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THE OXFORD ANALYTICA STORY:
OXFORD IN BRIEF

by

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(Queen's '61)

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ON JUST ABOUT any rainy Friday night in Oxford, if one walks from the Broad down the Turl to the High and crosses over, one then heads down a narrow cobble-stoned lane called Alfred Street. At the bottom, the lights of The Bear pub may be on but the only other lights in the street are in the offices of Oxford Analytica next door. It is the evening shift, closing up another week of what might be described as the first private-sector, overt, global intelligence network.

From this quiet back-street in the heart of one of the world's most ancient centres of learning, the most modern means of telecommunications are being used to deliver a strategic news analysis service around the world each weekday to—as is said in its advertisement—“Presidents, Prime Ministers and you.” A major reason why the *Oxford Analytica Daily Brief* has attracted a readership of over 20,000 is that its authors are among the world's foremost authorities on politics, economics and international relations. Indeed, the core of the Brief's scholarly contributors is a group of Oxford dons whose names are familiar to American Oxonians. This is the story of how many of the dons who led our tutorials came to be involved in this unique Oxford enterprise.

The roots of Oxford Analytica go back some 35 years to 1961, when I came to England from America to read law at Queen's under Tony Honoré, then Fellow in Law. From Queen's in 1963 I went to Cornell University to get my American law degree, be called to the Bar in New York and, thence, back to the Inner Temple to be called to the Bar in England. The next four years were spent at Milbank, Tweed, Hadley & McCloy in New York and,

while on secondment to the Rockefeller family in 1968, I met Henry Kissinger, who was then advising Nelson Rockefeller during his bid for the Republican nomination for President. In due course, Kissinger became President Nixon's Assistant for National Security Affairs and asked me to join him in Washington. After asking (and heeding) the advice of John J. McCloy, then the senior partner at Milbank Tweed—"When they ask you to serve, you go"—I joined the National Security Council (NSC) staff as Kissinger's Administrative Assistant in late 1969.

During the next four years in the White House—until 1973—I observed among other things how Kissinger made ample use of his own personal network of friends around the world; individuals whose judgement he respected and who he felt would give him an unvarnished and detached view of what was going on in a particular situation.

In early 1973, I again sought the advice of McCloy on whether to stay in Washington. His answer: "It is better to leave too soon than to stay too long." This made eminent sense, especially in the frenzied post-Watergate climate of Washington. At about the same time Honoré wrote to admonish me: "You can't spend four years in the White House and not write it down. Come on back to the quiet and calm of Oxford and get down your reflections." While I protested that I was too young to write my memoirs and certainly not in public, Honoré replied that I could make it a D.Phil. —and then lock it away in the Bodleian. He specifically wanted me to get down how decisions were made in the White House. His argument—as a scholar in Roman law and history—was that if only someone in Caesar's palace had done this, at least he'd have the record today. So I returned with my wife to Oxford and Queen's in 1974 and eventually completed a D.Phil. in 1981 under Professor Herbert G. Nicholas, and with critical encouragement from the then Professor of International Relations, Alistair Buchan.

In the meantime, I was made a lecturer at Queen's and began tutoring in the PPE Schools (American Government and International Relations since 1945). For this opportunity and the enjoyment of now having some couple of hundred former pupils around the world, I will always be grateful to the then Fellow in Politics at Queen's, Geoffrey Marshall, and the Senior Tutor at Univ at the time, Maurice Shock. Never having read PPE, it has been very much a two-way process—and I owe much to my pupils.

Most relevant to this story, however, was the fact that as I looked

around Oxford at the time—from the perspective of four years in Washington—I could not avoid a very simple idea, namely: “What a reservoir of talent: there must be a way of harnessing it, and becoming a bridge for it to reach the business and government worlds outside.” At the centre of this vision was the conviction that people in authority—the world over—would more often than not make better decisions if they were to regularly receive the benefit of totally dispassionate and detached analyses on the significance and implications of world events. Again, the calm and quiet of Oxford provided an ideal environment in which to pursue such an idea.

