



Managing and Leading in the Midst of Uncertainty: Lessons from the Military

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UNCERTAINTY IS A DOUBLE-EDGED SWORD – it can destroy, or it can create opportunities. On the one hand, it can leave you with too much or too little inventory, a public-relations crisis, or labour-relations mess. On the other, if we manage uncertainty well, we can be efficient with inventory, promote our brand, and enlist the support of our staff. Various types of analysis have sought to reduce variability, but most predictive modeling is built upon experience. How do we prepare for the uncertainty that we have not seen before? How do

we plan and prepare for the unknown?

Throughout its history, the US military has faced considerable uncertainty – uncertainty that usually entails huge consequences – but through training and standard operating practices, the organisation has been able to considerably mitigate the effects of uncertainty. On a daily basis US military personnel venture into conditions of great uncertainty both in battle and in peacekeeping operations.

Similarly, companies and their management are

operating in conditions of the global business downturn which has demanded an unprecedented level of adaptability and agility to deal with the uncertain economic environment and changing customer base.

Four key practices

The U.S. military employs four basic principles to ensure successful operations amidst uncertainty: (1) Training, (2) Intelligence (information gathering, competitive analysis, forecasting, and dissemination), (3) Planning, and (4) Standardized Practices. These basic principles are especially vital in periods of great uncertainty whether they be in battle (such as the U.S. invasion of Iraq in 2003) or in peacekeeping/humanitarian operations (such as earthquake relief in Haiti in 2010).

Companies can cultivate techniques based on these four practices that achieve superior results by fostering an ability to adapt when market environments change. When properly applied in a corporate culture, these military management techniques can build initiative, creativity, teamwork and leadership.

It is instructive to look at some historical examples of the U.S. military's performance during periods of great uncertainty. They may offer unique insight for companies seeking to build skills in managing uncertainty. For example, the Allied D-Day airborne landings on the night of June 5-6, 1944 in the Normandy region of France offer a great example of successful adaptation to an uncertain environment. Airborne forces from the United States, United Kingdom, Canada, and several other smaller countries began planning the

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invasion months in advance for the air, land, and sea invasion of Europe. The airborne forces rehearsed and re-rehearsed a precise series of glider and parachute landings that were designed to secure bridges, road junctions, and important villages, specifically to block Nazi German reinforcements. The combined effect of these military actions would enable the ground invasion force, coming from the Normandy beaches, to advance rapidly inland, and ultimately break the Nazi stronghold in Europe.

The Allied forces had practiced and improved this plan for months. However, as the airborne invasion forces took off from England, the months of planning and preparation appeared to vanish instantly. The Nazi German anti-aircraft fire was much more effective than anticipated. Parachute forces were scattered into unmarked landing zones, gliders landed in the wrong areas, and thousands of soldiers from different units were mixed together in the night. Additionally, some equipment malfunctioned, and other equipment was lost. The combination of more effective Nazi resistance, scattering of the invasion force, and equipment malfunctions made it appear that a military disaster had occurred. Yet, only hours later, the original military objectives were accomplished by ad-hoc units that faced fierce German resistance. It was a success of historic proportion.

Despite these unanticipated problems, the plan succeeded due to a number of factors -- factors that apply to business success in an uncertain environment. What were these factors? First of all, these factors were not merely a matter of luck or individual heroism. Indeed, over the subsequent years and conflicts, the US Military has repeatedly demonstrated the ability to rapidly adapt to unanticipated conditions. In all cases, the Training, Intelligence, Planning, and Standardization (TIPS) made the US military successful and resilient in the face of adversity and unexpected change.

Whether in military or non-military contexts, there is however a precondition for TIPS to be effective. Ethical behaviour: ethical behaviour is key because

TIPS

THE U.S. MILITARY EMPLOYS FOUR BASIC PRINCIPLES TO ENSURE SUCCESSFUL OPERATIONS AMIDST UNCERTAINTY:

1) TRAINING

2) INTELLIGENCE (INFORMATION GATHERING, COMPETITIVE ANALYSIS, AND DISSEMINATION)

3) PLANNING

4) STANDARDIZED PRACTICES



rapid changes in the operating environment can often signal to individuals or organizations that the rules have been suspended or changed. Most of the US problems in the early stages of the peacekeeping in Iraq in 2003 and 2004 were the result of individuals believing that the rules had changed. Leaders need to project, enforce and set the example of high standards of ethical behaviour. This is an absolute requirement for successful results during uncertainty.

