

BUSINESS LIFE

Everybody loves a conspiracy – provided they are part of it. That is the lesson of the outbreak of outrage in the UK last week, when the “secret world government” that attends the Bilderberg meetings landed on the front lawn of middle England.

This elite group of business people, politicians and thinkers met near Watford, north of London, and concluded, well, officially, nothing – while stirring up swarms of irritated conspiracy theorists.

But people who object to cartels, cabals or closed-door conferences because they are exclusive miss the point. Such meetings are fine as long as they are a) legal and b) effective.

Whether at corporate or cabinet level, radical openness is not always the best option and sometimes, I’m sorry to have to reveal, secrecy improves efficacy.

I recall, for instance, witnessing the first televised sessions of the EU’s councils of ministers in Brussels 20 years ago. The outcome of this burst of transparency was, and largely remains, disappointing. Ministers naturally reserve their most substantial contributions, their most important negotiating concessions, and presumably their cruelest jibes against rivals, for when the cameras are pointing in the other direction. What their constituents see is a parade of preening politicians, preloaded with prepared statements.

As David Stasavage, now chair of New York University’s politics department, wrote in a 2005 analysis of the EU’s attempts at openness: “The problem with posturing is that

it poses the risk of a breakdown in negotiations, and thus a dramatic loss of efficiency.”

When the private debate becomes inadvertently public – as it did in 2008 when a Danish film crew broadcast an internal debate from the previous year’s EU summit – citizens are often shocked that elected representatives’ private position differ from their public stance.

However, ministers’ two-faced approach may be merely pragmatic. If you allow people to debate freely in secret, they can reach collectively beneficial compromises more easily.

If voters or workers have confidence in their leaders they should accept it is more efficient to assemble a select group to take important decisions *in camera*, not on camera. Bob Frisch, author of *Who’s In The Room?*, advocates the use of small teams working in private outside formal corporate hierarchies.

He says “the smooth running of any organisation requires that options be explored, possibilities created and trial balloons floated, with no risk that someone will later say ‘Can you believe they were actually seriously considering that?’”

Fear of cabals is based on distrust. So transparency has its place, as a regulator of malpractice (bribery, corruption, collusion and undue influence), and a default setting for wider consultation. But shareholders and staff should be able to hold corporate leaders to account for decisions, without having to witness, let alone take part in, the messy

prior debate. Try to set strategy by

open consensus and, more often than not, the real decisions will be taken in the shadows.

A meeting such as Bilderberg, which aims to put Henry Kissinger together with Alcoa’s chief executive, the premier of Saskatchewan and the FT’s chief economics commentator Martin Wolf, could, in theory, determine the fate of the globe. But, if that is the intent of invitation-only gatherings, whether more secretive (like Bilderberg) or less (like Davos), their record is pretty poor.

Etienne Davignon, the Belgian viscount who used to chair Bilderberg, told the BBC in 2005, “If we were a secret government of the world we should be bloody ashamed of ourselves”. That was before he and his alleged co-conspirators failed to forestall or even foresee the worst financial and economic crisis in generations. In fact, the success of these groups stands almost in inverse proportion to the smugness of many of their participants.

Why? Because secrecy alone is not the only condition for success. Buggy collections of grandees, former prime ministers and representatives of traditional corporate and political interests are the opposite of the small, agile, diverse groups that form policy at successful companies.

The reason secretive groups are less effective than supporters hope and critics fear is not that they meet behind closed doors. It is that when the locks snap shut, too many of the wrong people are in the room.

andrew.hill@ft.com
Andrew Hill blogs at
www.ft.com/businessblog

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Case study

Using digital to explain a product

Hiperbaric had to educate buyers



The story. Hiperbaric, a company of about 50 employees based in Burgos, Spain, is one of the world’s leading manufacturers of high-pressure processing (HPP) machines for the food industry. This is a relatively new technology that allows companies to extend the shelf-life of food without heat or chemicals.

