

SPIES IN THE WORKPLACE

KNOWING AS MUCH AS POSSIBLE ABOUT THE products and problems of your competition may be able to save your business dollars, time, and effort in solving problems of your own. Welcome to the world of espionage, think, and counter-think.

The Society of Computer Intelligence Professionals (SCIP) based in Washington, D.C. makes a science of finding out everything about the competition. "Every large business has a 'spy,'" says a P.I. (private investigator) who is a member of SCIP. They don't like the word 'spy,' so they may prefer to be called Business Librarians, Strategic Planners, or some other euphemism, but what they really do is spy on the competition. They know where the C.E.O. of your company went to school, what he likes, and probably what business direction he will take given a particular set of circumstances.

They will do anything to find out information about you. Attending a SCIP meeting is like watching porcupines make love! Everyone tries to get information, without giving any away.

The P.I. side of competitive intelligence is the underbelly of an otherwise increasingly legitimate business discipline. "Let's say a client hires me to find out about a new disk drive being developed in Silicon Valley," says the SCIP guy. "Do I get hired as a janitor or place someone as a receptionist? No, I spend a week or two going to every bar within five miles of the plant. Get to know the bartenders. Find out who drinks there. Every company has a hangout. People like to be with people they know and talk about things they have in common. When I find out where the company or

department drinks, I start going there. I join the softball team. I guarantee you within 30 days they will tell me *anything*, because they are excited about what they're doing. Of course, they'll say it's confidential, but engineers have inquiring minds, and they're not capable of not talking about their work. The European idea of putting a woman in bed is passé. Just buy the engineer a drink and ask what he's working on."

LOOSE LIPS

It seems Americans are much more open with information than their European or Oriental counterparts. Kellogg in Battle Creek, Michigan, used to give factory tours to school children and serve Fruit Loops on ice cream at the end of the tour. Before long the kids were being crowded out by heavily accented European and Asian men taking notes. Kellogg tried to ban note-taking, but the men started coming on every tour, memorizing model numbers of machines and plant layouts. Finally the company stopped all tours.

"In other countries, it's part of the culture that no one talks," says the P.I. "If you go to a party at the Bulgarian embassy, it's taken for granted that everything is bugged. Once you leave Foggy Bottom though, no one believes it's done here. A company in Silicon Valley used to throw lavish parties for the hottest engineers and software writers in the industry. It was an honor to be invited. You get 150 hot shots drinking in a room, and of course they're going to impress each other with what they're working on. The morning after the party the host was editing the tapes of every conversation. The human voice operates

A survey of industrial security agents reveals some surprisingly simple "keys" to getting information.

Always call right when the firm opens. The receptionist and the grunt-level engineers will be there, but the bosses and the public relations department will often roll in 15 minutes late. The person who answers the phones is programmed to transfer the calls as quickly as possible, and she may connect you to someone who can provide you with information—though not necessarily the person your competition would like you to be talking to.

in a very narrow range, and it's very easy to eliminate carpet scrub, glasses clinking, and the sound of the band. Whatever the parties cost (and it was a lot!) it was paid back easily in information. The "Embassy Party" is the oldest trick in the book and it worked like a charm!"