Other institutions, such as Stanford Research Institute and Arthur D. Little, had bridged the academic/commercial gap in scientific, technological and management areas. My challenge was, could it be done in the fast-moving world of politics and economics?

To test the idea I first raised it with various dons and College heads—including Raymond Carr at St. Antony’s, Lord Blake at Queen’s and Sir Patrick Nairne at St. Catherine’s. My argument—in which all concurred—was that I recognised each don’s first obligation was to the pursuit of knowledge in his field, to his scholarship and students. But, I also felt that we could provide an additional outlet for such knowledge, and indeed enhance it with travel, research assistance, real life problems to solve—and of course a supplemental income. It might even counter the exodus of good scholars abroad. As a case in point, I recalled that my salary as a young Wall Street lawyer had been a multiple of that of the finest law tutors in Oxford. In short, if we could provide some correction to the imbalance, we might provide “brains without the drain.”

Returning to Oxford, our first major break came in early 1975 with the General Electric Company in the US, then under the chairmanship of Reginald Jones. The study commissioned was a three-to-five year outlook for the UK. Five dons were involved under the leadership of Maurice Shock and David Stout at Univ. The result was so well received that GE came back and asked us to proceed with similar studies on the Philippines, Australia, South Africa and Brazil. I immediately set about building these teams, and the business was born.

Oxford Analytica was thus formed with a handful of dons in early 1975 to undertake political economy country studies; i.e., getting the right balance between political and economic constraints. Early team members included: Peter Pulzer at Christ Church, Wilfrid Knapp at

St. Catherine's; David Soskice at Univ; Archie Brown, Malcolm Deas, Raymond Carr, Albert Hourani and Michael Kaser at St. Antony's; Peter Sinclair at Brasenose; Maurice Scott, Laurence Whitehead and Francis Seton at Nuffield; Peter Carey at Trinity; Philip Windsor at the LSE and Patrick Seale, an independent Middle East correspondent

This consulting and research aspect of the firm continues to provide the foundation and core business of the firm. Today, at any given time, numerous studies are underway on a very wide range of issues. Some recent examples include:

- an analysis of the consequences of different political succession scenarios in various Middle Eastern countries
- an examination of China's policy options regarding regulation of its telecom industry and the most likely outcome
- an assessment of the investment implications of violence in South Africa
- an assessment of a range of countries for political risk insurance
- a ranking of particular developed and emerging markets for asset allocation decisions

In recent years some higher profile projects have included G7 summit briefing papers for one of the participating nations and an assessment of how long the Iraqis could withstand sanctions when first imposed by the UN/US in the aftermath of the invasion of Kuwait in August 1990. The latter illustrates the comparative strength of the ivory tower over the trenches (or satellites), for although we did not have all the details on supplies and munitions, etc. that the client—a Western government ministry—had, we did have exceptional depth of knowledge and historical perspective as to the character and nature of the belligerents. We also were able to compare such an action with the efficacy of sanctions in other parts of the world, such as Southern Africa and Cuba.

By 1984, we had fifty or so major clients and there were some 250 scholar/experts in the network in some twenty or thirty country study teams, from perhaps fifty other universities. At this point, several new developments seemed to converge.

First of all, it was as if one had a twenty-five-room hotel but at any given time only five rooms were occupied. In other words, out of twenty or thirty study teams, only five were doing anything at any given time.

Secondly, communications technology was advancing so quickly that one could actually deliver quite extensive analysis directly to clients instantly and inexpensively. Thirdly, there was client demand for quicker, shorter, more timely analysis on world events.

Perhaps the best example of the last development followed our completion of a major study on the Middle East for three big American oil companies in the summer of 1981. A few weeks later, President Sadat of Egypt was assassinated and the clients were on the phone to Oxford immediately asking who was this fellow Mubarak and what did his presidency bode for their interests? The Oxford study team rolled up their sleeves and within forty-eight hours produced an analysis of Mubarak's career to date, his strengths and weaknesses, and how these compared with those of Sadat. Finally, they made an estimate as to the way things might next unfold.

