

How to do intelligence analysis in a post-truth world

Post-truth in a historic context

Even when it happened three years ago, it is still true. The Oxford Dictionary has selected “post-truth” as word of the year 2016. These words relate very much to 2016; a year of surprises to many. The two most prominent surprises may well have been the Brexit and the Trump vote.

Surprises, for all their unexpectedness, however, tend to have things in common. Consider next to Brexit and Trump the following historic surprises:

- the Japanese attack on Pearl Harbor in 1941
- the Soviet invasion of Afghanistan in 1979
- the Iraqi invasion of Kuwait in 1990

In all the above five cases the surprise resulted to a large degree from the fact that analysts *could not imagine* that the involved actors – from the Japanese war cabinet to the US voters – would do what they did. I believe the reason for this has been that *in the minds of the analysts* the actors did not act *rational*. Here’s what history tells about how the analysts reasoned in each of the cases:

- It was not in the interest of the Japanese to attack the US: it would only unleash a war they could never win.
- The Soviets had nothing to gain from interfering in Afghanistan. Even the British at the summit of their imperial power failed in conquering Afghanistan in 1839-1842. A running gag in analysts circles in the late 1970s was that “the analysts had it right, it was the Soviets that had it wrong [by invading]”.
- Saddam Hussein would never be so stupid to attack Kuwait because his possessing of Kuwait rendered the Gulf Coast Saudi oil fields non-defendable. Given the US car drivers’ dependence on that eastern Saudi oil province for its gas guzzlers, the US would fight for Kuwait and hit Saddam hard.
- Voting Britain out of the EU would bring inevitable economic misery; it wasn’t in the UK citizens’ rational self-interest.
- Voting Trump into the White House was naïve; the progress of economic globalization may be decelerated but not changed.

In hindsight, in the upper three cases the analysts were right (in the latter two the jury is still out). The Japanese, after all, lost the war. Afghanistan accelerated the collapse of the Soviet empire. Saddam in 2003 got the real bill for invading Kuwait. The hindsight wisdom, however, is not the point. The point is that the surprises did happen and did so to the embarrassment of the analysts.

Emotion-based action has rational analysis for breakfast

Rethinking the above, the word post-truth gets an arrogant ring. Actions driven by seemingly irrational emotions or based on *facts that never were* are as post-truths discredited as untrue. Apparently only analysts own the truth. Others don’t. These others, however, do own the vote - as in the case of Brexit and Trump - or the action, think of the Japanese warlords, Brezhnev and Saddam.

Why does this matter to us in business? I guess because we have been selected as analysts because we excelled in rationalism. Old-school rationalism is imperative in most of our work. Rationalism, however, does not automatically protect us from post-truth surprises.

Questions are better than answers

Reflecting on the 2016 surprises I decided to ask myself as analyst serving among others the food industry a few humble questions:

- When did I last visit a real-life consumer or customer and truly listened?
- When did I last talk to a real-life competitor – instead of talk about them?
- When did I last embrace rather than reject news that did not confirm my existing views?
- When did I last consider that humans decide mainly based on emotions?
- When did I last leave my comfort zone by actively looking for interactions with non-peers?

As analysts, part of our task is to be the corporate early warning system. We are paid to identify opportunities for our business early on and to discover trends that when unnoticed may develop into nasty surprises. In democracies such as the UK and the US, elections typically take place once in four years. In the FMCG-business, they happen daily at the (on-line) shelf. I believe we can only make our business serve our daily voters well when we realize their actions are not some post-truth irrationality but are driven by *their* very truths. We'd better actively search for these real truths and properly acknowledge the related emotions driving them if we don't want to continue to be surprised.