

## **Personal view: The politics of business could learn a lot from the business of politics**

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Whether I'm in Birmingham or Bondi, Winchester or Woolloomooloo (that's part of Sydney, by the way), it's always the same: "Mr Crosby, I've been in business for 30 years and I can't understand why politicians can't run things like a business. We could teach them a lot." Then we're off into the similarities between manufacturing, retailing or banking and political campaigning.

Politicians certainly can learn a lot from business. Successful politicians and businessmen and women have basically achieved the same thing: they have earned people's trust, either in the form of a vote or money spent on their products or services.

But I think business can also learn from politics, as both fields demand the same high levels of focus and commitment - and are equally fraught with risk.

While many lessons from politics are relevant to business, here are five which I believe are key.

First, stay simple, clear and relevant. Whether you're communicating with your staff, customers or voters, it isn't clever to sound like a nuclear scientist explaining fusion. If you're selling an economic policy or a plane ticket, don't bamboozle people. They'll switch off, or worse, think you are trying to hide something.

Too often businesspeople, like some politicians, confuse simplicity with stupidity. But simplifying something often requires discipline and asking difficult questions that sometimes go to the core of a business. What's the purpose of this product? What are we trying to achieve? How will it benefit people? In politics we call it the "doorstep test", the few seconds you have to tell a punter how you will make his or her life better. In business, it's the ad test, the seconds you have in a television commercial break before viewers go off to make themselves a cup of tea.

The next lesson is always be true to yourself and play to your strengths. The worst criticism of a politician is when people say "I don't know what he stands for". A politician needs a compass, a set of beliefs and values that guides him or her, so that in a storm the way ahead is clear. People may not agree with the direction but they respect politicians who know their own minds.

Business people who forget this soon find themselves washed up alongside failed politicians. By trying to be all things to all consumers, hiding under the boardroom table when the company hits turbulence or embarking on madcap schemes with no appeal, unfocused executives are prone to make the same mistakes that destroy politicians.

Third, know your audience: your base, your swing and those you will never persuade. Businesses, like political parties, have limited resources. If they try to persuade everyone to buy their product they'll soon be bankrupt. So just as politicians need to secure their core vote, then persuade the "undecideds" to support them, so too do businesses.

The battle in politics is for marginal seats; they decide which party forms a government. In business, it's for the marginal consumers; they decide the size of profit or loss on the bottom line. To win those marginals, you need discipline - a focused message, a clear strategy, a timeframe and, above all, a determination not to be distracted.

Fourth, understand what truly motivates people. Lots of rubbish has been said and written about the use of research to shape a focused message. Too often opinion research is used to tell politicians and businesses simply what people think: "your shops are crowded"; "I don't trust your brand"; "you have had a profits warning". But what are CEOs or politicians meant to do with that information other than allow it to keep them awake at night? Research should discover not just what people think, but how people think. Only then can you work out how to change how people think about you and your business.

You need to persuade people with reason and rational arguments that reinforce your proposition. But you also need to motivate them through emotion, the feeling that buying a product makes them feel more secure or better off than the next guy. And your proposition has to be consistent with your own values and beliefs.

Fifth, never stop campaigning. A campaigning approach emits energy, purpose, discipline, focus and simplicity to any organisation. In a good campaign, an organisation's aims, people's roles, the target audience, the timeframe and the use of resources are all clear. Everyone and everything is working to the same strategy. And that strategy reflects the organisation's ability to exploit competitors' weaknesses and triumph in the marketplace.

What does this mean in practice? If you are a newly appointed chief executive, you exploit your first 100 days (when people are interested in your arrival) with a campaign to communicate your goals and priorities for the company. If you are facing a potentially damaging AGM, you will campaign for motions - or against them - just as a politician would, testing your messages and your means of communication on shareholders.

Politics and business are different. But just as you can apply important business principles to running a political party, so you can apply the lessons of politics to conducting your business. Both politics and business will be better as a result.

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