
STRATEGIC INTELLIGENCE & ANALYSIS

**Guidelines on
Methodology & Application**

by
Don McDowell



1997

CONTENTS

INTRODUCTION	3
CHAPTER 1: THE CRIMINAL ENVIRONMENT, INTELLIGENCE AND STRATEGIC ANALYSIS	
Overview	5
Intelligence	5
Strategic Intelligence, Research and Analysis	7
Law Enforcement Requirements for Strategic Intelligence	8
Application of the Model	10
CHAPTER 2: A STRATEGIC INTELLIGENCE METHODOLOGY	
Developing the Model	11
The “Standard” Intelligence Process	11
Enhancements for Strategic Intelligence	12
Strategic Intelligence Planning	14
Defining the Problem Correctly	14
Developing a Strategic Collection Plan	14
Generating Working Hypotheses	15
Acquiring Additional, Specific Data	15
Processing - Recording, Collating and Evaluating	15
Integration, Analysis and Interpretation	16
Reporting the Findings	17
Reviewing the Process and the Outcomes	18
Some Key Principles in the Application of Strategic Intelligence	19
Applying the “Strategic Intelligence Cycle”	19
Gaining the Mandate for Strategic Research	19
Managing the Strategic Intelligence Function	19
Information Access and Handling	20
Tasking	21
Staffing	21
CHAPTER 3: EXPERIENCE OF APPLYING THE STRATEGIC MODEL TO THE 1990/91 ASSESSMENT ON ILLEGAL DRUGS IN AUSTRALIA	
Planning and Conducting the Illegal Drugs Project	23
Using the Model : Experience and Lessons Learned	23
Conceptualising the Topic	24
Defining the Problem Properly - the TOR	24
Developing Initial Ideas	24
Collection of Data	25
Recording and Collation	27
Evaluating the Information	27
Analysing and Interpreting the Picture	28
Reviewing the Project	28
Conclusions	29

ATTACHMENTS

Terms of Reference (TOR) - Criminal Environment Assessment on Illegal Drugs	30
Abbreviations and Acronyms	31
Diagram : The Strategic Intelligence Process Flow-chart	endpage

INTRODUCTION

I originally prepared this monograph in late 1990 and early 1991, under the title *A Methodology for the Development of Strategic Crime Assessments*, as part of my then role with the Australian Government Attorney-General's Department. At the time, I was engaged with two others (Dr. Grant Wardlaw and Mr John Schmidt) in seeking to demonstrate the potential for strategic research and analysis in the arena of intelligence practice. Our goal was to provide Federal and State law enforcement authorities with a model of the effective application of strategic analysis to issues that would ultimately bring benefit to the wide readership of clients and consumers within the ranks of political and public service leaders. This we did, and the rise of strategic intelligence in the area of law enforcement and justice administration, at least, has been slow and steady within Australia since that time.

In the years since my original development of the model prior to undertaking the drugs project, I have had ample opportunity to put it into practice in Australia and overseas. In recent years, the methodology has become the foundation for much of my work in developing and conducting strategic research and analysis training in North America and Europe. Even though the model remains substantially the same as presented in the early paper, like all good methodological practice, this concept continues to undergo refinement as new experiences, challenges and technology impact on all of us who carry on the work of "analysis".

I have chosen to re-issue this paper, so that I could include many modifications and updating, to meet a growing need for a small, informative handbook on the topic. It is a reflection of how comparatively little is known of (or practised in) strategic intelligence and analysis that there is not much that has yet been published about it, beyond those few articles that appear from time to time in "trade journals" of the intelligence community worldwide. While I have a comprehensive reference manual on the topic currently in final preparation for publication soon, this present handbook may go some of the way towards broadly describing the model and our earliest experiences of using it back several years ago.

As the reader will note, the methodology outlined in this handbook is a specialised adaptation of accepted research and analysis practice. Intelligence analysis is not some mystical or arcane practice, accessible only by the initiated few. Instead, to put it in the most simple of terms, it is best described as applied research focused on very specific topics. Strategic analysis in the field of law enforcement (or indeed, any other) is but a further enhancement and adaptation of these research and application principles.

What sets this methodology apart from traditional intelligence practice is the issue of "focus". Strategic intelligence moves the analyst beyond the realms of day-to-day, routine, operationally-focused investigative analysis that invariably has, as its objective, the definition of targets-of-opportunity. This has long been the preoccupation of enforcement, political, security and even commercial analysts alike.

Operational intelligence analysis needs to directly address issues that have more immediate operational relevance - providing something tangible that results in more arrests, prevented attacks, profit gains and so on. *Strategic intelligence*, in contrast, is about long-term impact issues and their analysis. It is the essential prerequisite for any sensible development and review of major programs, policies and plans in all walks of life.

In the original issue of this publication in 1991 (albeit within very limited Australian government circles), my intention was to describe, for traditional intelligence users and clients, a potentially better way of approaching analysis on this higher plane. The methodology itself is simple to understand, and just as easy to learn. It is certainly not overly “academic” (an epithet often *mis*-applied in a pejorative way to strategic analysis), but it does require the analyst to apply care, attention, discipline and intellect. If this is done, and always assuming that the governing principles are followed and the process is managed properly, then successful outcomes can be assured.

In these circumstances, the manager and client can expect that the strategic analysis findings will include a careful analysis of all the issues relevant to an important topic. The results will encompass interpretation of all the topic features, coverage of all the elements of the problems identified, and an articulation of future concerns and possibilities in terms of estimates, forecasts, potential action and likely impact. At its best, strategic research and analysis will provide to the client a view of potential risk coupled with alternative courses of action, their outcomes, the impact, benefits and disadvantages. As a planning tool for major programs, there is simply no substitute for this form of detailed and far-reaching analysis.

The handbook is by no means the total answer to finding out all about strategic intelligence. It was, after all, just a summary of the methodology that I developed in late 1989 and used on “trial” with the team engaged in the illegal drugs assessment. However, there is sufficient material included here to indicate broadly what is involved in planning and conducting strategic assessments. And for those who are analysts, there is a summary of lessons that were learned during the first major trial, commenting upon both the processes themselves and the specific problems encountered in dealing with the illegal drugs topic.

It might be thought that these lessons are out of date, given the time that has elapsed. But in my travels as a consultant and lecturer it seems to me that the same problems emerge time and again, principally because those who are involved - clients, managers and intelligence officers/analysts themselves - try to “cut corners”. There always has been a propensity for users to expect intelligence to be served up to them on demand, with little understanding of the reality of time and effort that may be required. It is an unfortunate fact of life that many clients and managers do not yet understand that quality strategic analysis demands quality input. In trying to save time by moving too quickly into collection and analysis (to “get results !”), the process becomes threatened by the lack of sufficient thought about the whole project and its needs for careful and detailed planning and execution, continued monitoring and support.

I emphasise that this handbook is only an introduction to the concepts involved in the planning and conduct of strategic research and analysis. But with that limitation, I commend it for careful reading and consideration by you, the reader, about how you might better apply your analytical skills to strategic issues. Finally, remember when this was originally written, in the early 1990s when intelligence itself and strategic intelligence in particular were still in an evolutionary phase. Even though much has changed in the intelligence communities of Australia and the world since then, the essential features and principles espoused in this work still hold good.

*Don McDowell
Australia
January 1997*

Chapter 1

THE CRIMINAL ENVIRONMENT, INTELLIGENCE AND STRATEGIC ANALYSIS

OVERVIEW

1.1 This is a handbook about strategic intelligence, and its use in identifying and forecasting problems, and exploring potential opportunities and solutions. The setting of the book is in the field of crime intelligence and, in its original form¹, the focus was solely on developing a very particular application of intelligence techniques - strategic research and analysis - for use against crime. The intent of this handbook is to explain the “why” and “what” of strategic intelligence, and to dwell on principles and practice to provide readers with an understanding of “how” to plan and carry out a strategic assessment of an issue. While the principal focus of the book remains on crime assessments, readers can rest assured that every part of these techniques is applicable to all planning and decision-making issues, whatever the field of interest.

INTELLIGENCE

1.2 The development of intelligence is an essential component of every rational decision-making process, whether it be for individuals, organisations or governments. In each one of these separate contexts, decisions need to be made on two planes. Firstly, there are those matters that relate to the overall purpose, direction and focus of the enterprise or activity. These are matters of “vision”, and not often thought of as being part of the responsibility of intelligence research. Perhaps more common is the notion that intelligence has most to do with issues of getting things done - *implementation* - to achieve a given set of objectives.

