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CI challenges in Southeast Asia.

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Summary: Conducting competitive intelligence outside your own country is more difficult in most situations. Different cultures require different approaches and methods. Southeast Asia is even more complicated for non-Southeast Asians because of ideological, cultural, and language differences. Sean Freston elaborates on the primary difficulties of conducting CI in Southeast Asia (Singapore, Vietnam, Cambodia, Laos, Myanmar/Burma, Malaysia, Indonesia, East Timor, Brunei Darussalam, Philippines, and Thailand).

Over the past 20 years Southeast Asia has loomed large as an imposing presence in the world marketplace. Inexpensive labor, raw material, and a large number of potential consumers have made Southeast Asia a bustling area of growth for businesses of every size. Coupled with this has been the entrance of numerous multinational corporations into the region. A by-product of this growth has been an increase in international practitioners in the area of competitive intelligence (CI). In response, SCIP has made inroads by developing a broader membership in Southeast Asia as well as instituting a SCIP chapter in Singapore.

CI has been practiced in this region since the advent of commerce. Those who practice CI within Southeast Asia have a firm understanding of the cultural nuances that affect the gathering of primary business intelligence. They seek information on everything from supplier data to profiles on local Southeast Asian companies that now have international ties to multinational corporations.

Different cultures necessitate different approaches and methods to practicing CI. Conducting CI outside your own country is more difficult in most situations. Conducting CI in Southeast Asia is even more complicated for non-Southeast Asians because of ideological, cultural, and language differences. In this article I will elaborate upon the primary difficulties of conducting CI in Southeast Asia (Singapore, Vietnam, Cambodia, Laos, Myanmar/Burma, Malaysia, Indonesia, East Timor, Brunei Darussalam, Philippines, and Thailand).

Ideological

Authoritarian and communist regimes have maintained a grip on the populace of these countries for generations. Due to the tumultuous and violent pasts, local residents are extremely hesitant to stick out from the crowd. The party in favor one week may be the party on the chopping block the next. This has helped create a people that are afraid to take an individual stance on anything. Further, the governments of these nations often classify corporate details as state secrets. Thus,

contacts are usually unwilling to share potential problems or information that may be deemed sensitive in nature.

The word intelligence envisions a single meaning for the residents of Southeast Asia, that of government informants/spies. This environment makes conducting what can be perceived as prying interviews extremely difficult. A foreign CI practitioner can expect that local governments will be monitoring telephone and fax lines. In addition, local security bureaus will often pay drivers and maids for information related to the activities of foreigners.

Religious ideologies can be a factor in a CI practitioner's ability to elicit detailed information. Though religion does not always become an issue, it can play a limited role in a contact's behavior. In Indonesia the population is 90 percent Sunni Muslims. In Brunei, Islam became the state religion in 1959. Further, Malaysia has recently experienced a shift towards Muslim fundamentalism. This fundamentalism has advocated the shunning of modernization and advocated more importance on the family. Coupled with clashes between Muslims and Christians in Southeast Asia, fundamentalism can have a negative effect on a foreign CI practitioner's efforts to obtain information. One can assume that a Muslim contact will be wary of providing assistance to a Westerner.

Cultural

Foreign CI practitioners must fully understand the culture of the country that they are working in. National cultures dictate the behavior of the contact. In addition, one cannot assume that merely because a contact holds a title or position that would be "in the know" in Western circles, that this is necessarily true for Southeast Asia.

From an outward glance a foreign CI practitioner may decide that contacts with impressive titles are the contact of choice. However, the Chinese Diaspora (ethnic Chinese) have significant business influence throughout Southeast Asia. While these ethnic Chinese maintain a majority in businesses, they are often prejudiced against in these countries. Many countries have regulations in effect that require a local ethnic representative to control the business.

For example, in Malaysia, ethnic Malaysians — or *Bumiputra* — are required to have a majority interest in an increasing percentage of businesses. To get detailed information from a company, it may not be the figurehead that one must speak with, but the Chinese behind the scenes. In addition, the same sort of event can be witnessed in Indonesia where the *pribumi*, indigenous Indonesians of Malay descent, often have the management responsibilities of several key enterprises, primarily infrastructure, oil, gas, and mining industries. These examples emphasize the importance of understanding who the local stakeholders are in the countries which one is conducting research.

