What are you doing to improve creativity and initiative at all levels of your organization?

Arne Roock asks Chet Richards about Strategy, John Boyd, the OODA Loop, his engagement in the Lean/Kanban community and Yoga.

Hi Chet! Please introduce yourself.
Hi Arne, it's very good to be here -- thanks for asking me. Over the years, I've worked at the Pentagon, for a couple of defense contractors, a large consulting firm, and a PR company. For about a dozen years, my wife and I owned our own business. I'm now somewhat retired to the coast of South Carolina where I teach yoga and train for triathlons.

You are a retired colonel in the US Air Force and a sought-after speaker at business conferences. How do the worlds of military and business go together?
They really don't. Armed force is used to compel an opponent to do something it doesn't want to do -- like surrender - while the essence of business is to attract customers to your product and service. Compel versus attract. Aren't we trying to defeat competitors? Not really. When customers buy our products and services instead of theirs, they defeat our competitors. We should consider competitors not as enemies but as unpredictable parts of the environment. Because the two arenas are so different, practically all attempts to apply military tactics to business involve analogies. You can get ideas from analogies, of course, but you can also get them from cloud formations, tea leaves, fairy tales, anywhere your imagination wanders. But you still have to test them with customers in a competitive environment.

What the military and business do have in common is that

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they both require groups of people to work together in environments characterized by imperfect information, high stress, tight time constraints and so on. The military has thought about this a lot, and many of the techniques they have derived apply directly to any organization that has to work under these conditions.

You have to test ideas with customers in a competetive environment

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What techniques are these? Can give us a couple of examples?

One of the most powerful is training in situations that reflect what the unit is likely to encounter in combat. To make this effective, units in the best militaries compete against each other in free play exercises, and success in these exercises counts heavily towards promotion. Military units can do this because the typical military pattern consists of long periods of peace punctuated by short episodes of conflict. So you train during the interim periods, and this training becomes increasingly realistic and intense.

Except for special events, such as opening a new factory, business is operating all the time, there are no "periods of peace." So to apply this principle to business, you have to develop a deep understanding of why it works and then apply that understanding to your business.

For example, one of the best known modern strategists, John Boyd, suggested that something called a "common implicit orientation" is one of the primary outcomes of this kind of training, and until you have it, you can't use the more exotic techniques, like Auftragstaktik. So you ask yourself, "What is it about a 'common implicit orientation' that makes it so powerful, and how can we develop it more in our organization?"

You collaborated with the famous American strategist John R. Boyd for over 20 years. What would you say is the most important thing we could learn from his thinking when it comes to business strategy?

Allow me a couple of things. First, let's continue with the importance of accurate and shared orientation. Everybody goes "yawn!" at this point. But then I ask, what are you doing to ensure it, because if you aren't taking explicit steps to ensure that your shared mental model of the universe (assuming you have one to any meaningful degree) is accurate, then I can guarantee that it's not. By the way, the critical importance of maintaining accurate orientation also lies at the heart of yoga.

Another is that the essence of competitive power is to fire up the creativity and initiative of everybody in your organization and focus this energy to accomplish the purposes of the organization. Again, almost sounds trite, and practically any CEO will tell you that they're already doing just that. But as with orientation, it doesn't happen by accident. So I ask: What are you doing to improve creativity and initiative at all levels of your organization, how are you aligning or focusing it, and how do you know it's working? Note that we're not talking just your R&D department.

One easy way to tell they aren't doing it is if their companies pay for advanced courses, but only in certain designated fields. You can be sure they wouldn't have paid for Steve Jobs' calligraphy course.
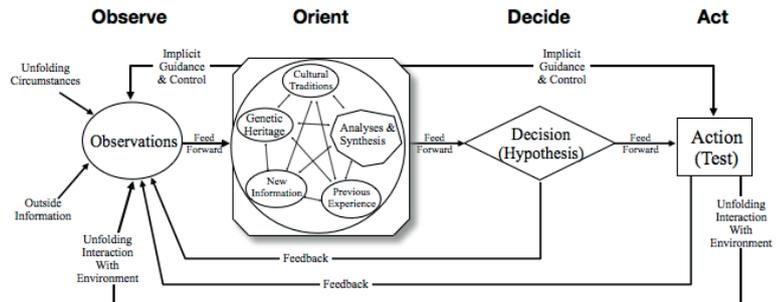
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Figure 1: Boyd's OOPDA "Loop" sketch from his last briefing, The Essence of Winning and Losing, which is the only place he ever drew it.

Boyd is probably best known for the OODA loop. I think there might be some misunderstandings about this concept out there. One being the OODA Loop is the same thing as Deming's PDCA cycle, only described with other words. What's really the essence of the OODA loop?

The PDCA cycle is a way to look at how we learn. Boyd's "conceptual spiral" is another. Both say "Form a hypothesis, test it, learn from the results," so rather than try to play off one against the other, my suggestion is to just get on with it. It's worth pointing out that the PDCA cycle is often characterized as a way to do kaizen, but I think it can be much more powerful.

If you look at the OODA loop that Boyd drew in The Essence of Winning and Losing, which is the only illustration of the loop in any of his works, you can see the PDCA cycle embedded as the Observe-Orient-Hypothesis-Test cycle (a plan, from PDCA, is an hypothesis, after all). Boyd's "loop," also has more arrows, particularly the "implicit guidance and control" feeds that the PDCA cycle lacks. I go into this in a lot more detail in my paper "Boyd's Real OODA Loop," available on my website at http://slightlyeastofnew.com/439-2/. You can also download all of Boyd's stuff (for free!) from that same site.