1.3 This situation holds as true for law enforcement organisations as it does for any other, whether they be military, industrial or public sector agencies. Determining agency goals, deciding what objectives the organisation ought best to develop, deciding upon operational routines and priorities - these are all essential steps to establishing the working “rules” for the organisation.

1.4 To do this effectively demands a high degree of knowledge and awareness of the environment within which the organisation is to work. Information is the key to this process and, yet, information by itself is not necessarily enough to ensure that decision-making is a wholly rational and logical activity. What is really needed is a set of forward-looking perspectives of those events, activities and trends that are likely to affect the organisation's achievement of its goals - in short, *intelligence*.

¹ When this handbook was originally completed by the author in 1991, its availability at that time was limited to internal use within the federal law enforcement community in Australia. This present book contains additional material and emphasises the usefulness of broad application of the strategic intelligence principles into all areas of strategic decision-making, making it available for wider publication.

1.5 What is *intelligence*? Accepted common usage of the term describes both the process (of converting raw information into something more useful) and the process' final product. Allowing for the difficulty inherent in providing a simple definition of intelligence, most definitions of intelligence try to describe it in terms that encompass both dimensions.

1.6 No matter how often people try to define intelligence, it seems to elude the development of any neat and tidy prescription. It all has to do with gathering data and evaluating it for an interpretation that makes sense against the backdrop of the problem that is being investigated. Many definitional statements pick up on these very ideas, but they still fall short in describing the whole nature of intelligence work and responsibility. Intelligence is not simply, therefore, *the provision of processed and interpreted data* (as some would state) any more than *medicine is the art of healing* is an appropriate statement of the ideas involved. There is much more to the concepts and practice than such simple statements can ever hope to convey.

1.7 Intelligence is about applying research practice to achieve specific goals. It involves defining issues clearly, so that appropriate data (in terms of quality, type and quantity) can be collected. It involves the design and application of effective systems to record, sort and evaluate the collected data, according to the particular difficulties that this may entail. And, at its core, it focuses on integrating the data, selecting appropriate analytical methodologies, then analysing the information and interpreting it for meaning in terms of the originally-envisaged problem. Intelligence calls for many of the skills that one might normally associate with investigators, but there are substantial differences in the two activities, since intelligence is about good research that nonetheless develops speculative views as to future events. Investigation, on the other hand, is traditionally focused on gathering data to provide an evidentiary basis for problem-solving (and, in law enforcement, prosecution for crimes committed). While speculation has its place in investigation, it can never be the substitute for the accumulation of hard evidence.

What are the CAPABILITIES, INTENTIONS, VULNERABILITIES and LIMITATIONS of those persons or groups involved in this issue? And what is the overall THREAT, the level and nature of RISK, and the OPPORTUNITIES available to us?

1.8 So intelligence differs from other research in two ways. Firstly, intelligence activity probes issues for “clues” to the future, *not* evidence of crimes past or present. Secondly, intelligence operates under urgent imperatives to provide forecasts and early warning of likely developments and events, in time to allow for corrective or preventive action to be taken. Neither of these features have a particularly strong affinity with research practice, so what similarities do exist? It is the processing steps themselves that provide a nexus between the two practices.

1.9 Research and intelligence activity both demand a structured and disciplined approach to problem-setting, data gathering and analysis. It is in the application of these processes that intelligence goes beyond traditional research boundaries, and tries to find views and potential solutions to problems that may not even yet be fully understood. It is intelligence that speculates on possibilities, doing so to invite further activity to clarify potential threat (and opportunity) when time may be of the essence. If we could distill all the various objectives of intelligence practice into a simple set of focus issues, then we could say that intelligence is responsible for establishing a

knowledge base and developing forecasts of likely future activities and their impact. The essence of any intelligence study is to look directly at the *seven key aspects* of any particular problematic issue or target group, as outlined in the above inset.

STRATEGIC INTELLIGENCE, RESEARCH AND ANALYSIS

1.10 Most organisations are hierarchical. They are structured to place major decision-making and vision generation at one end, and day-to-day routine tasks at the other. Thus, at one end of this internal scale of responsibilities, implementation of operational functions is clearly the role assigned to line units and task groups. At the other extreme, it is the corporate executive group that has the prime responsibility for development of the organisational guidelines and direction statements that chart the overall direction of the organisation. For this latter group, an integral part of the process of developing and reviewing corporate policies and strategies is the continuing provision of up-to-date knowledge and forecasting of future trends.

1.11 This is not merely important, it is absolutely key to the success of the development and review process. This essential support service, **strategic analysis**, acts in *direct support* of the policy-making function but never usurps that responsibility from the organisation's decision-makers.

1.12 Strategic intelligence is a special application of the principles of traditional intelligence practice, and its role is to assist corporate-level decision making. Although it is not offered as a “definition” *per se*, the following inset contains a useful descriptive statement about strategic intelligence in its application within the law enforcement environment.

STRATEGIC INTELLIGENCE provides the law enforcement organisation with an overview of criminal capabilities, vulnerabilities, trends and intentions. It identifies classes of threat and risk to public safety and order, so that organisations can properly formulate effective policies, programs and plans, to combat criminal activity.

1.13 It is important to note that there are almost as many different forms of this definition in existence as there are law enforcement agencies. This is because many agencies choose to produce a modified version to suit their organisation's particular responsibilities and circumstances. All these variations, however, have an understandable commonality in the way in which they recognise the breadth of analytical overview that is necessary in producing a useful outcome. All, indeed, focus directly on the fact that the product is intended to feed into their macro-planning activities.

1.14 Within a single organisation, the range of support provided by strategic intelligence will closely follow the specific areas of defined responsibility for that organisation. If we examine the Australian Government's mainstream law enforcement organisations, strategic intelligence is used to analyse and interpret medium and longer term issues such as the type and nature of threat posed by organised criminal groups, trends and developments in methodologies used by such groups, and forecasts for change to the overall pattern (or particular aspects of it) of criminal behaviour.

1.15 To reinforce just how strategic intelligence differs from other, more traditional intelligence services, it is useful to finish off this section by explaining a little more about the role and functions of other, non-strategic, forms of intelligence. Quite apart from the provision of a strategic intelligence service to corporate management levels, there also exists a clear need to provide intelligence that will aid the organisation in implementing its operational tasks. Law enforcement and military bodies commonly (but not universally) use two terms to describe this sort of close support intelligence: *operational intelligence* or *tactical intelligence*. The distinction between the two is based principally on the *scale* of criminal activity involved, but not the *scope* of the intelligence examination itself. For example, some differences that can be observed may be based on issues like the level of threat identified, the size of organisational unit likely to be involved in reacting to the product, or the immediacy of the threat identified. In sum, these forms of intelligence provide hard leads and targets of opportunity, specifically for line units to use to their advantage.

LAW ENFORCEMENT REQUIREMENTS FOR STRATEGIC INTELLIGENCE

1.16 It is a comparatively recent phenomenon that Australian law enforcement agencies have become involved in the production of strategic intelligence product in any truly effective, structured fashion². The traditional approach taken by agencies has been to set up information gathering and recording networks and focus on the production of tactical and operational intelligence likely to be of fairly immediate use. This understandable preoccupation with tactical intelligence has not, of course, been limited to the Australian law enforcement scene. The development of agency and government awareness of the need for the development of strategic intelligence services is just as recent a phenomenon among overseas law enforcement jurisdictions as it has been in Australia.

1.17 In the case of the Australian government's law enforcement agencies, each of these has similar sets of regulatory, enforcement or crime prevention responsibilities that transcend State/Territory boundaries. While there is the clear need for maintenance of a tactical intelligence capacity (to drive operations), each agency also has a justifiable need to develop (and review) corporate policies and plans to meet the changing crime scene. Each therefore needs a strategic intelligence service to point the way of change and enable policy decisions to be taken in a climate of awareness and forewarning.

1.18 Australian government law enforcement agencies have, to varying degrees, acted to develop this capacity. Both the Australian Federal Police (AFP) and Customs have established strategic intelligence programs within their intelligence units, focused not only on their own separate, agency-specific areas of responsibility but, increasingly, jointly resourced and directed at those issues in which they share common enforcement interests³. The National Crime Authority (NCA), likewise, has accepted a growing need to consider the longer-term picture concerning matters under reference and is enhancing its strategic intelligence capacity.

