Part One: Understanding Intelligence and Strategy
is the most hectic and confused and when most accidents and injuries take place. This is when uncertainty is highest.

A four corners display (Figure 1.1) depicts the relative degree of uncertainty that firefighters face in four distinct dimensions. In each area, the shaded regions show uncertainty in the context of darkness and spread. There’s little uncertainty in the areas of strategy or protagonists. They’ve relentlessly trained together, knowing each other’s strengths and weaknesses. Leaders’ basic strategic preferences are common knowledge to all. Firefighting skills are gained through repetitious training. Command strategies are developed through experience and classroom education. All of this has been worked out in the past. As a result, uncertainty is very low in both areas. It’s the specifics of the present fire that are unknown.

The fire triangle still exists, of course, but how to attack it is impossible to determine until the firefighters arrive at the scene. The uncertainties caused by chaos, randomness, and pure chance are rampant in the antagonists quadrant. There is no preparation on the specifics of the fire

![Figure 1.1](image)

**Figure 1.1** Firefighters have high uncertainty when it comes to preparation (they don’t know where the next fire will be) and conflict (they don’t know what random flammables might be present) when they arrive.
beforehand; the firefighters must gather all their own information as the conflict unfolds. Uncertainty is very high.

Once they’ve learned a bit about the site, leaders can formulate a strategy based on the skills of people available to combat the fire. They know firefighters have all the requisite skills; it’s just a manner of communicating the specific scene circumstances based on the intelligence gathered at the scene. Leaders can choose to use retardants (reduce oxygen), back burns (consume fuel), or water deluge (reduce temperature) to bring a fire under control.

Unlike a fire, however, competition isn’t always rational. Whereas fire is responsive to physics, people are highly unpredictable. Unconstrained by simple rules of physics, rivals can react in foolish ways. Fire has only three dimensions. Business has dozens, from industry type, to regional location, to financial structure, to many others. Uncertainty becomes exponential. Like the fire triangle, each dimension shapes the others (Figure 1.2). Devoid of preparation and forced to react to events as they occur is a good way to get burned.

![Strategy and Time Diagram](image.png)

**Figure 1.2** Businesses without a reliable intelligence function have a similar high uncertainty in preparation and antagonists. Hence, they are always “putting out fires.”
such time-centric advantages are fleeting. If successful, they’ll be copied immediately and competitive advantage will be lost.

**Rallying the Troops**

Military planners spend an inordinate amount of time reading over intelligence assessments to decide how to engage an adversary. If the right skills and tools are not available, they don’t execute the plan because they know it will fail. So they collect new information, develop new strategies, or use different skills and come up with a newer, better plan.

The four corners display for a soldier is radically different from that of a firefighter (Figure 1.3). With reliable intelligence about a target, planners can develop the best strategy for engaging it. They’ll assemble whatever specific skills are needed for that specific target using a specific strategy as opposed to a standard off-the-shelf solution. Soldiers, with their skills and communication systems, respond to each other and with

*Figure 1.3* By comparison to firefighters and businesspeople, soldiers deal with much less uncertainty, using intelligence to plan their operations and applying a strategy to manipulate opponents to improve their likelihood of success.
How do I explain the successful insurgents in Iraq and Afghanistan? Quite simply: an insurgency is a radical change in conflict (Figure 1.4). It’s not just a different battle but a completely different war. Insurgencies eliminate the line between protagonist and antagonist so soldiers cannot easily discern an enemy hiding among a civilian population. Uncertainty escalates rapidly and slows decision making because intelligence preparation focused on locations rather than populations. This creates operational delays through randomness and chaos, offsetting U.S. technological superiority, and turning the advantage to insurgent forces. Time becomes the insurgents’ weapon as they outwill (outlast) the invading force. Companies facing the threat of disruptive technologies face equal uncertainties: they are unable to discern who their adversary is, what the adversary’s technology is capable of, and how best to respond. Like an insurgency, the adversary does not fit into a nicely labeled category and therefore is a very dangerous opponent.

