

THE POLITICS AND DIPLOMACY OF CI MANAGEMENT

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All business activities are affected by 'politics.' It is a fact of life, a way of doing business, and usually a characteristic of each company's corporate culture.

Successful managers are more adept at playing the political game than others. Some are shrewd politicians, picking the winning side of critical issues. Others seem to be quite skilled at handling such issues diplomatically, without arousing hostilities on either side. A good director of CI (D/CI) has to practice both, equally well. [Note: The term 'politics' as used in this article is considered to be pejorative since that is the way most people view it when used in a business content.]

In my government life we were constantly striving to overcome the politics and inertia of the government bureaucracy. Some managers, who wanted to play it safe or to get ahead, often provided the boss what they knew he wanted. Others were telling them the truth, whether they wanted to hear it or not. It was all a part of getting the job done, in spite of the bureaucracy.

THE CORPORATE CULTURE

When I joined the private sector, I idealistically believed corporate management would be driven by bottom-line business success. Managers focused on winning the competition, with marketplace success determining who succeeded and received promotions.

Within about six months that naivety was dispelled — I saw all the same managerial practices and shenanigans in the corporate world that I had observed in the government. They did not call it the bureaucracy though. It was called *the corporate culture*.

The director of intelligence, whether in the government or private sector, must understand and be prepared to deal with the danger and the enticement of managerial politics. Effectively learning this lesson can be crucial not only to the director's future career but to the success of the intelligence group.

SOME POLITICAL CHALLENGES

As both a director of corporate intelligence and a CI consultant to senior managers in a variety of companies, I often found myself being *invited* to join one political camp or the other, or to support a favored position on a critical decision, where intelligence would be used. Knowing how to handle such situations is an important determinant of the success of your CI career.

When an honest intelligence input becomes pivotal to the outcome of a business decision, its provision by the CI department becomes critical to the company — and over time to the viability of the CI program itself.

The types of managers you will confront on such issues runs the gamut from those who want the truth to those that want their own version of the truth. There will be some that do not want any intelligence at all — since they cannot control what it might say. And there are those few who say, "Let the chips fall where they may," and then plan and act accordingly.

THREE EXAMPLES

Do not be surprised by what you may be asked to do by corporate executives. In one company, an executive asked that I conduct

intelligence collection on another part of the company. My response was that CI is not the Gestapo, and you do not collect on yourself.

Another executive wanted me to withhold a CI assessment that had just been completed because it refuted his proposed competitive strategy. I recommended he take the time to factor the new CI into his strategy, since the strategy would likely fail if he did not.

And one CEO wanted me to help him devise a plan that would *scare* three business unit presidents into becoming more proactive with the CI they had. Knowing the future financial situation the company would be facing in those three businesses, I could not disagree with him, but I advised he take a more constructive approach. This included facilitating and funding the development of several new, more proactive competitive strategies.

In all three cases, I was faced with a choice — take sides with the manager who was asking me to support him or help him find a way to use CI more productively. Politics or diplomacy? This is a choice all directors of CI (D/CI) will continually be confronted with.

DIPLOMACY OVER POLITICS

The diplomatic side of CI is a bit more difficult to understand and master. And, like good table manners, someone has to teach you. Each company, with its own *corporate culture*, creates their own underlying principles and practices of managerial politics and diplomacy.

As a D/CI you need to learn these quickly and thoroughly. Ask the 'Old Hands' who have been around for a long time. Having survived, they will know the organization's cultural *norms*.

DELIVERING BAD NEWS

Observe how senior management rewards and punishes success and failure. One of the best indicators of this is how the company treats *bad news* and in particular, the person that is responsible for delivering it.

As the D/CI, delivering bad news will be one of your primary tasks. In some companies it can be a career-ending event if you do not do it properly. In my experience, world class CI programs handle the problem by educating their CI users to NOT *shoot the messenger*. But one still must be diplomatic in the way it is done.

The D/CI has the responsibility to ensure that all involved users receive the CI at the same time so one user does not get or take unfair advantage of others.

While at Motorola, the CEO, Bob Galvin instructed me on this principle early on. We had one corporate executive who seemed to take delight in using adverse CI to *beat up* on the business unit managers affected. In this case it was my responsibility to see that all involved parties had the CI at about the same time, but some a bit earlier so they could better defend themselves.

This diplomatic time-edge was greatly appreciated. It was still the same *bad news* but the affected business unit chief had enough time to prepare his response so that the senior executive's admonishment was usually met with a more thoughtful response.

Collecting and reporting human-source intelligence will on occasion uncover embarrassing or negative aspects of your own company or its activities, particularly in comparison to the competitor's activities. Including such information in a CI report in an even-handed and diplomatic fashion is another D/CI challenge.

Whenever this situation came up, I always made it a point to alert the responsible manager or business unit before we reported the CI. This gave them time to correct or refute any

errors or misunderstandings on our part. It also permitted them to prepare rebuttals or make appropriate changes. As a result, the CI department developed the reputation for being a *straight shooter*. Although our intelligence and analysis was not always liked, it was respected.

Similarly, handling the results of a major competitive assessment that does not reflect well on one's own company requires both skill and diplomacy. Different corporate cultures require different diplomatic protocols on such an issue.

Essentially the D/CI has to *tell it like it is* as honestly as you can. But it is a bit like taking medicine. Don't sugarcoat it unless your management acts like a bunch of kids – then do so without diluting the real message.

LESSONS LEARNED

Over time as I began to develop my own intelligence manager's credo, several key elements became apparent:

1. Report the TRUTH, always.
2. Maintain your independence and your CI products' objectivity.
3. Respect all CI users equally; play no favorites, no matter how much you might favor one outcome over another.
4. Never gather CI on your own company.
5. Seek legal advice and guidance whenever the boundaries of propriety become fuzzy or unclear.
6. Never play politics with intelligence; it always requires taking sides. That is what politics is about, choosing one side over the other.
7. Present CI to the management team and other involved users in a way that is clearly perceived as being fair and even-handed.

8. When producing CI that has a negative impact, deliver it in an analytical context that will give your users insight into how best to deal with the problems you are presenting them.
9. Deliver all *bad news* in person – there is no good way to hide it.
10. Always correct any errors or mistakes that you make as quickly as possible, and be sure all affected get a chance to provide you with their feedback. Do not run away from such responsibilities.

Whenever you face a political challenge, ask yourself this basic question: "Would my changing or altering the CI involved cause me to question my own honesty or professionalism?"

The answer should be easy. How you handle it is the key. Thoughtfully and diplomatically should be your guideline.

CI directors will be faced with the same managerial choices that challenge other business managers. We, must rise above the politics of the situation and practice the art of diplomacy, with the objectivity and truthfulness of a Solomon.

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