² This was the author's observation during 1990/91. Since then, many major policing and justice administration organisations within Australia have established some strategic analysis capability, in various forms. This early view was applicable, also, to policing in North America and Europe; however the same sorts of advances have been increasingly made in these continents in the ensuing time period.

³ It is interesting to note that both the AFP and Customs, in 1996, reviewed their need for strategic intelligence. One result, in the case of Customs, is that it effectively withdrew its resources from that area of intelligence activity. At the same time, the AFP is reportedly concerned with trying to find an acceptable cost-benefit balance between the high costs of maintaining strategic analytical resources and the quality and relevance of outputs. The potential consequence is that it, too, may reduce its strategic resources to negligible levels. Later changes (in 1997) have reversed the situation in Customs and it is putting back in place some strategic intelligence capability.

1.19 Other federal agencies (for example, Immigration, the Australian Quarantine Service, the then Cash Transactions Reports Agency and the Australian Tax Office) are increasingly accepting that there is benefit to be gained by addressing intelligence issues within their areas of interest from a strategic - not just operational - point of view.

1.20 There are no State or Territory law enforcement agencies that could describe themselves as being directly involved in the production of strategic intelligence product⁴. One role taken on by the Australian Bureau of Criminal Intelligence (ABCI) has been to function as the conduit for dissemination of strategic intelligence product developed by other federal agencies. In this way, the Bureau has been able to provide (to them) knowledge of strategic intelligence developments and warnings to assist the formulation of policies and conduct of operational responsibilities at the State and Territory level.

1.21 One consequence of the 1989 review of the ABCI has been a commitment to moving into strategic intelligence analysis activity in its own right, a commitment significantly strengthened by the national review of law enforcement arrangements in 1994⁵. A commitment to the establishment and maintenance of a strategic intelligence capability within the major agencies has not been without its problems. The organisations all suffer the same range of difficulties in tackling what is, for most, a new activity. While tactical/operational intelligence has been well understood for over a decade, strategic intelligence remains unique.

1.22 No substantial developmental work had been done within the law enforcement community on doctrine, processes and techniques directly applicable to strategic intelligence. On the contrary, most agencies have attempted to resolve the matter by recruiting from other, non-enforcement agencies, and managing strategic intelligence activities as if they were an indistinguishable component of the whole intelligence fabric.

1.23 There is a further dimension to the strategic intelligence issue that impacts directly on the whole law enforcement community - the development of national strategies to deal with crime. Many of the federal law enforcement agencies are organisationally established within different ministerial portfolios, and government policy making in the Australian government law enforcement arena thus requires input from several portfolios, each with its own perspective of its role and responsibilities. Policies seen as impacting principally on single agencies tend to be developed, in the main, within the portfolios handling those agencies. Even allowing for the cross-pollination of ideas during the development of major policies (through the Cabinet Submission mechanism that requires inter-agency contact), this singularity of approach tends to dominate government policy development within law enforcement.

1.24 The complexity of crime and its far-reaching impact upon society is already well understood and documented. In this context, maintenance of the existing approach to national law enforcement

⁴ At least two State police forces have officers designated thus, but their tasking has generally been aimed towards "operational overview" products rather than strategic and, in no case, has an officer been fully trained in strategic intelligence techniques.

⁵ Australia. Attorney-General's Department. *Report of the Review of Commonwealth Law Enforcement Arrangements*. Canberra: AGPS, 1994.

policy-making and strategy-setting, based on the singularity of agency perceptions of the crime “problem”, is unlikely to achieve the full measure of national potential to combat the overall threat. Any truly national approach to establishing comprehensive law enforcement policies and strategies will, necessarily, have to take into account an understanding of the whole nature and scope of crime if it is to be able to develop the appropriate matrix of law enforcement policies and strategies. This requires the provision of strategic intelligence services that transcend single agency interests; one that can deliver, instead, an over-arching view of the criminal environment against the background of community impact.

APPLICATION OF THE MODEL

1.25 In discussions of the need to develop a suitable approach for the integration of Australian government law enforcement policies, the Law Enforcement Policy and Resources (LEPR) Committee of the Australian Government decided, in 1989, to establish a trial project to examine and provide a strategic assessment of the criminal environment. This was termed the Criminal Environment Assessment Project (CEAP).

1.26 The purpose of the project was twofold:

- i. to develop a methodology for production of strategic crime intelligence assessments covering the major areas of crime
- ii. to conduct a trial using the methodology to assess the national illegal drugs problem.

1.27 The project definition (or *Terms of Reference*), outlining the aim, scope and nature of the assessment task, is included with this publication. The objectives set for the Criminal Environment Assessment Project were met by the due date, November/December 1990, and a separate report (available only to government agencies) was issued. It is important to understand how the project worked and how successfully the team fared using this strategic intelligence model. At Chapter 3, therefore, this handbook includes some of the lessons learned from the illegal drugs trial as well as from other later applications of this model.

Chapter 2

A STRATEGIC INTELLIGENCE METHODOLOGY

DEVELOPING THE MODEL

2.1 This chapter outlines the concepts and doctrine developed specifically for the planning and implementation of strategic intelligence assessment. The chapter discusses, in some detail, the methodology and the principles involved, and recommends these as a comprehensive strategic intelligence doctrine that can be used as the basis for development of law enforcement strategic intelligence capacity in Australia.

2.2 Strategic intelligence within the law enforcement environment in Australia is still in its infancy. Major agencies have had some capacity to provide limited strategic intelligence service for the past few years (AFP and Customs, particularly), but little or no attention has been paid to development of these facilities to meet the outcomes expected of them.

2.3 As yet, within the law enforcement community, there continues to be only limited understanding of (and value placed upon) the potential for intelligence support to an organisation beyond merely contributing to routine operational outcomes. There needs to be a substantial change in the level of comprehension, throughout management levels, of the special role that strategic intelligence must play in organisational strategy setting if the latter is to be conducted in a rational, logical manner. Just as important is the need to appropriately develop intelligence officers to carry out the full range of activities within the strategic intelligence cycle.

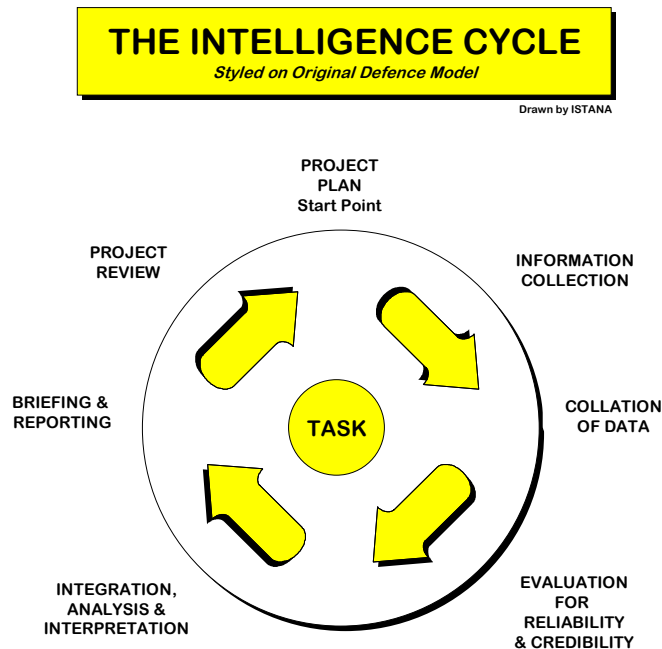
2.4 The development of strategic intelligence analysis doctrine itself at the end of the 1980s was accomplished by only carrying out extensive theoretical research, evaluating and interpreting the experiences of overseas intelligence agencies, and integrating the whole into a single doctrine. The initial concept development for the whole drugs project, carried out by the strategic assessment team members, was based on this doctrine and the subsequent training program that had been carried out by the author within Customs in early 1990⁶. Indeed, the project team was able to use the model as a way of testing and refining the methodology; the experience thus gained was integrated into what has become the accepted “standard” world-wide for strategic analysis training.

THE “STANDARD” INTELLIGENCE PROCESS

2.5 Intelligence activity in law enforcement in Australia typically follows a process (sometimes termed the “intelligence cycle”) that has, by and large, been adopted within the international intelligence community. It was first developed within the defence intelligence environment, and a

⁶ This training course, for students from a wide range of federal agencies, was the first of its type in contemporary Australian and international law enforcement circles.

diagrammatic representation of the cycle is shown below. As with the definitions discussed earlier, some agencies may use slightly different terminology in describing the cycle.