The compliments that arrived back in Oxford convinced us that we had actually done something very special. It was like the Wright brothers—we hadn't gotten very far or very high, but we got lift. We had delivered the best analysis that high-level corporate executives had ever seen close enough to the event to make a difference.

With this as a model, the vision of being able to provide authoritative and timely daily analysis of major world events for the private sector became less of a dream and more of a realistic goal. The question was, could we provide to the private sector what had always been available to presidents and prime ministers—namely, reliable analysis sufficiently close to events to make a difference to decisions? We would model it on the "President's Daily Brief," which I watched Kissinger carry into Nixon every morning—and we would call it the "Oxford Analytica Daily Brief" (OADB) and target it at corporate and financial decisionmakers responsible for interests around the world.

To create such a service—indeed any intelligence system—requires three steps: *collection*, *analysis*, and *communication*. We decided to buy the first, *collection* (from major newswires) and the third, *communication* (e.g. electronic distribution via the various information networks) and to concentrate totally on the middle step, *analysis*. Here I must credit the President's Daily Brief and the NSC process under Kissinger with the three basic questions which we at Oxford Analytica seek to address in our analyses:

1. What is actually happening? In other words, is this particular news development just PR, hype, rumour, disinformation; or is it real and will it have a significant impact?

2. What is likely to happen next? As the Desiderata prayer in the Baltimore church in 1624 states: “Whether or not it is clear to you or me the universe is unfolding as it should.” History usually does not jump around; it unfolds. The trick is to distinguish the unfolding from the rumples, or in Information Technology language, the signal from the noise.

3. What will A do if B does X? What will Chirac do if Kohl does X? What will Clinton do if Dole does Y? What will Yeltsin do if Zhirinovski does Z?

Question number three for the NSC of course, was “What will **they** do if **we** do X?” But, as I often stress with staff and dons, although we are not players, we can ask the same questions. Indeed, not having an axe to grind should enable us to come up with more accurate answers. Or put another way, being in the ivory tower means you can see further out into the valley than you can from the trenches (and maybe even from the satellites)! In effect, our aim has been and is, to “take the surprise out of international events.” A recent example: our flagging of potential currency problems in Mexico as early as April 1994, and then again in June and November—each time with more confidence, and well before the eventual crisis in December 1994.

Our original aim was to service line executives in the private sector who held international responsibilities. We also rapidly gained numerous clients in staff positions—from strategic planning and research departments to treasuries and government relations offices. Increasingly, we now have a growing number of public sector clients as well (about 20%). In governments, our clients are usually the Office of the Prime Minister, the Foreign Ministry, the Central Bank, or Finance Ministry. During the Gorbachev era, one day when we were in discussion with the Russians at the USSR Embassy in London that morning’s news contained a story about Yeltsin getting his own foreign policy advisor. Our contact whispered—after glancing over each shoulder—“Don’t worry, he gets a copy of the *Oxford Analytica Daily Brief* as well.”

From the very beginning of Oxford Analytica, we were convinced that the only way we could achieve our original vision and establish the credibility essential to success would be if there was absolutely no ideological, political, partisan or issue-advocacy element in our work. In other words, we were never going to write prescriptive leaders or editorials on what certain prime ministers or presidents or chief executives should do. Instead, we would try to explain what they were likely to do, *not* what we would like them to do.

Convinced we had a critical mass of analytical talent in our network of contributors, and having decided on the name—the *Oxford Analytica Daily Brief*—I then set out to acquire the skill to write to deadlines. To this end, we went to Fleet Street and recruited a handful of top journalists including Richard Davy, then of *The Times*, and David Watt formerly of the *Financial Times*, and a bit later, David Lay of the BBC World Service.