**Figure 1.4** Insurgents change the conflict from territory to population, eliminating the line between protagonist and antagonist and increasing uncertainty by masking the identity of the enemy. Business leaders face a similar dilemma from so-called disruptive technologies, which radically change the environment.
Figure 2.1 A typical weekly meeting schedule for an NFL team in midseason.
ME MOR A N D U M

To: Mr. Joe Smith
From: Doug Waldron
Date: October 12, 1999
Subject: Inspection Report, Meyer Corporation, Inc. Macon, Georgia (Bibb County)

INTRODUCTION
On September 29, 1999, I conducted an announced air quality inspection of Meyer Corporation, Inc., located at 4523 Broadway. The facility is classified as an 'A' source in the AIRS database (AIRS No. 021-00030) and is currently operating under Air Quality Permit No. 3296-011-10960 for “the construction and operation of an acoustic ceiling tile manufacturing plant.”

I was assisted by Ms. Terry Dane, Engineering and Maintenance Coordinator, and Mr. Ted Jones of Jones Environmental Consulting, Inc.

PROCESS DESCRIPTION
The facility manufactures mineral and cellulose-based ceiling tiles. Raw materials consist of starch, perlite, mineral wool, recycled newspaper, and tile scraps. Perlite is expanded and used as a filler for the tile, while the mineral wool enhances the acoustic properties of the tiles. The slurry mixture of clay and water is recycled into the process. Large sheets of ceiling tile are shaped in a rotating vacuum drum. The sheets are dried, cut into smaller sheets, and finished. Finishing can include sanding, trimming, shaping (tenoners), embossing, texturing, or painting.

The perlite expanders, boardmill dryers, paint line dryers, embossers, boilers, and spray booths are all natural gas fired with propane backup. Fourteen wet scrubbers and eight baghouses control emissions at the facility. All paints used at the facility are water based, but some formaldehyde is emitted from the application of the back coat. Emissions from the paint spray booths are controlled by water curtains and fiberglass filters.

The facility has some wood burners that are no longer usable but are still retained under the permit. These should be removed from the permit when the Title V permit is issued.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>No. 2 Boardmill Dryer</td>
<td>172</td>
<td>330</td>
<td>286</td>
</tr>
<tr>
<td>No. 3 Boardmill Dryer</td>
<td>173</td>
<td>340</td>
<td>286</td>
</tr>
<tr>
<td>MPIF</td>
<td>270</td>
<td>340</td>
<td>261</td>
</tr>
<tr>
<td>No. 2 Board Paint Line</td>
<td>212</td>
<td>340</td>
<td>253</td>
</tr>
<tr>
<td>No. 3 Board Paint Line</td>
<td>213</td>
<td>281</td>
<td>254</td>
</tr>
<tr>
<td>Paint Mixing</td>
<td>290</td>
<td>365</td>
<td>Not recorded</td>
</tr>
<tr>
<td>No. 4 Board Paint Line</td>
<td>214</td>
<td>310</td>
<td>307</td>
</tr>
<tr>
<td>MIT Line</td>
<td>280</td>
<td>73</td>
<td>59</td>
</tr>
</tbody>
</table>

Figure 4.1 The Georgia Department of Environmental Protection memo from an engineer to his supervisor that started the trouble for Meyer Corporation.
Figure 4.2 The Georgia Department of Environmental Protection asking for clarification on the problem, citing Meyer Corporation's own quarterly records.
Meyer Corporation screams “mea culpa,” promising over $2 million in capital expenditure improvements and citing exactly which systems it will upgrade or replace.
Figure 4.4 Meyer Corporation manufacturing process changes in its own documentation, which should not be in a publicly accessible file.
**Figure 6.1** Analysis of competing hypotheses set up to determine if illusionist Criss Angel can walk through a plate glass window.
**ACH Model**

**H1** Criss Angel can really walk through glass.

**H2** It’s a trick, an illusion, and not real.

**H3**

**E1** Clean sheet of paper found in convenient trash can.

**E2** Office doesn’t appear real—no other business being conducted.

**E3** Industrial office area strange location, unless it’s necessary (crowd control).

**E4** Camera tightens in on Angel’s shoes, potentially masking a switch of the glass.

**E5** Camera compresses temporal aspect of evaluation.

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>H3</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>n</td>
<td>n</td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>n</td>
<td>n</td>
<td></td>
</tr>
<tr>
<td>E3</td>
<td>c</td>
<td>c</td>
<td></td>
</tr>
<tr>
<td>E4</td>
<td>i</td>
<td>c</td>
<td></td>
</tr>
<tr>
<td>E5</td>
<td>i</td>
<td>c</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 6.2** Completed analysis of competing hypotheses model for Criss Angel. Notwithstanding the numerous “consistent” (c) in hypothesis 2, it was the two “inconsistent” (n) points in hypothesis 1 that led students to eliminate that possibility.
Part Three: Back Office Research
### Figure 8.1 A negotiations strategy outline. Filling in the bottom row allows leaders to plan a negotiation and practice their pitch in a timely and cost-effective manner.