2.6 This intelligence cycle is the basis for the development of all forms of intelligence, principally because it is such a logical sequence of processes that lends itself to flexible application depending upon the particular requirements of the intelligence task.

2.7 The cycle itself, and the series of sub-processes that are its component parts, form the traditional basis for standard operational intelligence training within the intelligence communities of law enforcement, national security and the armed forces of Australia (and in fact those of most other countries).

ENHANCEMENTS FOR STRATEGIC INTELLIGENCE

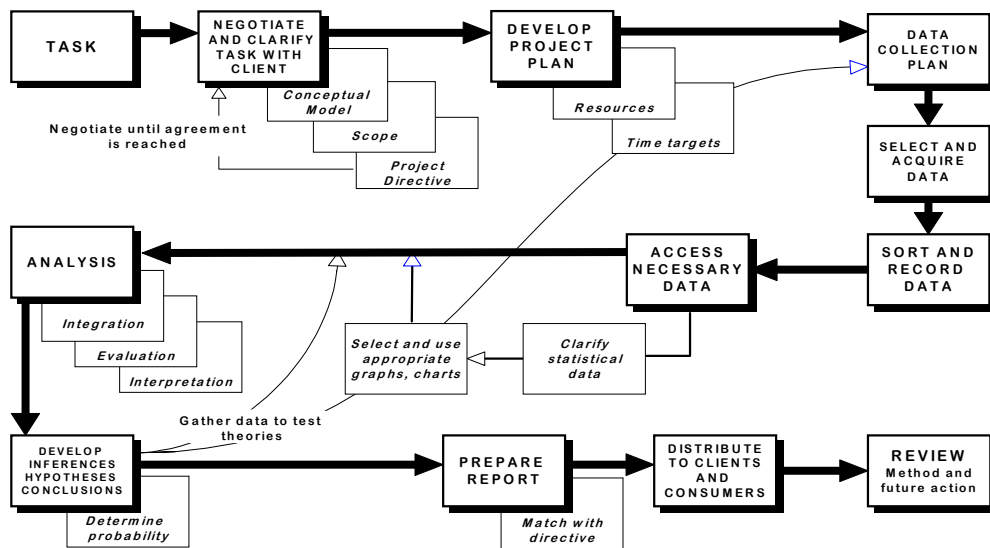
2.8 There are significant differences between the product and outcomes of the strategic intelligence activity and those of tactical and operational intelligence. These have already been alluded to in the definitions discussed above. The strategic intelligence product will comment upon the major impact of changing trends, altered environments, or significant activities, with the intention of feeding new awareness into the corporate strategy setting process.

2.9 Application of the standard intelligence process, with its substantial reliance upon collection and summation of data to point towards likely targets, is (by itself) neither appropriate nor practical as an answer to the different and somewhat special circumstances of strategic intelligence.

2.10 What has been developed (and used as the model for this project) is an approach that takes the orderliness and discipline of the intelligence cycle, accepting its inherently logical framework, and expands and re-shapes some of the process components to suit the extra needs of strategic intelligence. A small representation of the process/flow diagram is shown below, and again in full size at the *endpage* of this handbook.

THE STRATEGIC INTELLIGENCE PROCESS FLOW-CHART

Chart Design : Don McDowell, 1995



2.11 Complete documentation on the doctrine has been developed for advanced intelligence training purposes (and successfully conducted regularly throughout North America and Europe since 1992 to the present date). However, as with all professions, intelligence practice is a dynamically evolving art form, skills or craft. This strategic intelligence doctrine continues to undergo fine tuning on the basis of experience gained, new challenges emerging and the continuing development of technology and its impact on crime and information management. Enhancements to the intelligence cycle, to create a model for what is, in effect, a strategic intelligence cycle, are described in the following paragraphs. For the purposes of this handbook, in each case a relatively brief explanation of the steps, and the rationale for them, is given.

STRATEGIC INTELLIGENCE PLANNING

2.12 An essential requirement of the planning activity at the outset in any strategic intelligence project is to develop a wide-ranging awareness of the total environment surrounding (and describing) the intelligence task. This involves the intelligence staff in focusing broadly on the complete problem rather than, perhaps more comfortably, zeroing in on particular and specific matters. The argument here is that, if the outcome is to take a broad all-encompassing view in order to identify major changes or threats, then the total problem-solving approach has to start from the broadest practicable base to understand the special and distinct characteristics of the issue to be examined. This pre-planning study of base-line knowledge is known as developing a *conceptual model* or framework.

DEFINING THE PROBLEM CORRECTLY

2.13 The planning phase of any intelligence project assumes, as its start point, that intelligence staff understand fully the task set for them. However, strategic intelligence problem issues often lend themselves to being stated in vague or imprecise language, appearing to be open-ended or perhaps just inadequately articulated. It is essential that the intelligence consumer's needs be clearly understood, both to provide satisfaction and to avoid waste of intelligence effort and resources.

2.14 Defining the problem afresh not only illuminates all possible aspects of the issues involved, but also, through clever re-definition and re-statement of the intelligence task, guides the further planning for later activities, especially collection of information. This *problem definition and re-statement* activity is the second component within the strategic intelligence planning phase.

DEVELOPING A STRATEGIC COLLECTION PLAN

2.15 Data collection must be as disciplined a component of the intelligence process as any other, and the intelligence officer's role in this phase is to identify specifically what type of information (and which sources of it) will best meet the requirements of the intelligence task, requirements expressed in terms of relevance, reliability, accuracy and timeliness. Information collection is rarely just a start-and-stop activity; rather, it tends to be a continuum that is subject to modification as the whole intelligence cycle proceeds, responsive to changing perceptions (driven by incoming data) of the ways to address the problem.

2.16 Strategic intelligence places some different and, to a degree, unusual demands upon the intelligence officers involved. The breadth of the task can, if not carefully controlled, drive an equally broad and all-embracing collection activity that has, ultimately, the disadvantages of collecting immense amounts of data over what become long periods of time, well beyond the "life" of the intelligence task. Given the requirements to establish a conceptual model of the subject matter, it is necessary to develop and carry out a preliminary collection activity that is neither too restrictive nor unrealistically all-inclusive.

GENERATING WORKING HYPOTHESES

2.17 By the time the intelligence officer has established a useful conceptual framework about the topic and has worked painstakingly through defining and re-stating the intelligence problem, it will be possible to develop some preliminary views on the task. Indeed, at this stage of the activity cycle, arriving at these views or hypotheses will to some degree be inevitable - simply because human nature dictates that as we learn, so do we develop ideas that can go beyond the limits of merely the information that we absorb. These ideas, views and opinions - termed *working hypotheses* - are expressed as likely answers, observations or alternative judgements that might usefully describe the particular situation, explain the causes of trend changes or forecast future developments.

ACQUIRING ADDITIONAL, SPECIFIC DATA

2.18 Given the breadth of the task usually to be examined, the role of the working hypothesis (regardless of whether you have developed one or several) is to drive the further, sequential development of a collection activity for information now seen to be relevant to specific parts of the intelligence task. This extension of the intelligence collection plan (ICP) activity will focus on specific areas of interest, being selective about types and sources of data to meet what are perceived to be, at this stage, the more important and relevant aspects of the project. The purpose of this phase in the cycle, the *acquisition of additional, specific data*, is to match each of the working hypotheses against comprehensive but specially selected data in order to test these views and theories. The end result of this activity will be that the intelligence officer should be in a position to confirm, modify or invalidate them.

PROCESSING - RECORDING, COLLATING AND EVALUATING

2.19 The nature of strategic intelligence activity is such that it carries no particular or special differences in the way in which the recording, collation and evaluation activities operate within the cycle. Indeed, it is a maxim of the cycle that each intelligence task (regardless of which type) will demand a flexible approach to carrying out these functions.

2.20 As each collection plan is unique in terms of the breadth, type and form of data to be collected, and the characteristics of the sources, so too must be the approach to determining the most appropriate protocols for recording, collating and evaluating the data. This requirement for flexibility is a constant feature of all intelligence collection, regardless of whether or not it involves strategic intelligence. If there is any difference at all between traditional intelligence and strategic analysis, it is likely to be in the area of evaluation. At its simplest, data evaluation in operational intelligence requires each and every piece of information to be evaluated for reliability and credibility (see the diagram at page 14), and so recorded. In strategic intelligence, often involving the collection of masses of intricate data, it is the recording aspect that is likely to suffer due solely to the workload involved in doing so. Instead, the strategic intelligence specialist will tend to carry out the evaluation, note the result mentally (rather than physically on files) and "feed" these perceptions into the analytical and interpretation processing that follows.

