

Commercial combat

Military strategy can pave the way for businesses to compete today

By JIM BOOTH

Times-News staff writer

Can the military tactics used by the United States and its allies in the Persian Gulf War be applied to business?

In large measure, yes.

Retired U.S. Air Force Col. John Boyd, an Erie native now living in Florida, played a major role in developing the warfare doctrine used to rout Saddam Hussein's army in the first 100 hours of the multinational force offensive.

Boyd does not advocate that businessmen order bombing raids on the plants of competitors, or strafing missions against trucks carrying the others' products to market. But business theorists are looking at Boyd's teachings — originally developed to improve the competitive edge of the American military — and applying them to competition in the marketplace.

Joseph J. Romm applies many of Boyd's principles in his book, "Lean and Clean Management," published last October.

Romm is special assistant for policy to the deputy secretary of Energy. Prior to that he was a research scholar at Rocky Mountain Institute and taught at Columbia University's School of International and Public Affairs.

"Boyd was an Air Force pilot in the Korean War," Romm wrote. "He was puzzled by the fact that in the war the American F-86 Sabre jet consistently beat the Soviet-built MiG-15 in aerial dogfights, even though the MiG was a 'superior' plane."

"Boyd discovered the F-86 had two crucial advantages. First, the jet's glass-domed bubble canopy enabled the pilot to observe enemy activity more easily. Second, the F-86 could change from one maneuver to another much more quickly."

"As the planes danced around each other in the classic dogfight, the F-86 would gain a larger and larger positional advantage, rapidly changing from potential victim to predator," Romm wrote.

"All successful competitive organizations — in business or warfare — have one advantage in common: They act more quickly than their competitors."

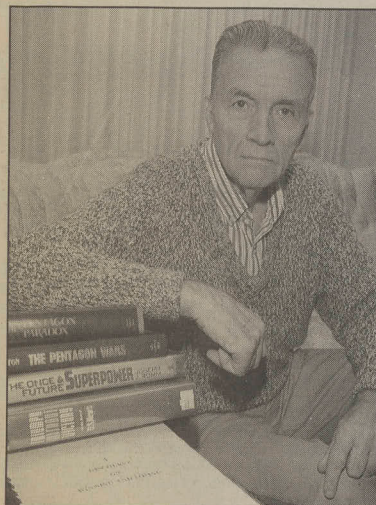
According to Romm, "The key to winning (Boyd advocates) is to operate at a faster tempo than the adversaries, to get inside what he called their OODA loop."

The loop consists of observing the competition's actions, orienting oneself to the unfolding situation, deciding what to do, and then acting. Observation, orientation, decision, action: the OODA loop.

"The action (and any response it evokes) then alters the situation, necessitating new observations and a repetition of the cycle," Romm said. "When one side's OODA loop is faster, shorter, or more efficient than its opponent's, the first will run circles around the second," Romm wrote.

"The slower side will be constantly reacting to its adversary's previous moves, unable to take the initiative."

This also is a reflection of more of Boyd's work. As an instructor at the Air Force "Top Gun" fighter pilot school at Nellis Air Force Base in Nevada, he developed an Aerial Attack Study. It teaches fighter pilots, among other things, to begin their second maneuver



Retired U.S. Air Force Col. John Boyd, an Erie native who now resides in Florida.

while the enemy is still reacting to their first.

This "transition performance" caused enemy pilots to become increasingly disoriented and easy prey.

To business strategists, it is called the systematic time-based approach, Romm said.

"The power of that approach was made clear in a (Persian Gulf War) briefing by Marine Brig. Gen. Richard Neal. Describing U.S. strategy against Saddam Hussein, Neal said, 'We're inside his decision-making cycle ... We are kind of out-thinking him ... We can see what he's been doing, we can kind of anticipate what his next move is going to be, and we can adapt our tactics accordingly,'" Romm wrote in his book.

Romm continued: "This is exactly how Japanese companies used flexible manufacturing to compete so well in the 1980s: They got inside other companies' time-cycle loops."

"In industries such as automobiles, air conditioners and projection televisions, they can cycle through the entire production system — research, development, marketing, production and sales — in one-half to one-third the time of the companies from any other nation, usually with a comparable reduction in cost," he said.

Writing in *Forbes* magazine in December 1991, Romm gave automobiles as an example. "Honda's Acura division and GM's Saturn were announced at roughly the same time. Saturn is arriving only now while Honda has already completed three major Acura model changes."

According to Romm, "fast-cycle management is not merely a way to think about how organizations change, it is the change itself."

Tom Peters, the best-selling author and syndicat-

ed columnist, citing Boyd's theories, put it this way: "What do OODA loops have to do with business? Everything, perhaps."

"Recently, I have been ranting and raving about the primacy of swiftness as the basis for business strategy," he wrote.

"Speed now is viewed by many business practitioners and theorists as the best response to turbulence in the marketplace and the chief source of future competitive advantage."

"But I fear it is the wrong choice as the principal success criterion. Maneuverability, which surely has speed as a component, is the real nub of advantage."

"... Markets today are moving targets," Peters wrote.

