

DAVID YOUNG AND OXFORD ANALYTICA

Inherited entrepreneurship?

The stories of David Young and Oxford Analytica (OA) are intertwined. David's father was born in Belfast and moved to the USA in 1927. There he worked for Texaco for 35 years, but always had outside property interests. Working as an estate agent in evenings and weekends enabled him to put David and his two brothers through university.

Emulating his father, David worked to earn money while at school, as a newspaper delivery boy.

Later, fuller entrepreneurial instincts emerged and David sold birthday cakes to fellow students at Cornell University. After three years, he sold the business, which was "making pretty good returns". David obtained law degrees, both at Oxford and at Cornell and later worked for a New York law firm.

The role of chance

Events then shaped David's whole career. In 1968, his law firm seconded him to assist the Rockefeller family with legal matters and he met Henry Kissinger, who was advising Nelson Rockefeller. When Nixon became president he made Kissinger his Assistant for National Security while Kissinger made David Young his administrative assistant. David therefore spent four years in the White House, and so obtained an insight into the way decisions were made at the very top of American government. He particularly noted how Kissinger used a worldwide, personal network of friends and acquaintances to get "an unvarnished and detached view" of events across the globe.

In 1974 David returned to Oxford, lecturing and tutoring students alongside working for a PhD on White House decision taking. Back in Oxford, with a perspective from Washington, David Young became fascinated by "a simple idea". He felt "there must be a way to harness Oxford's huge reservoir of talent and enable it to reach business and government worldwide." People in authority everywhere would make better decisions if they regularly received "totally dispassionate analyses" of the significance of world events. "I had the kind of feeling which led Kissinger to have his own private worldwide network, outside government. There is just too much 'spin' in and out of government".

The "simple idea" was tested in 1975 with five Oxford dons studying the medium-term outlook in the UK for the American General Electric Company. The test was successful, similar studies were requested and David established Oxford Analytica.

Oxford Analytica

OA is a limited company, but its shares are not traded in any stock market. David and those who work for OA hold the bulk of them. "We have always ploughed the profits back," says David "and there is now an equity scheme to include senior consultants and professional staff". There is a seven-man board of directors and an international advisory board of other prominent people.

David continues: "My colleagues say I am too much driven by the vision, not the business, but there is a strong management team." Michael Bates and Jens Tholstrup are David's right-hand men, and there are about 40 full-time professional staff, plus the normal support staff. About 15 people are in consultancy, run by Michael Bates and 25 in the Daily Brief editorial staff headed by the managing editor Graham Hutchings.

In its first phase, from 1975 to 1984, OA regularly served about 50 major clients with a network of about 250 experts, about 50 of the latter drawn specifically from Oxford, and the remainder from some 40 other universities.

The daily routine

The process of providing briefs is well established and polished. Throughout each week-day, developments reported by the world's press are monitored and filtered by full-time staff using all the major news services and search engines, who identify "the most significant developments of the last 24 hours". At the daily morning conference, region heads – university dons – meet with the full-time staff to select the most important of the "prime stories". The meeting then considers these more fully – seeking historical parallels and lateral connections - to yield 10 to 20 developments worth pursuing.

The suggested items are then processed. Eight "desks" each with one or two desk editors, handle eight regions of the world. They commission pieces from appropriate OA experts and go on to edit those chosen for circulation that day. In the end eight developments are covered in 1,000+ word articles each week-day.

All this must happen before the 1.00pm deadline and it does, because there are few genuine surprises. The close monitoring of events during previous morning conferences means that preliminary work has begun on briefs for all but very unexpected events.

OA has three categories of brief. The first is event-driven, say, by an election whose date is already announced, so that authors know when they are expected to write and editors know what is in the pipeline. Second, there are watching briefs, as with Israel and Palestine where editors monitor expected developments. "In those cases", says David Young, "we choose when to write." The third category is the reactive brief. For example, Mrs Thatcher's resignation was at about 10.30 am and subscribers to the daily brief expected OA to explain what the event portended. By 1.00pm scholars had been contacted and pieces written.

OA now has over 1000 contributors in its scholar-expert network, from "almost every major university in the world. But nothing is the product of one person. The editors bring in other contributors, to obtain a range of views and attitudes. But the most important skill we need is the ability to take the most complicated analysis and make it clear and simple." And the dons who are the Region Heads are in effect the unique element in the quality control process.

Designing the business

The genius of OA is that it was designed to draw on academics' strengths, while compensating, especially, for two typical weaknesses. First, deadlines are met and, second, reports are not too 'academic' for the audience.