INTEGRATION, ANALYSIS AND INTERPRETATION

2.21 Analysis is the process of selecting, integrating and interpreting data to focus upon a given issue. In the intelligence context, analysis takes on two additional, special overtones that set it aside from other fields of analysis. Firstly, the environment within which intelligence activity takes place, rarely involves the collection and subsequent processing of information that is entirely quantifiable or controllable; instead, the nature of intelligence work (regardless of its focus) is that much of the information involves judgements about the activity of people, with all the uncertainties thereby involved. Secondly, intelligence analysis must result in an outcome that is, at the very least, both descriptive and explanatory of any given set of circumstances, and, at best, provides forecasts of future events.

2.22 Within the strategic intelligence arena, the dual analytical processes of integrating and interpreting data have to be carried out in such a way as to include some additional objectives that go beyond the norms encountered within tactical or operational intelligence.

2.23 Firstly, as mentioned in paragraph 2.17, one consequence of developing a conceptual framework and then defining and re-stating the intelligence problem is being able to determine some working hypotheses as the basis for further intelligence examination of the issue. Secondly, the analysis activity will focus on these hypotheses and develop extensions of the collection plan to selectively acquire data specifically relating to the substance of each of the hypotheses. It is absolutely essential during this sub-routine, that in identifying the additional data needed, the emphasis is clearly placed on acquiring data of the sort that would, if possible, debunk the hypothesis in question. Only by so doing and taking this “negative” approach, will intelligence officers genuinely be committed to remaining as objective as possible (instead of merely looking for more, supportive data).

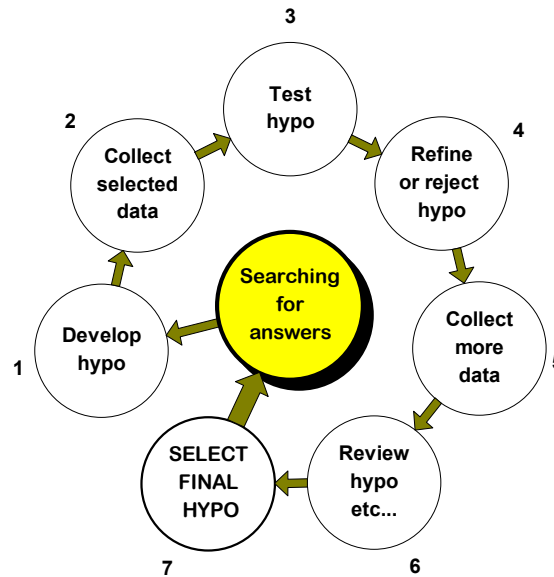
2.24 The data, once obtained through these subsequent extensions of the collection activity, are then fed into the process of integration/interpretation to enable each hypothesis to be thoroughly “tested” to allow the analyst to confirm, modify or invalidate it with a convincing degree of confidence. An expected outcome of this testing régime will, of course, be the likelihood of development of new or different hypotheses, each then needing its own application of the testing routine.

2.25 This whole sub-routine of the cycle can be repeated as is deemed necessary, consistent with repetition being practicable in terms of time deadlines and the availability of sources and information, as shown in the diagram on the previous page. What is crucial to the integrity of the process is that the cycle of thinking/concluding/checking continues as long as is reasonably necessary to establish - to the project officer’s satisfaction - that the results are sound.

2.26 This approach to strategic research and analysis, involving the orderly, logical development and refining of hypotheses or “hypos” in the manner described has, as its result, the inevitable survival of only the strongest, well-founded and most convincing conclusions. These form the basis of subsequent reporting of the intelligence findings to the organisational client.

THE STRATEGIC ANALYSIS PROCESS

A Diagrammatic Representation of the Repetitive
Activity Involved in Gathering and Interpreting Data



REPORTING THE FINDINGS

2.27 It is, of course, an obvious requirement that the results of the intelligence process have to be reported by the analyst to those who have tasked the project and who manage the intelligence activity. Most strategic topic issues require deep and comprehensive examination and consideration, and it is only appropriate that the means of reporting the assessment findings will almost always be in writing, although often preceded by and summarised in a verbal briefing to clients and managers.

2.28 The intelligence results on some tactical and operational intelligence cases will justify written reporting, particularly where the topics and target issues are complex ones. However, the reporting of this type of intelligence is often left strictly to verbal briefings. In these cases, any working notes and summaries the analyst may have write to detail the operational case and support the findings, may never end up being disclosed to the client/manager. This can simply be a function of time and urgency, to act swiftly to pass on target and activity leads to those best equipped to take immediate action.

2.29 The “final report” must address all aspects of the intelligence problem and provide answers, explanations, forecasts, and recommendations that deal with all the components of the original intelligence problem that was set for examination. Since the nature and breadth of the problem and

the characteristics of the subject matter will, almost invariably, set strategic intelligence activity apart from others, the nature and type of reporting will often be quite different from that more usually encountered within tactical or operational intelligence.

2.30 While many organisations, consumers and readers will generally expect that an intelligence report is going to be pithy, concise and pointed, the fact is that - for some topics - such a report may not meet the needs of all those readers. Generalisations about the length and layout of reports, often set by organisations, may just not be appropriate for providing the required depth of understanding about a strategic issue. It is not uncommon, for example, for a strategic assessment on a large and complex issue to end up becoming a lengthy dissertation on relevant background and the analysis and explanations of the most likely outcomes., lending itself to a significant investment in careful, comprehensive report preparation. The strategic intelligence report is more likely to be a written one (for future reference purposes), although supplementing the reporting process with oral briefing sessions is often desirable, even necessary.

2.31 Essentially, the same rules that govern good reporting techniques are applicable both to strategic intelligence dissemination and to other intelligence activities. These are itemised in the following list.

- i. The analyst/intelligence officer must structure the flow of content in the report (written or oral) logically.
- ii. Written reports must be crafted to produce a clear and concise product embodying good writing skills.
- iii. Oral reports, likewise, must be well structured and delivered using effective briefing techniques.

REVIEWING THE PROCESS AND THE OUTCOMES

2.32 Given the nature of strategic intelligence subject matter, it is unlikely that the result will be a full and complete answer. In fact, analysis of an intelligence topic is an on-going process that should not end when the results of analysis have been reported. Strategic intelligence problems contain a wide range of variables, and while intelligence examination will provide a set of answers and forecasts at the time of analysis, changing circumstances within the context setting of the topic may prompt a requirement for further analysis.

2.33 It is important to note that, following the completion of the analysis phase, a review is appropriate on two fronts:

- an assessment of the results of the intelligence project against the parameters of the original task (as part of the reporting process); and
- a definition of the key variables, to be used as the basis for discussing confidence levels in the initial report and to act as warning indicators of the need for re-assessment.

SOME KEY PRINCIPLES IN THE APPLICATION OF STRATEGIC INTELLIGENCE

2.34 In the following paragraphs, I have outlined the important principles that govern the establishment and implementation of strategic intelligence activities.

Applying the “strategic intelligence cycle”

2.35 A common, but incorrect, perception about strategic intelligence is that because the subjects contain issues that are broad, highly variable, somewhat imprecise and difficult even to articulate concisely, then the intelligence process to resolve them can be expected to be *less* structured than that used for, say, tactical intelligence. It is the author’s view, instead, that these very factors demand a highly disciplined and orderly approach to problem-solving. This is simply and absolutely necessary to overcome the randomised nature of the types of problems encountered. Application of the tenets of the strategic intelligence cycle (as described elsewhere in this paper) is essential to the proper handling of strategic projects.

Gaining the mandate for strategic research

2.36 Tactical and operational intelligence activity functions best when it is allied closely to the on-going operations of law enforcement, integrated and accepted as a component of line activity. Strategic intelligence, on the other hand, functions at some remove from operational activity, although it is (at least in part) reliant upon the data captured through operational activities of law enforcement units. This is because the strategic intelligence product serves corporate management needs in the first instance and, only indirectly, does it come within view of the functioning operational units.

2.37 This situation generates some special difficulties for intelligence and corporate managers, since there is a need to set up the strategic intelligence function in such a way that ensures the role has clear legitimacy, even in the face of what may be widespread lack of understanding and disinterest, in order that the flow of essential information to all levels of the intelligence structure (within the organisation) is in no way constrained or diminished.

