applications to demand forecasting and the automotive industry. *Pedagogy: lecture, classroom exercise, project discussion.*

9. Federated Learning and Secure Cooperative Intelligence — 100 minutes

Learning from distributed data without pooling all raw data centrally. Managerial intuition behind federated learning, privacy, data security, heterogeneity and incentives to participate. When cooperation creates value and when it creates risk. *Pedagogy: lecture and application discussion.*

10. Designing a Cooperative Intelligence System — 100 minutes

Integrating the course ideas into a practical system for collecting, validating, aggregating and using information. Course project: *Community Sensing for Forecasting in the Indian Automotive Industry*. Participants identify information sources, incentives, aggregation rules and managerial decisions supported by the system. *Pedagogy: project presentations and integrative discussion.*