Chester W. Richards is a business strategist for Lockheed Corp. and authored the article, "Riding the Tiger: What You Really Do With OODA Loops," published in the 1995 *Handbook of Business Strategy*.

"I cannot explain why business analysts took until the late 1980s to discover time. ... it is indeed true that some business leaders, particularly in the Japanese auto and electronics industries, have used time-based strategies for years," he said.

"The ability to execute rapid OODA loops is called 'agility' and ... the more agile organization will build up increasingly decisive advantages over its opponents."

"Great (military) commanders ... down through the years have used time-based strategy to cloud their opponents' understanding and destroy their morale so that the battle, if it must be fought at all, is relatively painless."

"You need a system tuned to rapid change," Richards said from his Atlanta office. "John Boyd's point is the urgent need to see the big picture."

Richards wrote that U.S. companies tried to imitate Japanese business successes but failed, "primarily because they focused on operations rather than process."

"Process is more than incoherent collection of operations; the whole is greater than the sum of its parts. ... Production is a network of processes and functions."

"Manufacturers must look at the whole production process rather than only at operations," Richards said.

Both Romm and Richards have sat through Boyd's 12-hour lecture, "A Discourse on Winning and Losing," the same lecture that helped convince the American military it must change its doctrine of warfare.

Romm's first book, "The Once & Future Superpower," published two years ago, is dedicated to Boyd.

"If this work presents a coherent worldview, it is in large part because I was fortunate to hear ... Boyd deliver a brilliant series of lectures ..."

"In a world of analysts, he is that rare breed — a synthesist."

Arthur J. Bredehoft, a vice-president at Norton Lilly International, a steamship agency that provides a variety of services to vessel owners worldwide, has used Boyd's concepts in his business.

"The world is ever changing and unfolding," he said from his Houston office, echoing a basic Boyd

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'Synthesis' is key to Boyd's economic theory

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When John Boyd was briefing military leaders on his theories of warfare he devoted most of his efforts toward convincing generals and admirals the U.S. had to rethink the way battles are fought.

The retired Air Force colonel, who grew up in Erie, was eventually successful in the Pentagon. The U.S. and its allies quickly defeated Iraq in the Per-

sian Gulf War, and with few casualties, using the doctrine Boyd helped develop.

Boyd gave his briefing, "A Discourse on Winning and Losing," to people outside the military and many businessmen decided OODA loops can be applied to the marketplace as well as the battlefield.

In the business world it is called fast-cycle management.

"I started recognizing that when you start collapsing time you are doing things more efficiently and it would obviously have an impact in other areas than just the military," Boyd said.

"When I would make the presentation to people like (Joseph J.) Romm and (Chester W.) Richards, who were more familiar with the business world, they made the comment that 'this stuff can be applied elsewhere.'"

Romm and Richards have written about business management applying Boyd's time-based theories.

Although an Air Force fighter pilot, Boyd has business-related degrees from the University of Iowa and Georgia Tech.

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SYNTHESIS: Key to Boyd's economic theory

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"My original degree was in economics. Then I got an industrial engineering degree which is sort of a marriage where you are looking at engineering, plus management practices," Boyd said.

Boyd has been acclaimed as a synthesist, one who puts together parts of seemingly unrelated ideas to create new ones.

"In analysis you break things apart. In synthesis, you put things together.

"Our educational system tends to stress the analytical side and does not stress the inductive or synthesis side," Boyd said. "The key is how you interweave analysis with synthesis. How do they play together and how do you derive positive benefits?"

Boyd also feels you must better understand what you see, or think you see, when dealing with the marketplace. What you are looking at may not be reality.

"What you have in your mind is a representation of what you think is there," he said.

People have different interpretations of what they see, he said. "You have to put the right pieces together in order to improve on what you are doing.

"If you don't pick up new ideas, your thinking becomes very narrowly constrained to the variations you can make. Day one (of a new concept or idea) it is doctrine. Every day thereafter it becomes dogma. You get locked up and you can't think anymore.

"What you want to do is learn a lot of doctrines, then you are not captured by any one. Then you take elements out of this one, other elements out of that one and you have something new," Boyd said.

"The process of synthesis never ends. You never arrive, you are always arriving."

Boyd also explained the basic tools of strategy — in business or in the military — are surprise, decep-

tion and ambiguity. "You want your competitors to have an image, maybe a nice image, but it is the wrong image. Deception is merely a false image.

"You want to surprise people in business as well.

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concept.

Last year Bredehoft's firm merged with another and his orders were to reduce the number of offices in common locations from 30 to 15.

"We were dealing with factors as they unfolded," Bredehoft said. "We had no rule book.

"Business schools teach that everything is orderly. They teach you chaos is the exception. But John

You want to get to the marketplace first, you don't want to be second. Or if you are second, you want to have a better product and make the other guy's product obsolete."

preaches that chaos is the rule and orderliness is the exception." Bredehoft calls it "commercial combat."

"It's like schoolyard basketball," he said. "The environment changes." Players change, the tempo of the game changes and the competition changes in size and speed.

"You must deal with each environment and continue to change the plan as the environment changes," Bredehoft said.