<table>
<thead>
<tr>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternative</strong></td>
<td><strong>Objective</strong></td>
<td><strong>Risk</strong></td>
<td><strong>Benefit</strong></td>
<td><strong>Adversity</strong></td>
</tr>
<tr>
<td>What you want done</td>
<td>What they want</td>
<td>What they can lose</td>
<td>What they can gain</td>
<td>What they are up against</td>
</tr>
<tr>
<td>New idea, new detail, or using new people—something different from the current status quo</td>
<td>Analysis</td>
<td>Losses that are the logical result of the current status quo. This can be the reverse of the benefits, but that’s not necessarily always the case. Second- and third-order effects.</td>
<td>What they gain by accepting your alternative.</td>
<td>Reasons that it will be difficult for them to get what they want, based on the actions of others, the nature of things, or events “beyond our control.”</td>
</tr>
<tr>
<td>State this positively and in some detail so it’s clear</td>
<td></td>
<td>Can start with minor loss and build.</td>
<td>May have to start small and build up.</td>
<td>Adverse conditions will result in the same losses resulting from the current status.</td>
</tr>
<tr>
<td>Robin doesn’t know Birdland’s core markets. He needs someone whose own success is implicitly tied to his own.</td>
<td>He will improve the likelihood of success in his new position and minimize uncertainties in new product areas.</td>
<td>He must avoid another contentious departure and doesn’t want any “new guy” failures. Given the economy, that’s almost certainly going to lead to personnel losses.</td>
<td>Putting me under retainer gives you top cover from prying eyes, the press, and any goons Dynasty foolishly deodes to put on you, hoping you’ll trip up.</td>
<td>Some allegiances likely remain to former SVP and her thirty-two years of service. Lack of finance experience a liability, Dynasty will be watching closely; employees have high expectations.</td>
</tr>
<tr>
<td>Objective</td>
<td>Adversity</td>
<td>Benefit</td>
<td>Alternative</td>
<td>Current State</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------</td>
<td>---------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td>He will improve the likelihood of success in his new position and minimize uncertainties in new product areas.</td>
<td>Some allegiances likely remain to former SVP and her thirty-two years of service; lack of finance experience a liability; Dynasty will be watching closely, employees have high expectations.</td>
<td>Putting me under retainer gives you top cover from prying eyes, the press, and any goons Dynasty foolishly decides to put on you, hoping you'll trip up.</td>
<td>Robin doesn't know Birdland's core markets at all. He needs someone whose own success is implicitly tied to Robin's.</td>
<td>Robin's got no one he can genuinely trust. Some will have allegiances to his predecessor, and some will likely be reporting to the board behind his back. If he wants a quick success at Birdline, he'll need help.</td>
</tr>
</tbody>
</table>

**Table of Contents**

- Objective: What they want
- Adversity: What they are up against
- Benefit: What they can gain
- Alternative: What you want done
- Current State: What they are doing now
- Risk: What they can lose