2.38 It is important, therefore, for the strategic intelligence function to be clearly legitimised within the organisation in such a way that it has an obvious mandate to call upon organisational resources to gather and process information in pursuit of meeting the needs and expectations of its corporate clients.

2.39 An additional dimension of this mandating process is to reinforce, at senior management levels, the important part that must be played by strategic intelligence as an inherent component of organisational strategy setting and review.

Managing the strategic intelligence function

2.40 The strategic intelligence process generally involves a commitment to a broader base for research (than for other forms of intelligence activity) and the application of quite different analytical techniques. In consequence, management of the function has to take account of the fact that successful outcomes depend upon providing the environment to suit the processes; this will

include creating and maintaining an atmosphere that provides understanding and encouragement of the intelligence officer's imagination, creativity, persistence and organisation.

2.41 The particular challenge for managers is to avoid the pitfalls that spring from having unrealistic expectations of the strategic intelligence product (for example, a misconception concerning the scope and nature of the product by assuming it might helpfully identify particular “targets”). Despite the extensive education of middle and senior level managers in recent years about the use of intelligence, there is a danger that a lack of proper awareness of what strategic intelligence is used for will, in turn, drive managers to expect outcomes that are neither appropriate to the original purpose, nor possible using the strategic intelligence methodology. It is management's responsibility to keep the activity on track, and not allow it to be diverted through misunderstanding or error.

In essence, the intelligence manager is the link between the two distinctly separate realities - corporate expectations, demands and agendas on the one hand, and the skills and professionalism of strategic intelligence operators on the other.

2.42 Throughout each strategic intelligence project activity, management overview must be maintained on the progress being made and the directions being taken as the project evolves through the acquisition of data and its subsequent analysis. This is particularly necessary for strategic intelligence activity given that it may take place over a relatively extended period. It is important, too, for the nexus between the intelligence problem and its contextual setting within corporate goals be maintained; it is the manager's role to ensure that awareness of corporate activities (relevant to the intelligence topic) is kept up to the intelligence officers working on the project.

Information access and handling

2.43 Within law enforcement, tactical and operational intelligence pursuits rely heavily on data collected, firstly, as a by-product of traditional line functions and, secondly, data that result from specific intelligence-style operations (e.g., surveillance, use of informants, technical devices). Such information is the key to intelligence identification of specific targets. Strategic intelligence, on the other hand, makes use not only of that data base, but also draws on a much wider range of sources commensurate with the breadth of the intelligence topic under examination (including international sources).

2.44 In these circumstances, accepting that the role of intelligence is to discern the major elements of threat posed to organisational objectives (without necessarily identifying specific targets or individuals), the sources of relevant information can be expected to be found in a wide cross-section of society, not just from within the enforcement community.

2.45 The strategic intelligence function must be based on an acceptance of the necessity for it to imaginatively and creatively seek out the widest possible range of sources (law enforcement and others) to provide relevant data that will assist in understanding the intelligence problem and lead, in turn, to a more comprehensive and useful analysis of it.

2.46 Intelligence work, generally, relies on accessing information that is sourced, at least in part, from outside the organisation. This cannot occur successfully unless a comprehensive understanding of likely sources of different sorts of data exists, backed up by a competent network of contacts and liaison points. The strategic intelligence group must maintain a clear, visible and legitimate profile to engender the level of trust and awareness necessary to encourage the information-giver to pass over information.

2.47 All information handled within intelligence during the recording, collation, evaluation and analysis phases must be accorded its due level of secure protection. This is particularly true in the case of strategic intelligence where sensitive information may be provided by other agencies only on the basis that it is afforded appropriate levels of security protection.

Tasking

2.48 The development of tasks for the production of strategic intelligence must take into account the following issues:

- it is essential, from the outset, that the “client” and the intelligence staff (including the analysts) discuss and negotiate the topic to define its relevance within the organisational context and the broad parameters of the scope of examination;
- following initial consideration of the topic, intelligence staff will be in a position to negotiate this in some detail with the client, identifying the types of outcomes that are required to service corporate needs;
- an integral part of this activity will be the identification of the likely resource effort required to meet the task (covering personnel, costs and time) - these matters, too, are part of the tasking régime and intelligence proposals must be acceptable to senior management and/or the client.

Staffing

2.49 Selection of appropriate personnel is an essential prerequisite to the conduct of any form of intelligence activity. But what does “appropriate” mean, and why has this issue raised such vast and continuing disagreements and differences of opinion within the intelligence and research community?

2.50 Intelligence, like any other endeavour, demands the application of a particular set of skills and techniques. For the most part, these can be easily learned, and training and development programs for basic intelligence analysis are already well established. Typically, these entry-level skills focus most often on dealing with tactical and operational requirements and the standard components (if not the complete course) of initial intelligence training provided to enforcement and regulatory staff of government agencies. However, the successful application of training is likely to be as much dependent upon the personal qualities of the individual as it is on the actual design and quality of the training delivered. Selection of individuals to carry out intelligence functions, particularly those of analysis, has often seemed to be more difficult than expected and has not always been as successful as hoped.

2.51 The special needs of selection for strategic intelligence activity revolve around the nature of the methodology itself. Much of the emphasis in tactical and operational intelligence is on amassing, sorting and investigating incident-related data to identify targets through basic processes that sort and sum leads and clues. This form of intelligence is best undertaken if the practitioner has particular experience within the enforcement milieu at the work-face level.

2.52 Strategic intelligence deals with different issues, for different clients, and thus calls for different skills. The methodology requires an imaginative and creative approach to developing a structured capacity to visualise issues in a wide context, often beyond the confines of traditional enforcement functions. This form of intelligence activity does not have outcomes that directly translate into arrests or prosecutions, and the intelligence officer must be (or become) the sort of person who is comfortable with the prospect of operating at some remove from the “front line” of enforcement activities.

Chapter 3

EXPERIENCE OF APPLYING THE STRATEGIC MODEL : THE 1990/91 ASSESSMENT ON ILLEGAL DRUGS IN AUSTRALIA

PLANNING AND CONDUCTING THE ILLEGAL DRUGS PROJECT

3.1 The Criminal Environment Assessment Project team commenced work at the beginning of April 1990, with a target date of end November 1990 for completion of the assessment activity. Three officers were assigned to work full-time on the project.

3.2 The initial task of the team was to determine a plan and work program appropriate to carrying out the prototype strategic intelligence assessment into the national illegal drugs problem. To achieve this, the team followed these steps:

- review and clarification of the objectives and scope of the project;
- review of the strategic intelligence cycle as the basis for conduct of the project;
- review of the current state of knowledge and availability of data concerning supply and demand reduction functions, both within Australia and overseas;
- determination of the likely form of a conceptual framework to describe the total chain of activity in drug trafficking, from production through to end-use impact and treatment; and
- drafting a notional work program, covering all steps within the strategic intelligence cycle.

3.3 A *Steering Committee*, comprising representatives of the AFP, Customs, the NCA, the Australian Institute of Criminology, and the federal Attorney-General's Department, was established by the LEPR Committee to facilitate the provision of support and information from the respective agencies, and to endorse the work plan and on-going program. During the life of the project, the strategic assessment team met several times with the Steering Committee, both to report progress and, on occasion, to seek assistance in the provision of data.

USING THE MODEL: EXPERIENCE AND LESSONS LEARNED

3.4 The purpose of this chapter is to outline the range of experiences encountered by the strategic assessment team in applying the model developed and discussed in this paper. The methodology shown in Chapter 2 was used during the project, albeit with some variations of application, reflecting just how flexible is the strategic intelligence cycle.

3.5 The following paragraphs describe the approach taken by the team at every step in the cycle, and some lessons learned from using the model in this illegal drugs project. Because it was important for us to thoroughly test the model, we did so without taking any of the (sometimes attractive) short-cuts that tend to suggest themselves to any group of intelligence officers in which

members have long-term familiarity with a particular topic. Only by so doing were we able to ensure that we retained balance in the approach to the subject matter.

3.6 While the following comments are given in the context of our experience within the illegal drugs project, in our opinion, they are almost certainly applicable to other topics and should be read in that broader context.

Conceptualising the Topic

3.7 Composition of the team was such that there already existed, at the outset, a high degree of experience in and understanding of both the law enforcement and non-enforcement aspects of drug trafficking. It was necessary, however, to go through the proper steps to define a conceptual framework, both to test the approach and to bring knowledge levels up to an appropriate start-point (principally for the benefit of other team members).

