Machiavelli, Marketing and The Global Compass: Ends and Means in Global Ethics and Leadership

Phil Harris,
Westminster Chair of Marketing & Public Affairs Marketing,
Dean Business, Enterprise and Lifelong Learning,
University of Chester

P.Harris@chester.ac.uk
Niccolo Machiavelli

- Lived 1469-1527
- Meritocratic Rise
- Desire to Serve
- Exceptional Observer
- First Political Scientist and Political Marketer
- Strength and Direction
- Forced Retirement
Machiavelli’s Epigrammatic Style

‘All armed prophets conquered, all the unarmed perished.’ The Prince.
‘Everyone sees what you appear to be; few experience what you really are.’
The Prince.
‘Old injuries are never suppressed by new benefits.’ Discourses on Livy.
‘Wars begin when you will, but they do not end when you please.’ History of Florence.
Original Machiavellian Script
Machiavelli’s Moral Compass

• Liberty and the role of the state. Need for freedom from external domination and instability, to obtain freedom.

• Virtu: Vitality, Energy & Courage. Allows will & strength to overcome diversity/opposition

• Fortuna: Essentially Fortune.

• Virtuous men and women will know how to act when required.
Machiavelli’s Core Thoughts

• Morality. 16\textsuperscript{th} or 21\textsuperscript{st} Century

• Two levels of ethics. Public and Private.

• Moral worth of one not superior to other.

• That which would produce the most practical result should take precedence.

• Government will have to act in ways that are publicly moral but privately immoral.
Machiavelli and Morality

• Are You Machiavellian?

• Studies in banking, health care and general management

• Public Sector Decision Making
The Development of Public Affairs

- Growth of Lobbying. EU, WTO etc
- Abuse and greater controls
- Growth in response to complexities of global market/government as regulator
- Lobbying over £6 billion in EU
- Nolan/Neill Committee, Standards in Public Life.
Core Features of Public Affairs

- Issues Monitoring
- Environmental scanning
- Government and Trade Association Lobbying
- Government relations and political action.
- Serving as corporate intelligence
- Acting as corporate advocates
- Handling community relations/social responsibility
What do they do?

- Briefing officials
- Briefing Government privately
- Media/Briefings Strategy
- Briefing Politicians privately
- Media campaigning
- Researching issues and advising on implications
- Policy Development
Business Situations in Which Lobbying Plays a Role

• Government as Purchaser or Allocator
• Government as Legislator and Framer of Regulations
• Government as Initiator of Action
• Government and Trans-national Legislation and Regulation
• Government as Decision Maker
Marketing and Morality

- *Craven 'A' Cigarettes*
- For your throat's sake, smoke Craven 'A' - they never vary
- Smoke Craven 'A' - will not affect your throat
- Craven 'A' - It's kind to your throat
- Made especially to prevent sore throats
Tobacco Industry Activity and the Morality of Advertising
Jack Abramoff: Cesare Borgia MkII
Jack Abramoff Lobbying Activities

- Leading Republican Lobbyist, set-up Independent Freedom Institute in Washington,
- Indian casino lobbying against one another billed for $75 million fees.
- E-lobbying blocked the banning of internet gambling till September 2006
- Tan Holdings protecting sweatshop production which went to Levi’s
- Tyco Intl, corporate scandals
Emirates using Public Affairs to gain Compensation and Advantage
Lobbying and Airbus A380 Delay

- Airbus A380. 2 year delay
- Emirates demanding £150 Million compensation for delay. Ordered 45 A380’s
- Compensation suggested/lobbied for:-
  - Singapore £100 Million
  - Virgin Atlantic £20 Million
  - Quantas £40 Million
UK Aircraft Carrier Contract
Lobbying for Military Contracts

- UK Future aircraft carriers (2) plus joint combat aircraft and maritime surveillance and control projects
- Funding £31 billion including £12 billion of acquisition costs
- UK Joint Combat Aircraft £2,034 million (US/UK contract/technology collaboration)
- Military Vehicles, Pandur (General Dynamics), General Motors supply NZ
Global Accountability and Public Morality

- Fonterra/San Lu milk powder contamination
- Public Building standards in China
- Broadband
- Distribution monopolies. Australia.
- Control. China and RSA
Euro Lobbying

£35 billion
NHS budget

£30 billion
to join the euro

Hard to swallow if you're on a hospital waiting list.

no
Public Affairs and New Zealand

- Food Exports, Lamb and Butter
- Subtle counter lobbying Green Footprint
- Lobbying on exports to Australia
- Growth of Infrastructure Lobby
- Sustainability Lobby
Corporate affairs teamwork is critical for integrated PA (issue management, lobbying), communications & media relations
InBev PA over the next Decade

1. PA closer to CEO / Executive committee, Company Strategy, Marketing & Business development
2. PA to focus more on company top-line growth, market access, brand portfolio, innovation, route to market, consumers
3. Best practice PA / lobbying implies Top Management involvement, association management, skilful business coalitions
4. PA integrated into Company Corporate Affairs (Communication, Media and Investor Relations, Consumer Affairs, CSR)
InBev PA over the next Decade

5. PA to focus on GLO-CAL issues & Crisis Management

6. PA becomes an Issue/Project Manager running multidisciplinary issues/teams (i.e. Competition, Environment, consumer affairs, trade issues)

7. PA implies strong Communication and ICT to reach Key Stakeholders, NGO’s

8. PA Coping with complex Institutions (from EU 25 to EU 30) and international Partners (i.e. Russia, Balkans, Mediterranean, Asia/China)
Seven Principles of Public Life

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership
Machiavelli and Effective Public Affairs

- Need to provide information or lose influence
- Need to be in coalitions to compete and exert pressure effectively
- Effective public affairs stimulates competitiveness. After all you are thinking ahead
- Growth in the Application of Marketing to engage the citizen in Political Process
Machiavelli’s Advice

• The need to appreciate real politics, achieving ends and an awareness of real decision making, whether we deem them amoral or not.

• Global ethical leadership and public affairs management, he would recognise as of vital importance to maintaining competitiveness in the 21st Century.

• The strategic importance of access and being able to influence government to gain competitive advantage.

• The importance of being able to manage the political process, being able to predict election change/results and to exert influence in campaigns to achieve just political ends.

• An appreciation of political marketing to be able to influence and predict the economic, political and regulatory landscape.
Machiavelli’s Advice to Politicians and Public Servants

- Need strong values
- Be bold
- Lead by example
- Strength based on power not rhetoric
- Dismiss corrupt politicians/officials

“Judge politicians by what they do in the day, rather than what they do at night”
Machiavelli’s Reflections

- ‘Benefits should be granted a little at a time, so that they may be the better enjoyed.’ The Prince

- ‘But one thing consoles me: when something involves a number of people, no one person in particular can be blamed.’ The Mandrake Root
A Prince’s Dilemma

‘And it will always happen that he who is not your friend will request your neutrality and he who is your friend will ask you to declare yourself by taking up arms.

Irresolute princes, in order to avoid present dangers, follow the neutral road most of the time, and most of the time they are ruined.’

Niccolo Machiavelli, The Prince
Your Humble Servant

Phil Harris