**Figure 8.2** Combining the negotiations outlined with insights from the psychological assessment of Michael Robin in Chapter Six. It customizes a pitch for Robin, using his own motivations, biases, and fears to change his behavior.
<table>
<thead>
<tr>
<th>3</th>
<th>Objective</th>
<th>He will improve the likelihood of success in his new position and minimize uncertainties in new product areas</th>
<th>Is that true?</th>
<th>If you take a look at the overall situation, there’s an option that might be worth considering if I’ve read the facts correctly</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize (MBTI)</td>
</tr>
<tr>
<td>6</td>
<td>Adversity</td>
<td>Your predecessor had 32 years here, and you don’t have her financial experience, which is not your fault but will probably be pointed out to you. She’s got some friends here who may view you with unease, especially given the press. It’s human nature.</td>
<td>Know what I mean?</td>
<td>That said, I think there’s some opportunity to begin building your own inside network, pull folks to your side. They just don’t know your skill sets as well as you do.</td>
</tr>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize (FIR0-B)</td>
</tr>
<tr>
<td>5</td>
<td>Benefit</td>
<td>I think there are easy gains here</td>
<td>That’s what you want, right? Take Birdland where Dynasty would never let you go?</td>
<td>They want to see what you can do, where you can take them, and they aren’t shy about fighting for you. Given the risk, they’ve clearly shown that the rewards could be substantial.</td>
</tr>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize (Motivations, F1RO-B)</td>
</tr>
<tr>
<td>2</td>
<td>Alternative</td>
<td>You don’t know Birdland’s core markets at all. Why don’t you let me help you as an outside consultant? You need an outside agent you can trust—someone whose success is directly tied to yours.</td>
<td>Does this make sense?</td>
<td>Birdland fought to get you, so you’re going to need some fast results before they start second-guessing themselves. You need someone who can pull in expertise that’s not already inside the company. Otherwise why keep you?</td>
</tr>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize (EDS)</td>
</tr>
<tr>
<td>1</td>
<td>Current</td>
<td>Some of the folks here will be back-dooring you—not out to get you, just reporting on you to the board. Watched. The Dynasty folks could aggrieve that. You need an early home run.</td>
<td>Know what I mean?</td>
<td>Status quo won’t cut it and you don’t have time for a good warm-up period, especially after what they’re doing to keep you here.</td>
</tr>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize</td>
</tr>
<tr>
<td>4</td>
<td>Risk</td>
<td>Another contentious departure playing out in the press. Nobody wants one, and they sure don’t want it twice in a row. Makes finding another job a lot more difficult; you look like damaged goods.</td>
<td>I’d avoid that at all costs myself.</td>
<td>An early success would reassure that board rallying them around you, as opposed to a “new guy” mistake that could cost people their jobs. Nobody wants job losses tied to their executive tenure. That would really follow you around career-wise.</td>
</tr>
<tr>
<td></td>
<td>Set up</td>
<td>Strategy</td>
<td>Confirm</td>
<td>Personalize</td>
</tr>
</tbody>
</table>

**Figure 8.3** A finished negotiations outline, complete with setups and confirmation points. Additional notes or comments can be added anywhere on the sheet. As long as negotiators stick to the text in the shaded areas, they should have no troubles achieving their stated goal.
If a network is reparsed, targeting each subgroup may be the most efficient means of establishing a new network around the newly released product. The resiliency of the old network is overcome by knowing which node to target in a particular way (Figure 9.1).

This analysis to deconstruct the network followed by synthesis to rejoin selected parts into a new second network is key to applying this technology. Determining the path of least resistance, a perennial problem in new product development, lowers the cost of a market launch. As a new product's network evolves and grows, SNA tools help leaders keep the competition on the defensive by continually learning what new opportunities are emerging in a given market segment community. By modeling these network dynamics ahead of time, it may also be possible to simulate a competitor's reaction in order to preplan a response. Like the NFL coaches described in Chapter Two, it provides a series of potential responses already designed, approved by leadership, communicated to key personnel, and available at a moment's notice when the opportunity arises.

Figure 9.1  Social network analysis identifies the correct node to break a network apart in a distinct way for a competitor to take only the highest-value customers, leaving less profitable customers for the competition.
Part Four: Three Stages of Conflict
The public faces and voices of a firm should reach back into the network for assistance as needed, but otherwise they need autonomy to work independently. The network enterprise cannot survive without them. Without these folks interacting with customers and gathering information, the entire company grinds to a halt.

But that also means the analysts can and will shape the collection effort. Rather than simply accepting what they’re given, analysts often reject pieces of information. This feedback loop is vital. Far from a linear “we’ll take whatever we can get” orientation, the analyst function will reject many information sources. Other times it requires additional information from current sources. It can also insist that new sources of information be developed because what frontline collectors have provided is simply unclear (Figure 10.2).

This puts the collectors on notice that what they’re doing is of interest to the firm. The previously provided data didn’t answer the mail, so

![Figure 10.1 CARP model collection leading to analysis.](image1)

![Figure 10.2 The initial analysis disavows collected information, requiring collectors to find additional sources, acquire additional information from existing sources, or seek out new sources of information.](image2)
now they’re on the lookout for new data or new sources. When they find what they are looking for, they put them into the same original communication channels to the analytical function. These new data, enhancing or refuting the previously collected information, will amend the original analysis, expand on it, or change it completely (Figure 10.3).