David refuses to take all the credit, insisting that a key contribution came from Marvin Bower, who built the consultancy firm McKinsey. Bower's advice was: "Remember professors have a different concept of time than you or me." And "don't worry about the next project, worry about the project after that". So, says David Young, "when we started I always built in false deadlines, to meet the real deadlines." Bowers also held that, "in Oxford, perhaps 1000 academics would be capable of writing material for us, but only 10% of them would deliver on time. He further insisted that too many academics confuse profundity with incomprehensibility. We believe the opposite, and work hard to achieve it. Over 20 years our Daily Brief articles grew a bit from about 600 words to about 1,000 as we have had more real substance to pack in".

The key role in achieving all this lies with the overall editor. OA has been fortunate in needing to recruit only three top journalists as editors. All had appropriate experience and expertise; all brought the ability to set styles of writing for the audience and to set deadlines; and all stayed for several years. They have been Richard Davey, from the London Times; David Lay from the BBC; and Graham Hutchings, the current editor, from the Daily Telegraph and the Bank of Montreal. This system has worked well and David feels much is owed to each of them as well as many, many dons – particularly the Region Heads - for their part in establishing and maintaining the authority and credibility of the Brief.

Beyond that, the basic working pattern of OA enforces timely performance because of OA's decision to provide advice that follows closely enough on events "to make a difference to decisions". Drawing on the precedent of the Kissinger White House in providing the "President's Daily Brief",

each "OA Daily Brief", aims to answer three basic questions about a key issue. What is actually happening? What is likely to happen next? And what will A do if B does X? For example, what will the USA do if China does X?

Oxford Analytica in 2004

The client base is now roughly 200 organisations, giving an individual readership of between 40,000 and 50,000 each day. Of the 200 clients, about 100 are Daily Brief and consultancy clients, 50 Daily Brief only, and the other 50 consultancy only. Gradually these two fifties will merge with the 100 that take both. As David Young puts it, "we study, say, one country for a consultancy client. Then there is a major event in the country and when they ask why did this happen? We say: the answer is in our Daily Brief - don't you wish you were a subscriber?"

Looked at differently, the client base consists of about 50 public-sector and 150 private –sector organisations. The former include about 35 governments – among them, all the G7, plus China and Brazil - as well as the World Bank, the EBRD, the UN, and the EU Commission. Of the 150 private companies, 35 to 40% are financial, and 35% the big multinational corporations. The rest are service organisations, ranging from law firms or strategy consultants, to smaller businesses and the big accountancy firms.

David Young notes that "on September 12 2001, over 100 client organisations joined in an interactive conference call. Now we regularly hold monthly conference calls for all clients on issues of moment." He is also proud that "the top leaders in many countries – including the Chinese leaders, really do read our Daily Briefs. There is a heavy sense of responsibility to get things right."

David Young attributes growing international recognition to the fact that OA "has been slowly and carefully built". He especially welcomes an award at the 1994 International Symposium on National Security and National Competitiveness in Washington, given for "creating the first effective overt intelligence network with global reach". And it is an award to all concerned - the company's staff, contributors and investors

David also points to the key role of information technology. The fortunate fact that OA was set up at a time when information technology was developing rapidly has made it possible to transmit information instantly across the world, and that provides both opportunities and challenges. There have been changes in the delivery of content, for example with the advent of the Internet, and it has also become possible to be more effective in sifting and storing information as well as facilitating "real time peer review". The policy is to deliver reports to clients on-line, using whatever system they nominate. At the same time, all the material delivered now constitutes a large, easily-accessible and world-class database which incidentally is also sold to universities worldwide and is called OxResearch. The system also allows readers to filter information so as to view only what currently interests them.

Postscript

Although OA has changed and developed over the years, David Young rejects the title of serial entrepreneur: "I enjoy finding new things to do **around** my central vision, but this vision is constant; namely, to tap the best brains one can to help those in authority (public or private) to make the best decisions they can."

He accepts that he has had a fortunate career. There was his "very privileged education," then "tremendous exposure to American wealth with the Rockefellers", and "an exceptional four years at the White House." Back in Oxford there was exposure to great intellects. "And these paths all 'cross' at OA," says David, who continues. "If you have a real sense of purpose about what you are doing, you don't worry about how long it will take or how hard it will be to get there. I could not have done this if I were not driven by the vision. Some people might have done it just to make money, but that was not my motivation."

So, says David, "after 25 years, OA has 15% penetration of the FT 1000 companies plus 35% of the 100 largest governments". But David implies there is still more to do. "My dream is to have as

many clients as we can serve well - the top 100 countries and the 300 leading corporations and financial institutions would be a good start. And the challenge would be to try to treat everyone of them equally well."

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