



*The Egmont Group
of Financial Intelligence Units*

Egmont Strategic Analysis Course

Session 5

Intelligence Cycle

Participant Manual

Version 30 October 2012

1. Introduction

In this session we will have a brief look at the Intelligence Cycle, which we will use as a framework for the analytical process.

Most analysts would have seen the Intelligence Cycle used in relation to the production of tactical intelligence. However, we have modified it, a bit, to better reflect the production of strategic intelligence.

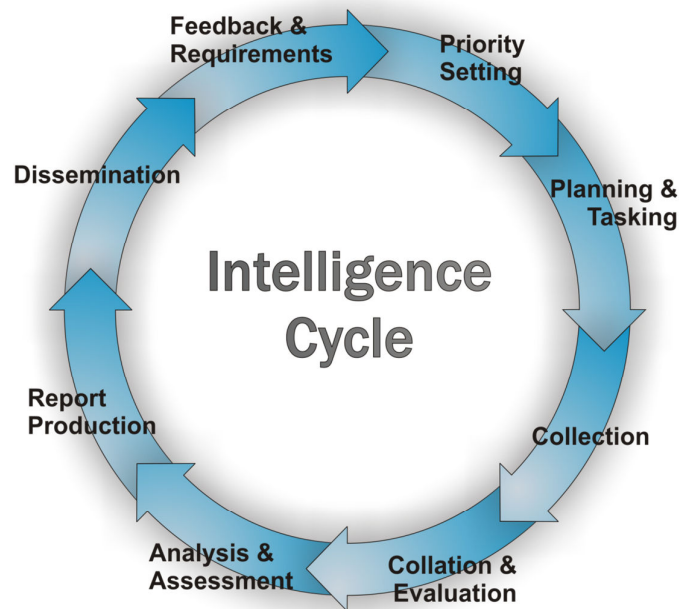


Figure 5.1 – The Intelligence Cycle

2. Stages of the Intelligence Cycle

a) Priority Setting

Priority setting is a general process, which provides the wider framework and direction for the work we do.

Priorities or topics for strategic analysis are generally determined at management level but will depend on the requirements of the FIU as well as the needs of our clients such as law enforcement, policy makers or the greater international community.

Priorities are usually determined well in advanced and will also be influenced by available resources and time constraints.

b) Planning & Tasking

Planning and tasking is specific to each analytical project.

It involves management of the entire effort, from identifying the requirements of the client and the need for data, through to delivery of the final intelligence product to the end user.

Proper planning requires an understanding of the clients needs as it is important that the -

- right questions are addressed
- within the right timeframes
- with the right information from the right sources
- in a manner appropriate for the audience.

It must be done as a formal process in order to ensure that the analyst knows what is expected of them and the client knows what to expect.

c) Collection

Collection is where we gather all the raw information that we'll use in our analysis.

For an FIU, this includes information that is contained in financial transaction reports, as well as other information available from both open and closed sources. It will come from a variety of sources including reporting entities, domestic and international partner agencies, academics, the media, etc.

At this stage you need to be as thorough as possible though at other stages in the cycle you may find information gaps that had not been previously identified or new information may come to light. If this happens, you may need to return to the planning stage and determine the impact that this may have on the process. You may either decide to gather any missing information or make the decision that you can proceed without it.

If new information comes to light a decision will need to be made whether this will influence the scope of your project and the impact it will have. You may choose to ignore this information and leave it for future projects.

When seeking information, it is always advisable to have an official cut-off date for receipt of relevant information. It may be necessary to ignore any new information that comes in after this date to ensure that you are not constantly trying to accommodate new information, unless it is something that can't be ignored.

d) Collation & Evaluation

Before we can analyse our information, we must evaluate each piece against criteria to determine its value. We should know the conditions and qualifications on the information as we go through our analysis and make our assessments.

Once we have evaluated our information it must be collated or organised to maximise its value. The method of collation chosen will vary to suit the particular needs of the FIU, analyst and the project at hand.

A good collation system will assist you to:

- identify connections
- determine significant events
- identify patterns of activity
- uncover information gaps
- clarify the significance of data collected

e) Analysis & Assessment

Analysis and assessment is of course, the heart of the cycle and we'll spend most of our time, this week, on analysis and its outcome, assessment.

f) Report Production

Of course, we can do all the analysis and make all the assessments we like, but they're useless unless we can deliver them effectively to our intended audience.

The way we present our results is extremely important. Not doing so properly can easily result in our work being ignored or, possibly even worse, misunderstood.

g) Dissemination

No matter how well we do the preceding stages, dissemination in a timely fashion is critical. Failure to deliver intelligence products to those who need them makes it very hard to justify doing them in the first place. Many times, excellent reports on very important analyses lose more or all their value, due to the delay or lack of dissemination.

h) Feedback & Requirements –

This is the "last" stage of the cycle, but also the first.

It is here that our partners respond to the content and focus of our strategic analysis products and, at the same time, tell us about their general priorities and their more specific needs for this kind of information.

This stage is therefore crucial in helping us shape our future directions and specific projects. It's also often one of the most difficult to fully achieve, because most of those to whom we send our products do not readily give us specific feedback and few of us have good programs in place to tap into and stay current with partner's priorities.

It is therefore necessary for us to make special efforts to obtain this information. Formal liaison programs and frequent follow-ups are vital to ensure adequate and appropriate feedback....and thus the cycle begins again, but, hopefully, it has benefitted from the previous cycle and those that preceded it.

This is clearly not a linear process, but a continuing one of renewal and realignment of our analytical priorities and activities.

Throughout this course we will use the Intelligence cycle as a framework, but remember that the course is about strategic analysis, in the context of where we all work and what the analysis we do is intended to produce.