It creates independent feedback loops within the collection effort itself, in addition to the feedback loop that now exists between analysts and collectors (see Figure 10.4). There’s little senior leadership involvement here. The collectors keep digging for data until the analysts have gotten what they need. Like the old joke about pornography, they may not be able to describe it; sometimes they don’t know what it looks like until they see it.

What did Meyer Corporation do to keep Georgia’s Department of Environmental Protection happy? They sent a senior executive from headquarters to the Meyer facility on a long-term assignment. Would a senior corporate executive normally move across the country for a temporary capital improvement project? Of course not. He’s not an engineer and had little direct authority over the employees or the plant. He was there to

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**Figure 10.3** With new sources or new information, the analysis is adjusted, revealing different results, an expanded viewpoint, or amendment of the original conclusions.
provide a new face for Georgia regulators, demonstrating that senior-level officials were taking the problem seriously. This strategy to tactics orientation is not unusual. In fact, it should be the norm for all companies.

Competitive intelligence is about shaping the environment and allowing business strategy to be shaped by it. The company must understand its terrains—physical, human, and information. All three are important, though the effect of each on a business varies by industry and changes over time. It’s a balancing act in the dark; sometimes it is impossible to know how out of kilter something is until it is almost crashing down.

After a while, field personnel get a “feel” that’s hard to explain to those who’ve never worked it. Salesmen just feel when a client has a big order in mind. Retail clerks feel when someone’s about to shoplift. Reporters feel when a story is going to knock the editor’s socks off. But in order to get this feel, they have to interact with customers in good times and bad. It can’t be a one-way street. Business is a form of communication, which means it has to be two way. If you’re going to communicate with someone, you’d better know who that person is.
Figure 10.5 Alaka’i interrupts the IED network (identifying the “who”) at the most tactical, time-critical point: as the weapon is being delivered, potentially seconds from detonation.
Figure 11.1 CARP model, analysis to reporting. Analytical methods vary depending on the dimension of conflict, time available, resources, and nature of the uncertainty.

Figure 11.2 CARP model, analysis to reporting. Like analysis, reporting can often reinitiate the analytical sequence, requesting additional data or expertise.
briefing purposes. MOVA provides a means for ranking alternatives to a decision and selecting the best one. By running the analysis in reverse, it’s possible to determine what a competing firm might do under select circumstances.

MOVA’s use is predicated on quantifying strategic values—combining multiple evaluation metrics into one measure of the overall value of each weighted alternative. There’s the subjectivity of the analysis—the weights. What numerical value to assign to the weights is the dilemma, but that’s where the sensitivity analysis can come in handy.

The MOVA spreadsheet template is quickly filled with the required information. The options are keyed in, as are the criteria for evaluation. Press the F9 button, and the calculation shows which alternative is the most attractive (Figure 11.3). In this case, it is readily apparent GE should spend the $70 million to acquire Walter Engines. Operational unit managers can easily explain to senior leadership how spending $70 million for a plant they have to move is a good idea.

The sensitivity analysis in Figure 11.4 shows it’s not just a good idea; it’s an outstanding one. (A sensitivity analysis measures the robustness of

![Weighted Single-Dimensional Values](image-url)

**Figure 11.3** Multiobjective value analysis.
a model by quantifying the uncertainty of the variables being considered.)
GE has wanted to counter P&W for some time, partly to cover the port-
folio gap and partly to offset P&W’s poaching its parts business. That the
opportunity presented itself at such an extremely low price put the analy-
sis over the top. At higher costs, the choices are far less distinct. While GE
must still move the plant, real estate will not be a significant cost factor,
and company managers can feel confident in the decision they made.

Shopping Wars

While MOVA’s use for internal consumption is clear, it can also look into
the unknown and help discern a competitor’s moves as well. It requires
a realistic knowledge of the competitor’s strategy and plans, but it also
provides a couple of useful action items for future evaluation. The sensi-
tivity analysis can help identify areas for additional collection that would
have the most significant impact on the analysis.

In summer 2009 Dell Computer’s stock was half the value it was a
year earlier and down 65 percent from five years before. But it was
hardly alone. Many tech companies have seen their stock prices plum-
met. This has given companies with strong cash balances an opportu-
nity to bolster their competitive position by going on a buying spree.
But one fundamental benefit of the DuPont chart is that it displays a company’s arcane financial data in an engaging manner. Beginning with the uncomplicated return on equity (ROE), the DuPont chart’s cornerstone metric, the charts look backward, as all financial data do, to deconstruct where and how a company made (or lost) money over the preceding twelve months. Each component used to derive ROE is similarly charted to reflect its network orientation among the other parts of the annual report. (See Figures 12.1 and 12.2.)

