Bennion-Robertson
Competitive Advantage

Collecting Networked Intelligence Using *conversational intelligence*^{sm}

Getting The Best Information Available

When it comes down to it, much of the best information isn't on the web. In fact, it's not in print anywhere. Customers and competitors don't normally publish their plans openly. Even what they tell "The Street" is suspect. Did your firm last year do exactly what your CEO said you would?

In addition to knowing what other companies intend, of course, you also need the hard facts. You must know about your competitors' capabilities to produce, your suppliers' or partners' ability to provide, your customers' ability to pay – and much, much more.

Beyond capabilities and intent, we collect critical tactical information all the time. What price can the customer stand? Who's the decision authority? Why did they buy our product – or why didn't they? How will they react to our presentation? Considering their background and temperament, what is the right negotiating stance? All of this, and more, is inside the heads and on the lips of the people who create, tranfer, and use it on a daily basis. If only you could just ask them….!

Some Side Effects

None of this information is easy to get. Fortunately, a host of researchers are available to help you. Unfortunately, such research often has unhelpful side effects.

To understand these side effects, let's consider what can happen when someone else targets <u>you</u> for information:

- Your sales people get calls from "very interested" prospects who mysteriously have no clear application for your goods – and who quickly vanish when pressed for details

- Your operations people suddenly hear from students "doing term papers," or analysts with keen interest but anonymous clients

- The consultants and journalists that hang out with your sales people during different shifts at an exhibition have a lot of questions but you're not sure how they'll use what they learn

Voice 770-210-5496 ♦Fax 770-210-2894 ♦ www.bennion-robertson.com

You find out later that your good-faith efforts to meet with interested market contacts have only filled the coffers of intelligence collectors - of competitors and their consultants. How do you feel?

If you feel you've "been had" as a target, the company that commissioned the work may have had a few pangs themselves. The bad feelings go both ways. We need the information we need, and when guesswork is unacceptable, we may takes steps to fill in the gaps. Too often, these steps lead not only to bad feelings – but to bad data.

Help From Hired Guns

Let's assume that you know you need to reach beyond what's published, to get to living people in your target industry – and that you've decided to use a consultant to help. There are at least two traditional types of consultants who can help you get the market, customer, and competitive information you need about other companies. There are pros and cons for using each.

1. Tap an industry expert. Typically individuals with years of industry experience and scores of contacts, they may know just the information you need, or the people with whom you should talk. They can be invaluable – especially if you give them a detailed explanation of what you need, and why you need it. Because they know your industry well, they can give you analyses and recommendations beyond the data you ask for.

   Drawback: If they're into brokering information, what will they do with yours?

2. Use a research firm. Both market research companies and specialty competitive intelligence firms sell such services. Depending on the firm, such companies typically rely on a mix of expert interviewers, industry savants, and independent researchers to call on target companies for the information you want. Because of their breadth of available help, they can often tap resources around the country or the world to help their collection.

   Such firms have two key problems. First, asking questions may reveal your plans. Remember the questions asked of your sales/operations people? With a little work, couldn't you figure out where those questions are headed? With more work, you may even figure out who's targeted you, and what they're after. Finally, couldn't you "spin" responses to be sure callers get just what you want them to get? Thus, standard interview and question-based approaches can challenge the accuracy of the data you get - and even your own security.

   Secondly, firms conducting such research often use deception. Think about when you've tried to get such information. Did you stray into deception? People don't often trust competitors or vendors with sensitive information, if they know who they are and why they want it. So, we tend to conceal facts: identity, client, and purpose. Such deception might be simply withholding information – or it could be part of an elaborate plan, complete with cover stories and "back up" in case someone checks. But is it right? And would nine out of ten industry journalists agree, if publicity follows?

Using Your People

Your own people, of course, may already have much of the information you need. If only you could tap their expertise!

You can, of course. For a one-time need, you can bring together all the usual suspects, and simply ask them, hoping their information is accurate, current, and enough. For the longer term, you can you motivate employees with good external contacts to gather and report the information you want. You can build a "bit bucket" to store it all in. What could go wrong? Nothing at all – or everything.

There seems little doubt that taking the steps named above can put you ahead in the game. If that's all you do, however, you should check your assumption list. To safely get accurate information from your own people, you may have to assume that:

1. The information they have is accurate. Remember our discussion about research consultants "asking" for information? Asking questions spawns processes that can skew, or even deny access to key data. Getting correct answers to questions assumes relationships of trust – relationships that may not naturally exist.

2. The information is current. How long ago did your employee learn the answer? Is the information still right? Has it changed? Or are your employees re-interpreting what they heard back then – to fit today's need?