Training

The best way to ensure that people perform well in a crisis is to train them to perform well in a crisis. In the US military, training follows the principle, “train as you fight” with a particular focus on execution. The “train as you fight” principle ensures that all equipment, skills, and responsibilities focus on doing the mission in combat in the dark and in the rain. The rationale is that if you can do the mission under the worst conditions, then you can perform successfully in combat. Military training also incorporates some key conditions so that the training is effective:

► **Train to standards and conditions.** Good training has defined standards and conditions so it can be systematically evaluated as well as trained in a similar fashion in different locations. This type of training allows for a great deal of managerial flexibility because different people and locations can be easily and quickly combined.

► **Train teams.** The US military trains to operate in teams. A team orientation and leadership focus ensures

that units can operate successfully even if certain members are missing. Good team leadership extends into leadership by example and positive role models that can inspire throughout the organization.

► **Train through simulation.** Organizations need to find a way to simulate real-life challenges for the employees they hope to train. These simulations will force employees to adapt themselves and their teams to unanticipated challenges, while continuing to work to meet existing business objectives. Simulation is a particularly effective when trying to “stretch” employees to grow into greater performance and responsibility.

► **Incorporate initiative in small teams.** The team orientation goes one step further. After the formal training, it is important to empower a subordinate or a team to enter a low-risk but real-life trial in order to build confidence, improvisation, and a strong employee cohesion.

► **Use historical examples.** A strong understanding of past events provides context, ideas and a perspective on the value of improvisation.

► **Always employ a meaningful After Action Review (AAR).** The purpose of the AAR is to conduct a fact-based and intensive review of an operation to determine what went well, what did not go well, and how to improve the operation in the future. It is the military’s primary vehicle for continuous improvement, and it is employed in every facet of operations from supply convoys to data-processing to small-unit attacks. The AAR brings all people involved in an operation together, seeks to understand what happened and why, and then seeks to implement a training plan to correct mistakes and incorporate positive outcomes into future mission execution. The final step of the AAR is to create a defined, understood, and time-based organizational-improvement plan.

An organization that focuses on realistic and “train as you fight” training is an organization that is resilient and effective in the face of adversity.

Intelligence

Intelligence of the environment, the enemy (or competition), as well as new or emerging developments is a central to militaries and most non-military organisations alike.



One way to quickly get a competitive analysis is to ask the top 20 or 30 executives: “What are the top five threats or challenges to our organisation?” You will then see both agreement on the obvious threats, and difference on the non-obvious threats. This question and the agreement and disagreement it uncovers is especially useful during periods of strategic planning.

The military excels at systematic and ongoing analysis of competitors as well as how changes in the operating environment influences them. A uniform, frequent, and ongoing intelligence effort means that information will be timely, accurate, consistently researched and consistently delivered. This is vital to any organisation.

A great way to minimize surprises is to have a systematic and ongoing intelligence process. In the military, nearly every level of the organization produces a periodic intelligence report – usually daily. This report comprises four elements: (1) a description of conditions in the operating environment (weather, etc), (2) what enemy activity occurred in the past time period, (3) what enemy activity is expected in the next 2 to 7 days; and (4) what particular items of information concerning enemy activity are the most vital to the commander. While the ideal interval for such reports will vary, they accomplish a number of important functions in the organization. First, they quickly familiarise everyone in the organization about competitive activity. Second, the intelligence report focuses all reporting, collection, analysis, and dissemination. Third, the intelligence report informs the creation and adaptation of business plans and processes so they are

responsive to actual competitive behaviour on an on-going basis.

Good intelligence is the foundation of effective training, planning, and execution.

Planning

The creation of a timely, comprehensive, and structured plans is the hallmark of military operations. Thoughtful planning is just as important to a successful organisations. Strategic planners, like military planners, must provide enough information, analysis and detail for a plan to be successful, but not so much that the strategic window passes. Several key aspects of military planning may be instructive to non-military planners:

► **It is important to define the mission.** Military planning begins with the Mission Statement that describes the who, what, when, where, and why (the five W’s) of how a mission will be executed. A mission statement ensures everyone in the organization knows what they will do, when and how it fits into the larger picture.

