



## Strategic intelligence as countervailing power toward destructive narcissism at the top.

### Brief summary of the book “Big Boys Big Egos and Strategic Intelligence”, released October 2015.

Narcissism is widely spread at the top in private and public companies as well as in non-profit organizations and the public sector. Narcissism is a necessary element for effective leadership, however can also become negative. So we speak about positive and destructive narcissism. Good examples are Steve Jobs (Apple), Michael Eisner (Walt Disney), Jack Welch (GE), Ingvar Kamprad (IKEA), Henri Ford (Ford Motor Company), Freddie Heineken (Heineken) and Richard Branson (Virgin). All leaders with vision and charisma who have been able to inspire and motivate their employees tremendously. There are also examples of destructive narcissism. Think of the “sun kings” at the top of many private and public companies and in politics. Examples are top management at banks, at insurance companies, NGOs, public organizations and what to think of Sepp Blatter (FIFA) and Michel Platini (UEFA). Research shows that narcissism can be measured objectively by looking at five key elements which tell us something about the narcissistic personality of the CEO. These five elements are media, remuneration, power, growth and emoluments. Variables which we can objectively determine are, amongst others, the number of publications in the press, number of awards, size of the photo(s) in the annual report, compensation, duality, number and size of the acquisitions and special perquisites such as the private use of the corporate jet. Narcissism is not a personality disorder, however is a personality dimension where everybody can score high or low.

Strategic intelligence is the way to organize the countervailing power toward the board of management and the board of directors. Strategic intelligence is executed by a small team of 3-4 professionals who report direct to the board. This means that strategic intelligence is positioned at the highest level in the organization, beyond risk management, because the focus of strategic intelligence is on gaining maximum insights & foresights on all aspects of the dynamics of change in the external business environment: future developments at markets, at customers, at competition, new legislation, new technologies and beyond. The key objective of strategic intelligence is to timely prevent the situation whereby the company faces a strategic crisis, avoiding the usual solutions such as cost cutting and the lay-offs of people. In addition to delivering the necessary countervailing power to the big ego's, the strategic intelligence team counteracts to the arrogance and complacency at the top, prevailing that the company continues too long on the successes from the past.

Ford Motor Company is a nice example how to do it. When Alan Mulally changed CEO-position from Boeing to Ford in 2016, he did the cost cutting and the decreasing of debts. In 2009 Ford made profit again after the heavy losses of US\$ 14,7 billion in 2006. What made the crucial difference? When Mulally started at Ford he created an strategic intelligence team with a war room. In his war room he had three walls in three different colors: green – orange – red. This was Mulally's strategic intelligence approach of visualizing “Ford's Global Battlefield” and his way to structure the countervailing power at the top of the company.

Air France – KLM is a company where countervailing toward the board of management and board of directors failed. In 2004 KLM has been sold out to Air France. Since many years KLM is suffering from the underperformance of Air France and fierce competition from EasyJet and Ryan Air. Ryan Air considers to also start in 2016 at Amsterdam Schiphol Airport, home base of KLM. End of the 1990s Ryan Air started as price fighter. In 2000 Ryan Air had just 13 planes (KLM 186), in 2005 60 planes (KLM 182) and in 2015 320 planes (KLM 200). In 2015 – 2016 Air France KLM wants to position Transavia as their price fighter. In strategic intelligence it's not a matter of “management of control”, however the “management of opportunities”.

Other examples of destructive narcissism are the disasters of the sun kings at the Dutch housing corporation sector, at Royal Imtech and recently at Volkswagen.

Strategic Intelligence professionals use unique analysis tools such as strategic war mapping, scenario analysis, competitive arena analysis, grey swans analysis, strategy under uncertainty, early warnings and beyond. Briefly, the strategic intelligence professionals deliver to top management the actionable intelligence for the best decisions to make, 12 – 24 months ahead of the game. This is their way to give countervailing power toward the top. These

professionals are able to do so because they have at their disposal a company radar room whereby all the dynamics of change in the external business environment are monitored, 24/7. In addition to Ford Motor Company another excellent example of a company which has a radar room, or war room, in place is Cisco.

### **About the authors**

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