3. Requesting the information hasn't alerted your target. No matter what you know about the other guy – it doesn't matter if he ***knows*** you know, and what you may do with the information. Pointing out an information collection target to employees – and incenting them to collect – can trigger behavior that signals your own market capabilities and intent. Your people may even ask the same question in the same way of the same person more than once. Bad idea.

4. James Bond is in retirement. Information collection targets and incentives are crucial, but playing by the rules is more so. Without careful training, enthusiastic employees may get carried away in performance. Many, many companies have learned this a little too late to stop the train – or the evening news.

Incenting, collecting, and storing intelligence from external employee contacts is a great thing – if you fix the issues listed above. One sure way of doing so is professional training. You don't need a CIA – but you might learn something from them.

Professional Intelligence Methods

The top professional information gatherers on earth probably work for the national security organizations of the United States and her allies. For the most part, these organizations train their employees in the best methods of finding great sources and getting their information – while carefully tutoring them in how to do this within democratic structures and the rule of law (regardless of what Hollywood would have you believe).

Such organizations have developed powerful means of collecting information from reluctant – or even unwitting – providers. The rigorous and extensive training of intelligence officers isn't remotely replicated anywhere else. This is for good reason. . Some techniques are far more appropriate when employed defending freedom and security than in defending a company or a brand.

Still, businesses stand much to gain from studying how intelligence professionals in government do their job. From time to time, some of these techniques are brought into the public sector, along with other techniques for managing intelligence functions, such as intelligence planning, analysis, dissemination and use. Businesses have greatly benefited from this transfer.

Two transfers of major significance have occurred in the last quarter century. In the early 1980's, former CIA employee Jan Herring introduced the Western corporate world to the discipline of intelligence management for the first time. In his groundbreaking work at Motorola and since, Mr. Herring has identified principal intelligence functions and skills that can be appropriately deployed in business.

The second major transfer occurred in the mid-1990's, when John Nolan, a former U.S. Army intelligence officer, brought to business the art of intelligence elicitation – how to get information without asking questions. Elicitation techniques are very effective, and are described his book. (See Confidential: Uncover Your Competition's Top Business Secrets Legally and Quickly – and Protect Your Own, c. 1999 Harper Business, ISBN: 006661984X). Mr. Nolan's core practices have had an enormous impact, affecting how people think about and practice intelligence collection.

Despite the high value of such methodology transfers from government to business, an unalloyed application of the processes of espionage can be harmful. Over time, Mr. Herring and other practitioners have learned from early implementations to refine sophisticated approaches that help companies of all sizes to improve their early warning and market prowess. The same is true of Mr. Nolan's work. The very power of elicitation techniques can invite unscrupulous persons to mercilessly exploit others – something Mssrs. Herring and Nolan never intended. New practitioners have sought ways to check and balance these tools, suiting them for a business environment – without diluting their strength.

*conversational intelligence*SM

The ***conversational intelligence***sm techniques address issues raised by early users of elicitation. As designed by Bennion-Robertson, it is a component of the larger ***humansource***sm system for gathering intelligence and garnering influence. ***humansource***sm focuses on building robust networks for intelligence early warning and business influence.

conversational intelligencesm practitioners focus their intelligence-gathering efforts on individuals that ***humansource***sm has identified as key information sources or points of business influence. From first contact to last, however, ***conversational intelligence***sm processes work around win-win relationships that can yield either information ***or*** influence, depending on need – and never at the cost of exploiting the source.

This approach has powerful implications for the way intelligence is collected. Because win-win relationships are key, intelligence collectors don't approach competitor companies head-on, for example, unless they're sure their approach won't exploit their target – the competitor's employee. In fact, first efforts focus on the formal assessment and development of win-win relationships with a network of contacts, people who have either the information or the influence sought. This helps avoid situations that force practitioners into conflicts of interest or outright deception.

Amazingly, this technique still yields the "right stuff." Instead of finding one or more key sources working at the target company, for example, and then exploiting them for all you can get, this approach searches out sources that simply touch the target – and gets information from each. In the end, it usually isn't necessary to touch the target directly at all.

Another key benefit of this technique arises in the construction of networks for early warning. Let's face it – getting sensitive information outside of relationships of trust usually requires some type of deception to wins the source's trust - or to that dupe him into disclosure. People normally don't share such information without trust, something to gain, or both.

Deceiving individual contacts isn't very hard – once. The more it is done, however, the more carefully we must record what we told them, why, and how they reacted. Over time, single deceits can propagate to become entire herds of lies. This is especially true when contacting a host of sources that know (or could meet) each other. The more contact you have with them, and the more they interact together, the greater the likelihood of being caught – and the greater the effort needed to keep the lie alive.