We then went to see our major clients in the United States to test whether there was demand for a Daily Brief from Oxford. The most encouraging story from these meetings came from Walter Wriston then head of Citibank. “My job is to figure out what to do each morning once they tell me which wall they’re climbing over. For instance a while ago our branch in Santiago, Chile, burned down. Our man on the ground there kept saying it was an electrical fault and everyone would be back to work the next day. My man here in our New York head office was convinced that Allende hated us and would keep burning down branches till we left. He urged we get everyone out.” Then Wriston concluded: “If you can help me with that kind of problem, you’ve got a business.”

Of course not everyone recognises the value of the scholar/experts’ perspective. From time to time cynics will chide: “if those dons in Oxford are so smart, why aren’t they rich?” The answer of course from the Oxford end is “If those guys on Wall Street are so rich, why aren’t they smart?” In the event, eight firms came on board, and on September 27, 1984, the *Oxford Analytica Daily Brief* was born. Four 800-word articles were produced—and we have continued to produce at least four or five every weekday since.

And so, in the little cobble-stoned back-street in Oxford today, the first step of the intelligence process—*collection*—begins with the major news wires, world press and monitoring services coming in around the clock. These thousands of developments are filtered by the full-time staff down to several hundred, and each morning between 08:00 and 09:30

over coffee, orange juice and biscuits (cookies, remember?), the Region Heads—the University dons and scholars—meet with the full-time staff to continue the sifting, look for “straws in the wind” or “weak signals,” and vet articles filed by network contributors. The staff is organized under seven regional and one international economics desk. Each desk has two or three dons who split the Region Head responsibilities.

When discussion starts at 08:30, chaired by the Managing Editor David Lay, two loops are made around the table—first to note the major news developments of the past twenty-four hours for the one-page Executive Brief summary, and then to consider the most significant developments and ideas in more depth. The objective is to sort out what is really happening, what is likely to happen next, and the most likely “what-if” questions to address. Cross-regional comparisons, historic parallels, and ideas born of lateral thinking are very much in order. Then we try to identify who the best person is to do the first draft and, finally, when is the best time to do it. While this is all quite informal, it is nonetheless systematic and comprehensive (one might even argue that it is a most unique and effective quality control process.)

By 09:30 the minutes are read and 24 hours of world news have been boiled down to ten or twenty developments worth pursuing. As the dons depart for their lectures and tutorials, the full-time desk editors begin telephoning network contributors around the world to commission the articles decided upon and to gain corroboration and elaboration on the day’s pieces from others in the field. This editing and checking continues until the article is ready for the transmission deadline of 13:00 Oxford time each day. Articles generally fall into three categories which in order of urgency are: reactive (for example, surprises such as assassinations); diaried (for example, scheduled elections) and watching (for example, ongoing peace negotiations).

Recent ‘reactive’ articles have covered the consequences of Prime Minister Rabin’s assassination, President Yeltsin’s latest indisposition and the likely succession in Saudi Arabia in light of the King’s failing health. ‘Watching’ articles carried in recent Daily Briefs have included anticipation of the political crisis in Greece in the wake of Prime Minister Papandreou’s incapacity, and the likely shape of peace in the Balkans after the Dayton Accords.

In the twelve years since 1984, the client base has grown from the original eight with perhaps 10-20 readers at each to 100+ clients with

200-300 readers each occupying the highest levels of both international business and government. Moreover the original network of 250 contributors, largely from Oxford University, is today well over 1,000 from virtually every major university in the world. Over the past five years we have expanded our coverage with three new Regional Daily Briefs: the East Europe Daily Brief in 1991, the Asia Pacific Daily Brief in 1993 and the Latin America Daily Brief in 1994.

Perhaps the most important asset of Oxford Analytica is its reputation. It has been slowly, carefully and quietly built and we now believe the firm can arguably claim to have established itself as the premier strategic news analysis service in the world. In fact, in 1994 at the Third International Symposium in Washington on National Security and National Competitiveness, Oxford Analytica was given an award for creating “the first effective overt intelligence network with global reach.”