Often in these cultures seniority of title takes precedence over actual skills. When asked about anything that may be deemed a sensitive issue, subordinates will refer the contact to their direct superior. A lack of understanding of the local social structure can even be considered an insult. For example, if a CI researcher were to circumvent the senior executives of a firm and speak with a contact who has direct involvement in day-to-day operations, the contact will more than likely report this to their superiors, who will automatically distrust the researcher for going around their

authority.

Society as a whole in Southeast Asia is more collective and most people come from a rural background. For example, 90 percent of Cambodians work in agriculture and 70 percent of Indonesians reside in rural areas. The community works as a cohesive unit to take care of its members and no one single person is more important than the community. There is little room for individualism. In this type of environment, it is extremely difficult to find out who is actually a key information-holder because particular information cannot be attributed directly to any one individual person.

Furthermore, everyone knows one another. It takes a long time for a newcomer to be accepted into the fold and trusted. This is especially true with foreigners, particularly Western ones who are approached with mistrust in regards to their intentions. It is believed that these foreigners are intent on achieving objectives to their own end and will disrupt the harmony of the group. Contacts will likely be non-confrontational and seek to maintain group harmony. For example, Thais believe in avoiding conflict and will not provide negative news or alert one to problematic items.

Southeast Asians generally abide by the mantra "out of sight, out of mind." If a contact is asked to seek out information they will most likely not take immediate action. They believe that the question will sort itself out, particularly if they are not constantly reminded to follow through with a specific action. This can be attributed in part to their strong belief in fate.

Within countries with a high Muslim population — such as Indonesia and Malaysia — women CI researchers may have difficulty in gaining an audience with contacts. Women are deemed to be of a lower social stratum and may not be given the same respect or attention as a man would be provided.

Language

In this region, each country has a separate language and most have several languages and dialects. English is on the rise in this area, but one cannot expect that the subject will speak English at a level that can convey the answer the CI researcher is seeking. In addition, only speaking English is a mark of an "outsider" who does not really know the country. Pressing questions can seem to be suspicious. This is particularly true in Vietnam where people have a distrust of consultants.

Key success factors

Success in practicing CI in Southeast Asia is partially determined by the status of the CI professional conducting the research: a corporate CI facilitator or external CI practitioner. In this case, a corporate CI facilitator is one who directs or commissions research within an organization. An external CI practitioner is an outside supplier of intelligence, typically to a corporate CI facilitator. These two groups each fall under a separate set of rules.

A corporate CI facilitator must always remember that local governments would jump at the chance to expose a foreign spy, particularly a Western corporation. This obviously would cause great embarrassment. Making use of government contacts

and networking the expatriate community is key. For other types of primary intelligence work these facilitators should outsource and utilize external CI practitioners.

An external CI practitioner, unless extremely familiar with a network of local contacts, should utilize a local stringer for primary research. These nationals are typically referred to as *compradores*, who are traditionally Chinese agents engaged by foreign businesses to take charge of Chinese employees and act as an intermediary. *Compradores* act as a local representative for foreign businesses in Asia. These *compradores* often have contacts within the community that will facilitate introductions and information gathering.

Obtaining the services of a *comprador* that can be trusted with at times sensitive research can be an arduous process in itself. Generally, a good *comprador* is one that has been referred by someone in a position of trust or has previously proven his or her abilities to discretely handle primary research.

If a corporate CI facilitator or external CI practitioner must conduct primary research in person it is imperative that they are above suspicion and have strong contacts within the local government and business environment. This relationship-building is completed through the patient gaining of trust with local contacts through a process known by many names in Southeast Asia, such as *guanxi* with ethnic Chinese and *pakikisama* in the Philippines.

One key in eliciting information is to ask indirect questions of a source, particularly those that can be answered affirmatively, but have a negative meaning. This will allow the contact to answer a question without feeling that they need to circumvent it so as not to create an awkward situation. An example would be to praise the contact on a certain topic within the company. The contact will try to downplay the praise and provide information on aspects of the topic of discussion. A CI practitioner must be persistent and patient when seeking information. A source will need to be consistently reminded to follow through on seemingly small requests.

Finally, a business intelligence researcher must not engage in the local practice of providing bribes or kickbacks for information. This can obviously be avoided by refusing to deal with the requestor of such payments. One way to avoid this practice is to be prepared with information that the contact may require or provide some introduction to a contact the source does not already have. Preferably, a CI researcher will have alternate sources of information that can be relied upon.

To conduct CI in Southeast Asia, primary research must be played like a well thought-out chess match. Foreknowledge of the ideological, cultural and language aspects of this region, tempered with patience will reward a CI practitioner with a continual flow of reliable information.

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