► **Use Commander’s Intent to guide performance during uncertainty.** Commander’s Intent describes how the Commander envisions the battlefield at the conclusion of the mission. Military planners use Commander’s Intent to maintain relevance and applicability in chaotic, dynamic, and resource-constrained environments.

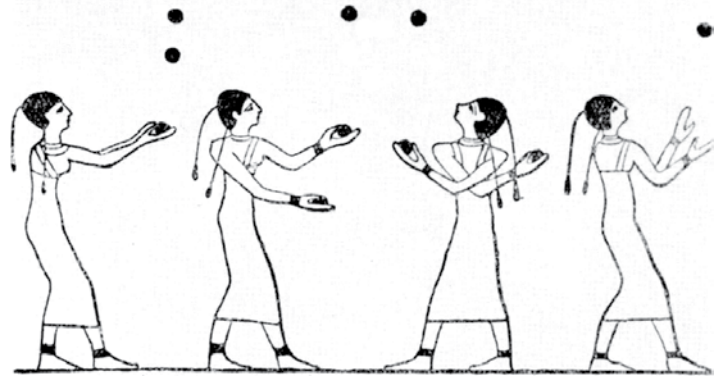
► **Plan for contingencies.** The US Army Special Forces use a planning process called P-A-C-E (Primary, Alternate, Contingency, and Emergency) to ensure critical activities, such as the evacuation of wounded personnel, can be accomplished. P-A-C-E is used to create a series of effective fallback options, so all essential mission functions can be accomplished. Most organisations have a complex data backup and recovery process that employs P-A-C-E principles. The use of P-A-C-E ensures an organization looks at multiple ways to accomplish mission-critical tasks.

► **War game against the enemy.** War gaming is a process where a plan is “played” against an enemy force and then adapted so it can be successful. War gaming

PLANS ARE NOTHING; PLANNING IS EVERYTHING.
– DWIGHT D. EISENHOWER

reveals critical holes and opportunities in a draft plan so the final plan can have the best chance of success. War gaming is especially useful in competitive situations, but can also be used in any situation where there is a complex field of stakeholders. How are those affected likely to respond and in what manner?

Good planning is quick and complete; it incorporates a war game process to ensure it can succeed, employs a Commander's Intent so people know what success looks like, and anticipates contingencies.



Standardization

In the military, pre-mission inspection checks, standard procedures, and rehearsals serve as the foundation for the preparation for any mission. Standard processes and checks are vital because they ensure smooth, rapid, and effective execution even when the plan or conditions change.

Military history provides a great example of the vital importance of standard operating procedures (SOPs). In a ferocious tank battle during Gulf War I in 1991, a U.S. mechanized company team (tanks and infantry fighting vehicles operating together) surprised an Iraqi Republican guard brigade during a sandstorm and, in a matter of minutes, completely reduced the effectiveness of the Iraqi brigade through devastating integrated direct firepower and close coordination of air and artillery supporting fires. Granted, the technology of U.S. weapons, night vision, and laser sights had a great deal to do with the victory, as did the element of surprise. However, the role of SOPs was an even greater element in the success of this engagement. The U.S. military unit had drilled for months together to perfect the common procedures.

Some key principles around standardisation:

► **Create uniform procedures based on employee input.** McDonald's is an unrivaled master at common food preparation and food service procedures. The incorporation of employees and management to draft, test and finalize important procedures are essential. The more common the procedures, the greater the value when conditions change.

► **Use rehearsals.** When a new procedure is tested, get out and do a run through for a few times and then conduct an AAR. Rehearsals are a great way to test and approve new processes to ensure they are effective.

In Support of Improvisation

The US Military employs TIPS to anticipate and manage uncertainty in mission execution. The successful employment of TIPS principles creates trained, confident, and engaged personnel. Even so, personnel must still improvise when they execute and adapt the plan to changed conditions. The example of the Allied Airborne operation during D-Day in World War II demonstrates that a force that can react effectively and quickly during uncertainty can rescue success from apparent failure. The TIPS principles also create an organization that is more engaged, innovative, and adaptive – even when business conditions do not deteriorate into uncertainty! ✚