By 2011, however, the business had gone from being a leader in a low-competition field to having three new competitors with large resources. The potential market was huge – products from milk to salsa can use HPP – but, as a small enterprise, Hiperbaric had limited resources to reach them.

The challenge. Even though HPP was becoming more familiar in the food industry, the first barrier remained enabling the technology to be well known. Hiperbaric’s potential market was also geographically widespread and complicated by a long and technical consulting sales cycle. HPP machines cost from €500,000 to €2m so any decision to buy could not be rushed and involved building trust with the client.

The strategy. Hiperbaric realised that people who discover for themselves what new technologies can bring to their businesses are more likely to buy compared with those approached cold. The discovery process typically happens through online research.

Hiperbaric invested €60,000 transforming its website, which had been filled with technical language. Instead, the company decided to educate visitors to the site by creating content that explained the technical benefits of its equipment as simply as possible.

The new website used language that anyone could understand to show how its technology applied to the food industry. Video content was also developed to explain the story of Hiperbaric and the specific benefits of its machines.

There was also a heavy focus on search-engine optimisation to increase the prospects that potential clients would see the new content, and the videos were placed on a YouTube channel. The company reinvented its LinkedIn and Twitter presence, focusing in particular on external community management and increasing the number of postings. At the same time, Hiperbaric launched a Facebook page

and blog.

The strategy was to exploit digital less as a sales channel than as a communications channel.

As sales leads increased, Hiperbaric management hired a digital sales specialist. This new role meant there was a person dedicated to responding quickly to any prospective client that contacted the company via any digital channel. This took the pressure off the small sales team, which was still required to continue attending events and guiding customers through the sales process.

The results. After overhauling its digital presence, Hiperbaric’s sales rose from €14m in 2011 to €34m in 2012 (the initial sales forecast for the year had been €19m), and from selling 12 machines in 2011 to 22 last year.

The lessons. When selling products that involve a limited resource, such as €60,000 investment in making a website more accessible, it is crucial to focus on the right channels.

Number of machines sold in 2012, up from 12 in 2011

€60,000

Investment in making website more accessible

22

Number of machines sold in 2012, up from 12 in 2011

huge investment from customers and may involve unfamiliar technology, not all marketing activities should be geared towards selling the product, either directly or aggressively.

Educating and building trust through communications is just as important. Digital is particularly useful as the first step to engaging with potential customers.

Sometimes companies use only a sales objective to assess the success of their digital strategy. But this is unfair – particularly in relation to high-cost products sold business-to-business.

Digital media is not often the last point of contact before a consumer makes a purchase, but can still have a huge impact on the customer’s decision to buy.

Finally, digital communications should be seen as a complement, not a replacement, to other activities; people who become interested in a particular product because of a company’s online marketing still need to be convinced to buy by direct contact.

Pablo Foncillas

The writer is a lecturer in marketing at Iese Business School

es from trailing husbands



Down with the kids: husbands who take on responsibility for the home while the family is overseas can feel isolated

Alamy

ple grew up create other problems, says David Schiesher, a Geneva-based psychotherapist, recalling a couple who consulted him. The wife’s job involved repeated overseas postings, hindering the husband’s career. He became resentful and depressed; she thought he needed to make a bigger effort. “Even though she was comfortable being the provider, there was

but few look for regular employment.

Settling in a family in China is a job rarely get the chance to talk to other men. He advises trailing males to look upon spouse groups as stepping stones to exploring local life.

This is the approach that Kevin Anderson, a retired high-school band director who followed his accountant wife from Texas to Brussels, has

Schiesher, especially if you are the only male at the school-gate and rarely get the chance to talk to other men. He advises trailing males to look upon spouse groups as stepping stones to exploring local life.

This is the approach that Kevin Anderson, a retired high-school band director who followed his accountant wife from Texas to Brussels, has

The public image

Ad deconstructed
GiffGaff’s ‘Don’t Be Scared’

s out that pay-at-home can feel cause they now in’

based Guy Tai – a Chinese for “lady who knows of trailing in early stages in g and Zurich. “As we on to other citizens form local groups, someone else and things together”.

Alamy