By reducing ROE to its component parts and then deconstructing each one into its basic network sequences, it is possible to figure out how well a company’s leadership is managing the company. Where are they spending money? Where are they investing it? How much are they borrowing, and at what terms? What are they doing well? What are they doing not quite as well?

Any publicly traded company whose stock is sold on the major exchanges is required to file quarterly and annual financial reports—SEC

**Figure 12.1** DuPont chart comparing Hess Corporation’s 2008 financial information to 2007 results.
Figure 12.2 Each of the return on equity’s main nodes can be further expanded to reveal more about the company’s (financial network) performance.
plays of the DuPont chart method. It accepts the balance sheet and income statement data of any firm and automates all of the mathematics, ratios, and charting. A firm can be analyzed by simply keying in the information down to its component parts or compared with other companies to determine investing options for the future.³

Another useful aspect of the DuPont system is the ease by which the charts are copied from Excel and dropped into PowerPoint for briefings or into Word documents for specific profiles. It takes what was a complicated and time-consuming function of competitive analysis and reduces it to a few mouse clicks.

By comparing the company’s numbers over time (Figure 12.3), it is relatively easy to determine how the firm is performing in general. It’s

![DuPont Chart Diagram](image)

**Figure 12.3** DuPont chart of a single company showing a three-year comparison of how management is running the company.
not a guarantee, of course, but the DuPont chart has been used for nearly a century because it satisfies a primary need: displaying financial data where they can be discussed and analyzed by a broad cross-section of leaders.

Even when leaders don’t have a finance background, they can speak astutely about competitor’s financial statements in an abbreviated time span. When a CFO explains the firm’s own financial position, a non-financial leader can provide the same level of granularity about each competitor, displaying the data at the same time in chart format (Figure 12.4).

The DuPont chart is also an excellent tool for nonprofit groups that want to better understand the mechanics of their business and compare

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**Figure 12.4** DuPont chart comparing the annual report financial statements of three companies in the same industry.
**Figure 12.5** CARP model: Reporting to production. Feedback loops also take place at the leadership level. What is produced (an action, decision, or policy, for example) based on the intelligence effort?

**Figure 12.6** CARP model. The leadership, in taking action, generates new tasking for collection and analysis.
But the CARP model has another facet missing from the government’s process. Once businesses decide to take an action, it must be better at protecting it. As I’ve noted repeatedly, protecting information must be the first order of business leaders take after deciding what their action will be. Competition that can deduce that action can counter it. So while the production aspect of the CARP model remains the primary purpose for the effort, it must remain hidden in order to be effective. It must be protected (Figure 12.8).

Protection lies atop the CARP model’s production node, masking the company’s real intentions through two primary means. Denial and deception are directed toward an adversary’s collection efforts. Distance and delay should similarly be used against a competitor’s analytical efforts. Together they will confuse competitors despite all appearances that their intelligence activity has been successful (Figure 12.9).

Leaders must evaluate the best way to protect their actions based on the type and use of the intelligence they’ve been given. How can denial, deception, distance, and delay be applied in a measured, methodical way? The addition of protection strategies to mislead competitors gives the
CARP model its resemblance to the fish of the same name and makes a final and distinct disconnect from government intelligence methodologies. But protection is not easy, it’s not cheap, and it’s not for anyone other than senior decision makers to employ.

Leaders should continually update their assessment of the competition’s leadership staff, management, company capabilities, specific tools, individual techniques, and customer relations. Knowing how they do what they do is integral to interfering with it. Like Shelton Quarles and the other NFL scouts, experience goes a long way toward pulling a fast one on someone.

Denial and deception are either trying to deny the competitor’s ability to gather accurate information or deceive them with false information specifically positioned for them to collect. Knowing what sources they read and what opinion leaders they follow or consult with is critical. Without it, you are just guessing. Since your competition has just as much access to you, it’s imperative you take measures to protect your competitive advantage.

Deny public access to new projects for as long as possible. Slap nondisclosure agreements on everyone involved; suppliers, advertisers, manufacturing, and marketing and PR firms. If that’s not possible, consider using a cutout for project management purposes. Just as I used
Figure 12.9 Completed CARP model with protection methods lined up to interfere with a competitor’s collection and analysis structure.
The Author

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