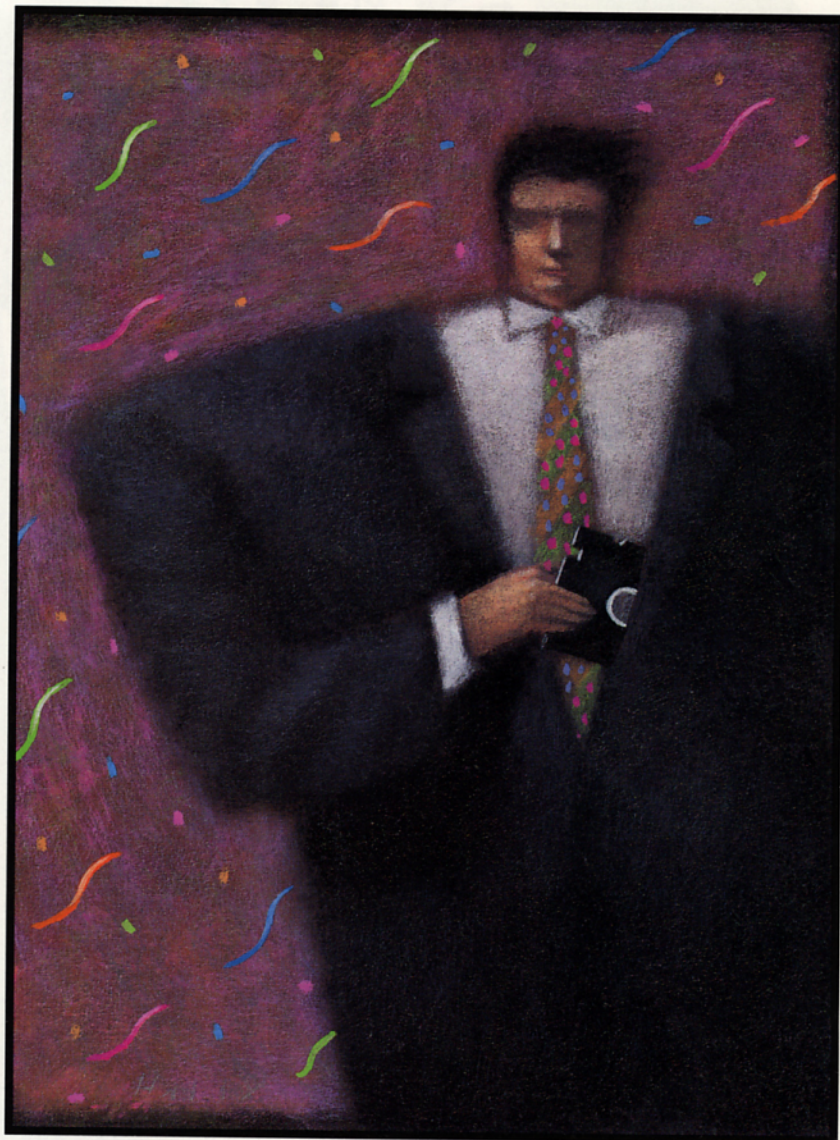
The Europeans aren't immune to

by DUANE CARLING

competitive intelligence thrusts, however. The Eastern Bloc underground is no longer concerned with military survival. Now it's fighting for economic survival, but the tactics are the same. There are reports of a European executive placement firm that specializes in placing high level executive spies in the board rooms of their client's competition. If firm A wanted to bug firm B, it would arrange to have the placement firm find a job for one of its "unhappy executives" with firm B, extolling the value of all knowledge of firm A the executive would be bringing with him. Firm B would pay six figures to get the turncoat, while firm A would continue to pay him his real salary for the real competitive intelligence.

KNOWLEDGE IS POWER

Michail Porter of the Harvard Business School wrote *Competitive Advantage* in 1985, one of the few texts on the subject of industrial spying. He was then appointed to the President's Commission on Industrial Competitiveness, which led him to write a similar book, *The Competitive Advantage of Nations*, which is focused at the international level. He says of competitive intelligence, "The full arsenal of competitor analysis tools should be brought to bear in predicting how competitors will behave under different scenarios. Strategic mapping is often a useful tool for integrating predictions of likely competitors' response...The environment today in most of the developed world is one of relatively slow growth, coupled with growing global competition, a dramatic change from the previous decades."



GREG HALLY

Sounds like an arena for the C.I.A. In fact more firms are hiring companies such as Atlanta-based Business Risk International, a worldwide organization peopled with ex-CIA, FBI, and Secret Service agents. They are the counter spies who track down the leaks in multinational companies. While they are looking into the lives of individuals, they also look at what is published in public documents concerning their clients as well as their competitors.

"If you know where to look and what to ask, almost anything is available, and often the government is willing to find it out for you. It's a new trend in business: not only know your market, but know

your competitor," said Leila Kight of Washington Researchers Inc., a firm which gives seminars on how to do it and how to avoid having it done to you.

Some tips for the first-time spy/counter-spy. Knowledge, of course, is power, and the more you know about your target company, the industry, and how they are organized, the easier your job will be. You should know enough about the person you will be talking to and the information he can provide you to distill your quest into one key, pivotal question. Once you have the key question, and the lower the person on the organizational totem pole, the more likely he or she will

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