3.8 The team first developed a linear description of the chain of criminal activity involved in drug production, transportation and trafficking, using causal loop analysis to describe the cause-and-effect framework involved. This technique was particularly useful in examining the range of potential interactions between drug user behaviour and law enforcement activities, describing both intended and possible unintended impacts. A satisfactory outcome to this phase was achieved, drawing on a wide range of documents and reports exploring all aspects of the illegal drugs problem, information that was already available to the team.

Defining the Project Correctly - Developing the TERMS OF REFERENCE (TOR)

3.9 This step is a necessary precursor to being able to form initial views and proceed into the more detailed collection activities. The outcome of this phase was the production of a detailed set of issues and questions that, ultimately, formed the basis for the development of our initial hypotheses and, subsequently, determined the scope of the intelligence collection plan activity.

Developing Initial Ideas

3.10 The key to this part of the cycle lies not just in the intelligence officer's grasp of the conceptual framework of the topic but as much in the ability to think laterally, to "brainstorm" through the images presented in the framework and seek possible - not factual, conventional or even necessarily logical - explanations as leads for further examination.

3.11 At the same time, it is preferable that the analyst remains as objective about the topic as possible, avoiding the trap of subjectivism that potentially leads to findings solutions before the problem is really understood. In this phase there is a close relationship between the amount of knowledge of the topic already held by the strategic analysts and the likelihood that this level of "expertise" may result in a predisposition in the formation of the initial hypotheses and the consequent limitation on development of others.

3.12 Having scanned available information on drugs generally, as part of the previous two steps, it seemed appropriate in the case of this project to identify the sorts of images that surround the drug problem, that tend to gain currency and transmute, over time, into what passes for conventional

wisdom. We found that many of these stood out as representing substantial conflict between available information and popular myth, but even these were a useful sanity check in arriving at a series of working hypotheses. The salient point in this part of the exercise was that, by recognising the myths and then considering them against a relatively logical (but nonetheless imaginative) application of knowledge and information, we could arrive at what seemed to be sensible hypotheses.

3.13 The whole point of this part of the process was not to merely be able to list the hypotheses, but to be able to translate them, then, into sets of indicators that would ultimately drive the collection planning activity. This particular approach, obviously suitable within the context of the illegal drugs project, clearly lends itself to be applied within any other criminal environment assessment, regardless of topic.

Collection of Data

3.14 Intelligence collection planning techniques call for the identification of data according to subject and source, and arrangement of the requirements list in terms of priorities, form of display of the data, and deadlines. For this project, the collection plan was divided into two simple segments: law enforcement, and non-enforcement data.

3.15 Broadly speaking, these two components represented the separate issues of *supply* and *demand*, and for each we developed a set of indicators that would clarify the picture on illegal drugs in Australia. Each separate component was then considered, in the context of the indicators; specific information requirements were then listed together with the range of sources and agencies likely to be able to access and/or provide the data to the team.

3.16 These lists were prepared on standardised ICP forms and these forms became the basis for exploratory discussions with all prospective sources/agencies. During these discussions, the aims, objectives and scope of the project were identified as part of the process for formally requesting the actual collection and/or transfer of data to the team.

3.17 Inevitably, there were difficulties in tracking down the sorts of data desired even though there is, generally, no dearth of drugs-related information. Our experience in gaining access to data was mixed, as described in the following paragraphs.

- i. Many agencies openly welcomed the opportunity to contribute to the project. This appeared to be because of their expectation that they, in turn, would gain access to a version of the drugs report representing a value-added return on their original investment.
- ii. Some agencies found the idea of an intelligence assessment unit needing to access qualitative and anecdotal information (as opposed to merely wanting to collect written reports, etc.) quite unusual and novel. Our approach - of using structured group discussions - in fact, encouraged internal exchange of information and ideas within and between personnel, and organisations discovered that, often, their own internal routines did not generally accommodate this style of "sharing" across intellectual (rather than hierarchical) boundaries.

- iii. Much of the information available within law enforcement agencies resides in special, localised collections (databases, files, case records, etc.) not widely publicised.
- iv. There is a great deal of data that is collected by various agencies, but often only in pursuit of a specific goal or purpose, often limited to a management information focus or even associated only with one aspect of general operational activity within that organisation. Even within organisations, let alone outside, such information may not be readily accessible to other users, who could apply it to different purposes:
 - for example, the way in which data that relates to arrests and prosecutions is formatted and organised for recording, is not necessarily compatible with its potential for other uses, at least not without considerable, time-consuming effort.
- v. There appeared to be few effective arrangements in place to collect and consolidate information concerning enforcement operations and activity levels for “matching” and correlation against the type and level of criminal activity. As an example of the use of this technique, for many of the agencies consulted it would have been an invaluable tool for an agency to identify and map trends to aid them in carrying out an impact analysis of the effectiveness of their own programs. Unfortunately, few agencies seemed to grasp the essential difference between *efficiency analysis* and *effectiveness review*.
- vi. One principal difficulty encountered was a preference (in some agencies) not to provide data in the original form in which it was collected. Instead, those agencies chose to either summarise or synthesise their information holdings according to the “interest parameters” that we had earlier outlined. Whatever the reasons such agencies had for following this practice (and these were mostly explained as being for “security reasons”), this had the effect of costing those agencies considerable time and extra effort. One significant outcome of this approach was that there was a tendency to limit any such agency’s ability to respond to the collection activity, both in terms of completeness of input and its timeliness.
- vii. Finally, we encountered many instances in agencies where the scope and priority afforded to analysis fell far short of what could have been possible, particularly in those cases where the data being collected is immense in volume and scope. This underlined the very real distinction, in some agencies, between using information for investigative purposes and taking it beyond that level to provide a basis for intelligence development.

3.18 During all our discussions on collection, the team focused not only on the general range of information likely to be available through each source, but particularly on the areas identified in the development of the initial, working hypotheses.

3.19 It is an important aspect of collection, and particularly so in relation to this initial attempt to focus on specific issues, that the sources were given an understanding of what ideas were being

explored. It was certainly not (nor is it likely to be) appropriate to merely ask a source for particular items of information without putting the request in context.

Recording and Collation

3.20 Incoming information was kept divided according to whether or not it simply related to supply or demand issues (and copied to both divisions, if appropriate). A custom-designed computerised database was constructed by a team member and given a partial trial during the project; our intention was to design a database format that lent itself to recording all salient details of incoming information, regardless of topic (i.e., not merely limited to illegal drugs), with the accent on flexible access for collation purposes.

3.21 Unfortunately, the late availability of this database meant that much of the earlier data collection was manually recorded and collated; as a result, a decision was made to use the computerised system, in a limited way, for handling a section of the health and treatment data, with enforcement input continuing to be dealt with manually.

3.22 Our specific experience with the illegal drugs project proved that there is a general need to have access to a relatively sophisticated information recording system to allow for comprehensive listing of all relevant data in such a way that facilitates cross-referencing and collation. By and large, such a system is not available within the law enforcement community. For all agencies that we visited, the unfortunate reality is that high volumes of both information and intelligence summaries from a wide range of agencies (grist for the strategic intelligence officer's mill) must be subjected to manual consolidation as a part of the analysis process.

3.23 In every case, computer records that are available (regardless of topic) are generally orientated towards incident recording, rather than being arranged for analysis and thus being readily accessed from a variety of interest directions. In the case of illegal drugs, this lack of flexibility is being addressed only in part by the ABCI's drug database arrangements (yet to come fully to fruition), and unnecessarily inhibits use of available information by intelligence analysts although the existing régimes do support use by investigators seeking incident-related data about specific groups, persons, addresses, etc.

Evaluating the Information

3.24 Throughout this project, the team's prima facie approach was to accept the levels of reliability and validity ascribed to the data by its purveyors. As the project progressed and comparative data were collated from a variety of sources, data matching processes identified a number of inconsistencies; in these instances, the details were referred to each of the contributing agencies to clarify and resolve these matters.

3.25 In those instances in which the inconsistencies revolved around different collections of the same sort of data, then it was important to determine the circumstances of collection. In other cases, agencies disagreed over the import of information gleaned from further, distant sources; in these instances, we plumbed the basis for their separate interpretations, as well as for the original data, and formed what we believed to be a sensible view from the perspective of the team's overview of a much wider range of data than is normally available to one agency. This régime would be the basis for future application of the principle to be followed.