You authored the book "Certain to Win". The title suggests that if you follow specific principles, you can be certain to win in various environments. Can you elaborate on this?

It's a quote from Sun Tzu. The "principles" are quite broad -- for example, I've mentioned a couple of them in the previous answers. Another is the cheng / chi pattern, sometimes translated for business as "expected" complemented by "delightful." As I mention in the book, this tactic is just as important to business as it is for the military, but, because it's focused on the customer, not opponents, it works completely differently.

The idea is that business under this model is more like a martial art, where you become the ranking black belt. Will you lose contests every now and then? Probably, although there is the example of Miyamoto Musashi, the famous Japanese samurai warrior from the early 1600s, who is reported to have never lost in over 60 lethal sword fights. He wrote a book, A Book of Five Rings, that was one of Boyd's favorites, which is not surprising considering that Boyd was reported to have a similar streak as an instructor pilot in fighter aircraft early in his career.

But if you don't match these records - even Apple has a flop every now and then - will you win in the sense that your business will accomplish its objectives? Absolutely because, as Boyd noted, you don't have to be perfect, just better than your competitors, and Apple is now the most valuable company in the world.

Things would have gone much more smoothly if I had had the Lean/Kanban tools available

You will give a keynote and a workshop at Lean Kanban Central Europe 2015 (LKCE15). How are you connected to the Lean/Kanban community?

I also gave a keynote and did a workshop at LSSC11 in Long Beach, which was my introduction to Lean/Kanban. Later I became a Founding Fellow of the Lean Software Society. I'd done some software development earlier in my career and it was obvious that things would have gone ▶

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much more smoothly if I had had these tools available. My later background is more about the strategic effects of agility, the ability to change the environment more rapidly than opponents can comprehend and then exploit the resulting confusion and surprise to achieve objectives. So then you ask, "What does this have to do with business? Can we use these techniques to shape the marketplace? How can we tell when we've achieved them? What do we do next?"

So, with Lean/Kanban, we can develop better systems more rapidly, but there's still the strategic question of how this helps our companies to thrive in the marketplace. A higher quality Trabant built in half the time is still a Trabant and is not going to make a huge dent in Volkswagen or Toyota. Japanese industry, rebuilding after World War II, also started out building what were originally considered as low quality products, but they learned rapidly and not only succeeded in the marketplace but helped define it. In other words, they translated tactical excellence on the factory floor into strategic victory in the marketplace.

In your keynote you will talk about the main problem of how to maintain a high level of performance under conditions of stress and uncertainty. Can you elaborate on this?

It goes back to the two factors I mentioned before: accurate & shared orientation and harmonized creativity & initiative. If you think about it (and Munich is a great environment for having these discussions -- Boyd did some of his best work in spirited evenings at the Officer's Club!) these could be two ways of saying the same thing, if you have an appropriate philosophical framework. It's not automatic. Managers in most organizations will smile benignly if you bring up creativity and initiative, but what they're thinking is herding cats. Total chaos. Objectives not met. So they enforce a type of harmony through top-down control that kills both creativity and initiative.

John Boyd provided a framework where firing up creativity and initiative does not trade off with accomplishing objectives. This isn't to say, and John would have been the very last person to claim it, that there aren't other effective frameworks or that his can't be improved upon, but it's a proven pattern and a good place to begin. As part of his framework he suggested five organizational attributes. Organizations that have these attributes, he claimed, will be more successful at these two factors than their competitors. They will be, to coin a phrase, certain to win. One of these attributes, incidentally, is Auftragstaktik, which you heard about in Stephen Bungay's wonderful keynote back in LKCE11 and which, entirely coincidentally, I was also expounding upon at LSSC11 in Long Beach, California!

There is always a better way, and the side that finds it and learns how to use it will have an enormous competitive advantage

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What got me into this in the first place was that I found the same organizational attributes in descriptions of the "Toyota Way," particularly works by one of its primary founders, Taiichi Ohno, and by Toyota itself in its official descriptions of its system. You find the same things in the most successful military forces from World War II, where Boyd got many of his ideas, and which I'll go into in much more detail in the workshop, in elite American military units, in the Israeli Defense Force, and in the most consistently successful companies. So after a while, it wasn't too hard to ▶

pick up the pattern. The most important thing we can take away from Boyd's work is not what's in the 300 or so pages of the Discourse. Boyd, in fact, insisted that if you find yourself spending a lot of time studying or even (God forbid!) memorizing it, stop right there, take it out and burn it.

When it comes to organizations and how they compete, Boyd insists that there is always a better way, and the side that finds it and learns how to use it will have an enormous competitive advantage. But it's more powerful than that. The side that becomes the best at embedding this attitude into its DNA, that rewards its members for finding and implementing better ways, and not just in software development, or engineering, or manufacturing but at all levels and in every function of the organization, will make itself certain to win.

Thanks for your time, Chet!

Thanks for having me!

CHET RICHARDS
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Chet Richards collaborated with the late American strategist, John R. Boyd, for over 20 years. He read and critiqued drafts of all Boyd's major works, particularly his groundbreaking paper, "Destruction and Creation," and his final major work, Conceptual Spiral.
He has published four books on business and national security strategy, including Certain to Win: The Strategy of John Boyd Applied to Business, which incorporated Boyd's comments into early drafts.
He holds a Ph.D. in Mathematics and is a retired colonel in the US Air Force, a Fellow of the Lean Systems Society, and a certified yoga instructor. He and his wife live near Hilton Head Island in South Carolina, USA.

Meet Chet Richards!

Don't miss his keynote and his 1-day workshop on

„The Strategy of Lean"

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