Feedback does not occur at only one point in the cycle and does not rely totally on external feedback provided by the recipients of our products and other stakeholders. It can also occur at any point in the process, where we might find it beneficial or even necessary to go back to an earlier point and make changes

For example, as we mention earlier, we might find during our analysis that we have insufficient information and we may need to return to the collection or planning phase.

Feedback also occurs at each stage of the intelligence cycle. This feedback is different from the feedback received during the actual feedback stage of the cycle. It is the effect of something that occurs at one stage (e.g., new information, insights or questions) on a previous stage and can, in fact, move the process back to the previous stage, at least temporarily to address the feedback.

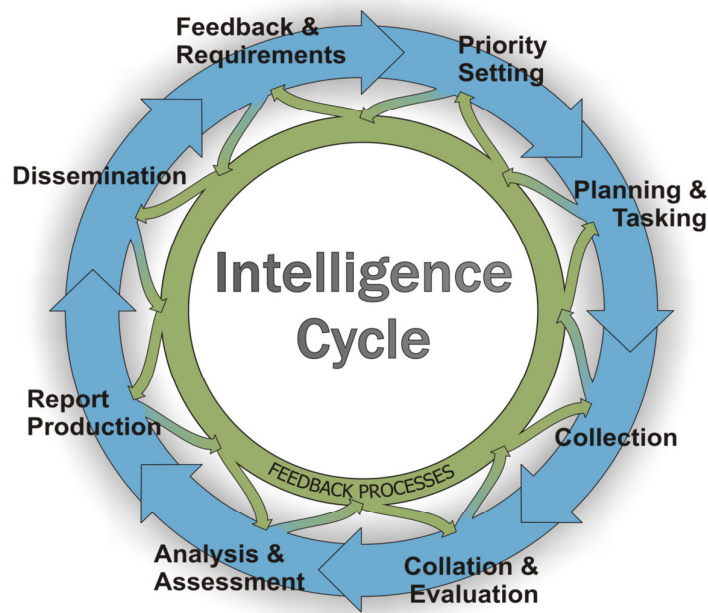


Figure 5.2 – Feedback processed throughout the Intelligence Cycle

3. Outcomes of Intelligence Cycle

The properly-applied intelligence cycle should produce the following outcomes:

- Identification & understanding of the audience
- Early buy-in of clients (audience)
- Context for the questions and the answers
- Clarity of the analytical questions
- Framework for the division of responsibilities
- Clarity of and manageable expectations
- Internal & external feedback to support quality

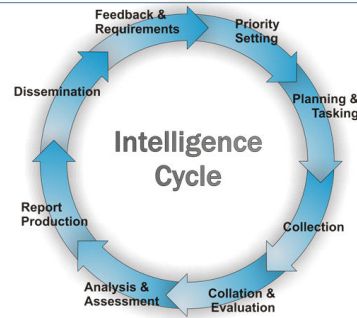
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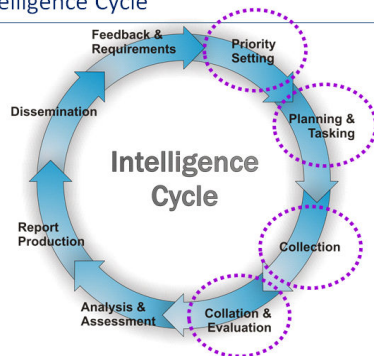
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The Intelligence Cycle



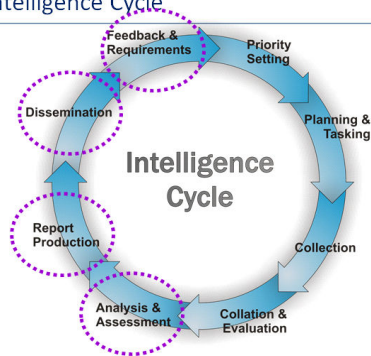
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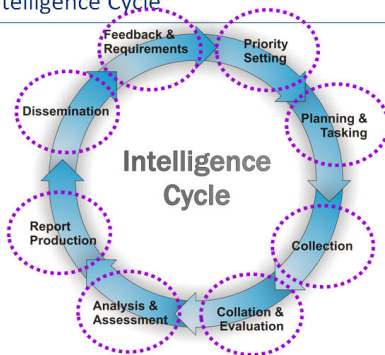
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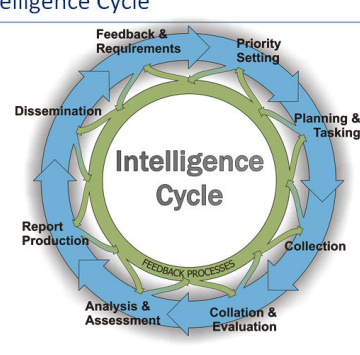
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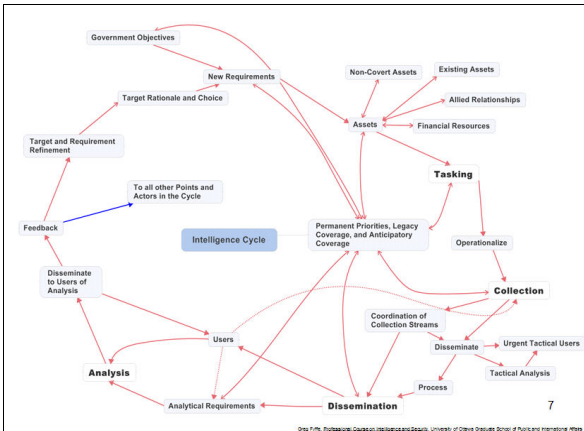


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The Intelligence Cycle



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Intelligence Cycle outcomes

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Intelligence Cycle outcomes

Questions ?