Analysing and Interpreting the Picture

3.26 The first analysis activity within the strategic intelligence cycle is the generation of working hypotheses; this has already been mentioned in paragraph 3.7. All subsequent integration and interpretation of data forms part of the circle of activity to test hypotheses against selectively acquired data (outlined in paragraph 3.9); this creates an internal sub-routine within the cycle, during which the hypotheses will likely become more distinct and the data collection progressively more focused. Application of this phase finds the analyst not only repeatedly visiting original sources for more and better data (to focus on a particular theory), but also constantly looking for extra indicators and sources to aid the testing process.

3.27 One salient lesson encountered during this project was that it become progressively more difficult to locate data that might have served to refute hypotheses. For a variety of reasons, the very currency of conventional views (or hypotheses) within the many agencies visited, tended to drive operational activities that, in turn, provided further data largely of the same sort. This is an understandable outcome from an operational point of view, but it highlights the separate responsibilities of the intelligence analyst to developing collection plans that - objectively - seek information from all viewpoints.

3.28 A particularly important lesson that has been reinforced by this project's experience relates to the need to balance all the information available when evaluating the hypotheses. In the case of illegal drugs, any hypothesis concerning enforcement and supply interdiction aspects had to be tested against other potential indicators (supportive or otherwise) that might be available through analysis of information supplied from the non-enforcement and demand reduction areas. This is particularly appropriate, for example, in forming views about the impact of specific strategies or operations, where the outcomes are not able to be measured directly and simply.

Reviewing the Project

3.29 An important feature of the strategic intelligence cycle, given what is normally a considerable investment in resources, is the requirement to match the outcomes of the assessment process against the original task (Chapter 2, paragraphs 2.32 and 2.33). The parameters of the illegal drugs project were set out only in very broad terms by the LEPR Committee, and subsequently the project team and the Steering Committee agreed on the objectives, scope and nature of the tasks (to report on illegal drugs and develop a strategic intelligence model).

3.30 The principles relating to tasking strategic intelligence (paragraph 2.48) clearly have in mind that the client must be both recognisable and accessible to the intelligence team to enable the parameters of the task to be negotiated. In view of the way in which this prototype project was set up, with a committee of different agency representatives as the facilitating and monitoring group, the team considered that it would be most practicable to review the task findings against the approved document setting out the charter of the project. The particular lesson learned from this experience is that any strategic intelligence task will be made unnecessarily difficult unless there exists a defined client.

CONCLUSIONS

3.31 The report on illegal drugs, as well as the initial version of this report on the strategic intelligence model, were presented to the government's LEPR Committee in December 1990. As a result, many comments were provided by the participating agencies and, as appropriate, reflected in both final publications.

3.32 Without doubt, the process outlined in this paper worked well and the model developed by the author comprises a set of principles and routines that demonstrated its appropriateness to strategic intelligence research and analysis. Indeed, while the model owes much to similar developments undertaken in other intelligence environments, our testing of it during the illegal drugs projects has helped to refine and clarify our views on application of the steps in the strategic intelligence process.

3.33 What I have tried to encapsulate is a workable set of guidelines that, if applied intelligently and carefully, can help strategic analysis staff improve their effectiveness. However, these principles and the processes are meant for guidance. While the author stresses that there is an absolute need for an orderly, structured approach to strategic analysis, this model is capable of great flexibility. Inevitably, it will be a matter for each strategic intelligence manager and analyst to assess needs in order to cleverly tailor the model to cope with the demands of the working environment and the unique characteristics of the problems posed by the client.

TERMS OF REFERENCE (TOR)

Criminal Environment Assessment on Illegal Drugs

AIM

To produce a strategic intelligence assessment of the national drug problem that will provide Ministers and other high-level policy makers with a basis for deciding upon future law enforcement strategies, priorities, resource deployments, organisational requirements and training needs.

SCOPE

1. The nature and extent of drug-related crime.
2. The conditions which allow or promote the relevant criminal activity (for example, the nature of the demand for illegal drugs, community attitudes, enforcement strategies and powers, international trends and influences, drug market structures, opportunities for facilitation of crime including funding of criminal activities and disposal of profits, etc.)
3. The reaction of criminal organisations and individuals to drug market influences and law enforcement efforts.
4. The prediction of emerging patterns and types of drug-related crime.
5. The capacity (in terms of structure, function, tasks/focus and resources, etc.) of existing agencies to meet the assessed threat.
6. Identification of information gaps which need to be filled in order to support the development of assessments in the future.

NATURE OF THE ASSESSMENT

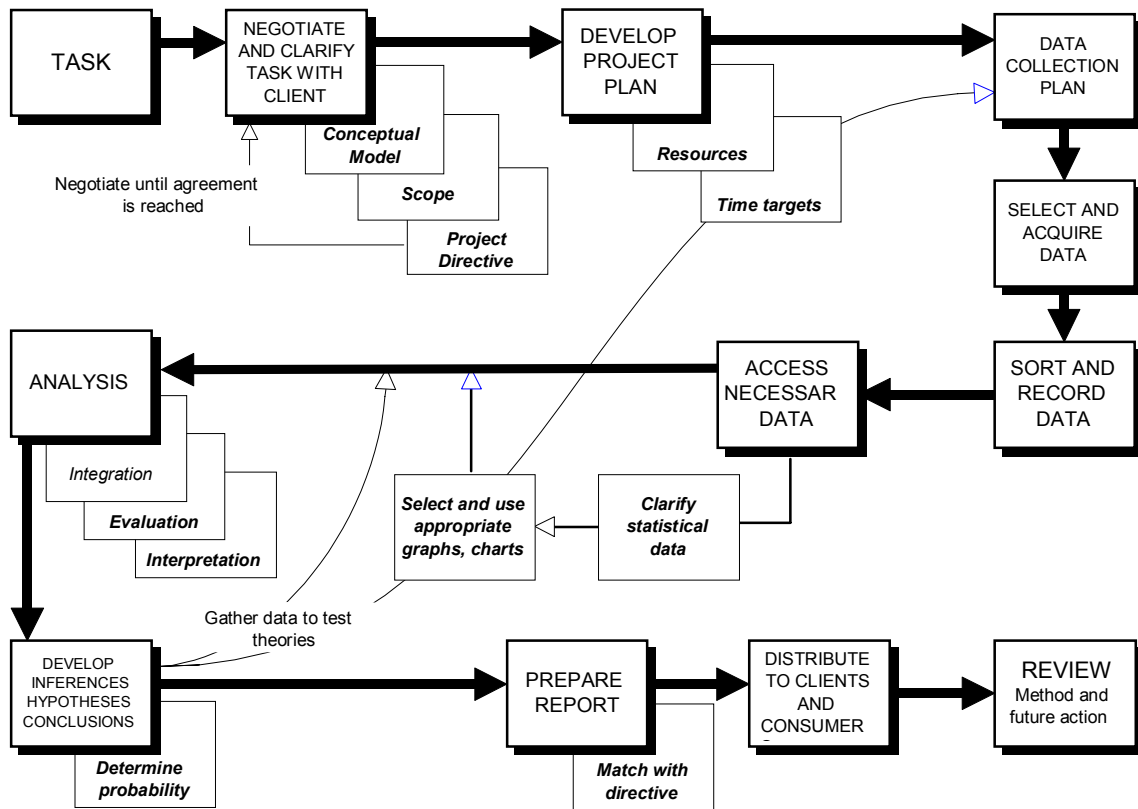
- (a) It will feature a national, strategic perspective rather than a tactical or operational one.
- (b) It will examine current and alternative national policies and strategies.
- (c) It will define a conceptual approach that will act as a model for a program of comprehensive, integrated assessments of the general criminal environment.

ABBREVIATIONS AND ACRONYMS

ABCI	Australian Bureau of Criminal Intelligence, Canberra
AFP	Australian Federal Police
AGPS	Australian Government Publishing Service, Canberra
CEAP	Criminal Environment Assessment Project
Commonwealth	Commonwealth of Australia (the country's federal status)
Customs	Australian Customs Service
ICP	Intelligence collection plan
LEPR Committee	Law Enforcement Policy and Resources Committee (a Commonwealth-only entity)
NCA	National Crime Authority

THE STRATEGIC INTELLIGENCE PROCESS FLOW-CHART

Chart Design : Don McDowell, 1995



The above diagram has been developed since the original “drugs project.”
It is currently in use in all training programs undertaken by the author.