Now consider early warning networks. How do they work? One method thoroughly analyzes what could happen, and then watches for indicators on each approaching crossroad. If things happen that "trip" our key indicators, we might conclude that our anticipated event is approaching. When early warning systems are built with proven methods, we can simply send our information collectors out to collect from sources at the crossroads we identified. If nothing happens, we're not to worry.

This method of early warning analysis works very well when we accurately predict what may occur in the first place – or at least get reasonably close. But if the paradigm shifts, we may be looking for rabbits in all the wrong holes. We know what should come first, and what should follow – but we don't know where to expect the unexpected. If we're not sure exactly where to look for crucial change, we rely more on others to tell us. Because we can't target every cross road, or predict which ones matter most, robust early warning requires ***both*** approaches. We must proactively watch set points predicted by our analysis – ***and*** collect information from a broad web of contacts that look in all the places we haven't yet thought of. To work well, these contacts must come forward with the information when they think we need it – not just when we think to ask.

In business, the happy discovery of intelligence unsought requires that a lot of people like and trust us. It means that we have many allies and friends, people who know what we want, and are only too glad to help us get it (partly, of course, because they know we will just as gladly help them). Broadcasting needs in this way may be insecure – but a broadcast isn't required. What is required is a willing network of contacts that stand to benefit from their association with us – a network that we've carefully built to meet the optimum needs of all involved.

When combined with the more formally analytical approach, such a network of contacts forms the finest early warning system possible. We can proactively touch this network to help us check the crossroads we care about –but we'll still hear from our contacts if the threat (or opportunity) comes instead by land, and not by sea. And when we're done, we'll find we've protected our network in such a way that we've built a basis for influence, not just intelligence collection.

Counting the Costs – Should you Bet the Farm?

Does developing and testing a willing network of contacts sound harder than simply finding the people who know – and duping them into telling you what you need? Up front, it certainly is. It takes a little longer when you put your contact's interests ahead of your own, and it is certainly cheaper to simply do "whatever it takes," getting the information any way that you can. Cheaper initially, that is.

In the long run, networks developed using ***conversational intelligence***sm skills are far more efficient – and cheaper to use – than any other kind. Once sources have been lied to, they may detect and resent it. When that occurs, it becomes nearly impossible to "revisit the well." More and more extraordinary means must be used to get the information we seek – and extraordinary means are often expensive in terms of both treasure and of negative publicity. Besides, what if you exploit a source you might later need as a "point of influence"?

We've talked about three ways of getting information – using industry experts, research consultants, or your own people. Once they have been trained, anyone can use the ***humansource***sm and ***conversational intelligence***sm techniques we've described to do a better job of getting sensitive information, ethically. ***conversational intelligence***sm consists of techniques similar to elicitation, but with additional components that re-focuses efforts on the relationship. This promotes the good of the source and the ethical use of all the tools. Both ***conversational intelligence***sm and elicitation differ from conventional interviewing by avoiding questions and relying on planned, conversational interaction to gather the data needed.

The following table summarizes some of the key differences between these approaches.

Intelligence Interviewing	Intelligence Elicitation	***conversational intelligence***^{SM}
Question-based	Conversation-based	Conversation-based
Short term security risk from questions	Long term security risk from exploitation	Long term security – good relationships
Fosters collector deception	Fosters collector deception	Discourages collector deception
Best suited for quick return	Best suited for quick return	Best suited for mid-term return where long-term or monitoring contact is crucial
Ill-suited for mid- and long-term information collection	Ill-suited for mid- and long-term collection	Good for the mid- and long-term use
Getting information is more important than the source	Getting information is more important than the source	Both source and information are important – and symbiotic
Short term, project-focused	Typically project-focused	Long-term (source and network-focused)
Directly touches target company	Directly touches target company	Avoids touching target company
Single purpose – information collection	Dual purpose – information collection or dissemination	Multipurpose –information collection or dissemination, or influence
Danger of detection - high	Danger of detection – lessened	Danger of detection – minimal
Disclosure may embarrass	Disclosure may embarrass	Disclosure won't embarass

Used alone, ***conversational intelligence***^{sm} gives managers a tool that can be interwoven into the daily activities of every employee in contact with the outside world. Used correctly, it always strengthens human relationships by tactfully collecting the information needed while seeking the good of the source in all circumstances. Used in conjunction with ***humansource***^{sm} , ***conversational intelligence***^{sm} gives companies ways to measure and build lasting relationships that proactively provide both the intelligence and the influence they need – without fear of damage or disclosure.

Considering that your relationships with the market are your most valuable and costly asset, why take a chance?

Voice 770-210-5496 ♦Fax 770-210-2894 ♦ www.bennion-robertson.com