Needless to say the credit for such an award goes to all those, past and present, in Oxford and around the world who have played their part—our editors, directors, advisors, investors, staff and contributors.

Foremost among these is the core of dons at Oxford who have over the years come in for the morning conference and helped to sift out the wheat from the chaff, the signal from the noise, and to apply their judgement as to what the news of the world really means. They are the bridge between the world of ideas and the world of enterprise and the founding dons mentioned earlier have in due course been joined by other Region Heads, including Robin Ostle at St John’s, Philip Robins and Eugene Rogan at St Antony’s (on the Middle East), Valpy Fitzgerald (International Economics), David Washbrook (Asia Pacific) and Alex Pravda (Eastern Europe and FSU) at St Antony’s, Terry O’Shaughnessy (International Economics) and Nigel Bowles (North America) at St Anne’s, Jack Spence at the Royal Institute for International Affairs (who comes in most days on the speaker phone, covering Africa), David Hine at Christ Church and David Goldey at Lincoln (on Western Europe), Bob O’Neill at All Souls (on Asia Pacific), Tim Hames at Nuffield and Gillian Peel at Lady Margaret Hall (on North America), David Priestland at St Edmund Hall (Eastern Europe and FSU), and Desmond Blumenfeld at Brunel (Africa).

Once a year we bring together ten or eleven teams of dons and contributors to cover the world in eight seminars during three days of hard work in an Oxford College. This event is our International

Conference, jointly hosted with the *International Herald Tribune*. Over time it has proved most useful for business executives to take the measure of our scholar/experts—and vice versa! And then we all go to Blenheim Palace for a banquet where we have been addressed by major public figures such as Helmut Schmidt, F.W. de Klerk, and Dick Cheney.

The newest frontier for Oxford Analytica is that of information technology, which is at the heart of the third and final step of any intelligence process, communication. For while the *sine qua non* of the Daily Brief is the quality of its content, the advances in the technologies of delivery and sifting information have made it all the more critical that we stay at the forefront of effective and efficient communication. Our basic policy is to deliver to clients online—by way of their choice of system. Today these include, Sprint email, Bloomberg, Lotus Notes Newsstand, Desktop Data, and soon the Internet. But what is most special is that the quality content we deliver each day then constitutes a valuable and easily accessible database (called OxBrief), which was recently described as “the most accurate electrocardiograph of the health of the world.” This is the only coherent and comprehensive database of its kind updated each day, now with seven or eight articles, including the new three Emerging Market Briefs on East Europe, Asia and Latin America. At the same time, we can now filter each piece through an interest profile for each reader so he or she gets only what is of interest to them. Moreover we have recently added an interactive link between reader and professional staff in order to provide timely email responses to questions for the Editors.

Finally, we have not forgotten that we are part of the world of education. In a joint effort with the Harvard Business School Program for Management Development, we have developed a multimedia CD-ROM version of our database—“Global Vision”—as a research and teaching tool. Now not only can one access the last six years of *Oxford Analytica Daily Brief* (some 8,000 articles), but also maps, pictures, video and audio clips, biographies, and related IMF figures, charts and graphs, etc., all hyperlinked to each article. This multimedia CD-ROM database on the “political economy” of the 1990s is designed for teaching in high schools and universities as well as business schools. Professors can author in their own notes on the Point-of-View software and design courses from “the collapse of the Soviet Union” to “the 1991 Gulf War” to “the NAFTA negotiations and consequences”.

Perhaps having tutorials at home—or “Oxford on Tap” —is not so far away. The only thing you’ll miss is the cold rainy Friday night and cobble-stone back-streets of Oxford. That, and a chance to look up “Analytica” in the Bodleian and discover it is the title of the chapter on logic in Aristotle’s *Treatises*.

