

RESPONDING EFFECTIVELY TO THE UNPREDICTABLE

Toward an Adaptive National Security Enterprise

by

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What do Hurricane Katrina and 9-11 have in common? The list is long, but among the more salient attributes are:

1. Advanced warning of the possibility of such events
2. Insufficient political will to make prior investments that would mitigate their impact
3. Ambiguity about accountabilities in fashioning a response
4. Relative clarity-- in hindsight only -- about what should have been done
5. Reliance on improvisation in responding to the event
6. Resort to traditional managerial prescriptions in recommendations for improving things the next time

Four of the first five items are the norm in situations where instability, unpredictability and turbulence reign, and where "far from equilibrium" conditions mean that small changes can have enormous consequences. The exception is item 2, which has to do with certain aspects of American culture (*e.g.*, a relatively low capacity for deferred gratification, and the commensurate presumption that re-election to political office depends on short-term and local, rather than long term and global, decisions about how resources are allocated). Former Secretary of State Madeleine Albright made this point succinctly and convincingly in her testimony before the 9-11 Commission: the government didn't do much of anything about Bin Laden and Al Qaeda prior to 9-11 because we the people would not have supported doing much of anything.

Katrina and 9-11 are history, even though their consequences extend far into the future. What can we learn from them about how to improve our performance in the next high-impact "non-linear" event, such as an avian flu pandemic? And how could an adaptive National Security Enterprise contribute by introducing a vastly superior way of managing large scale responses to unpredictable security threats?

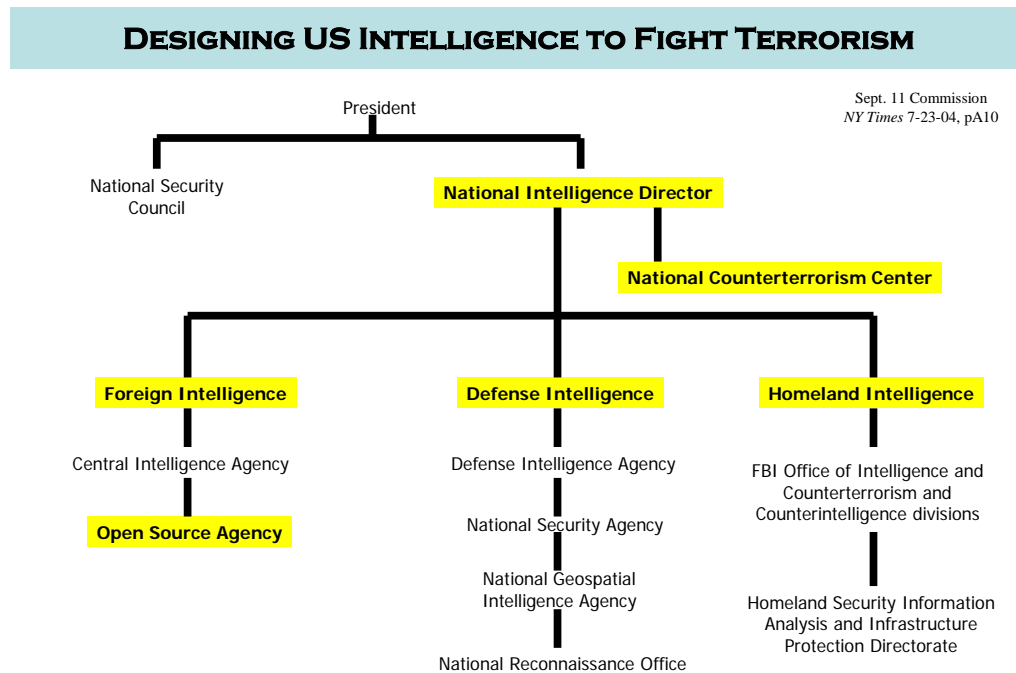
President Bush has raised the question of the military playing the lead role in such situations. Although there is an instinctive (and healthy) Eisenhower flinch by many at the thought of the military taking charge of domestic crises, it's not hard to understand the features that made the idea worth surfacing: the military has scale, many of the most important response capabilities, and a well-defined (though not particularly adaptive) governance structure: command and control. Moreover, the Department of Defense is the source of some of the highest quality thinking done anywhere about the implications of responding to the unpredictable change that are baked into the logic of the Information Age.

Take, for example, the DoD's Network Centric Warfare imperatives of "massively distributed decision-making; local self-synchronization; shared situational awareness; and speed of command." These are crisp labels for four of the more important adaptive survival traits. They also reflect the kind of behaviors that federal intelligence and security communities were said to be incapable of by various 9-11 *post mortem* investigations. Most would agree that these characteristics were lacking in the Katrina response, as well. Confusion about authorities, accountabilities, and the availability of capabilities were obvious. As were questions about the competence of some individuals. The difference between the response to 9-11 and to Katrina

was not better planning, but better *improvising* by more competent local and federal leaders. This might be called “the heroic model,” because of its reliance on exceptionally talented individuals to overcome the systemic inadequacies of traditional efficiency-centric concepts of strategy, structure and governance. Relative to the demand, there is a severe shortage of Rudy Giulianies and Russell Honores. (Honore is the colorful and exceptionally effective army LT General who brought “Don’t do stupid,” and “Don’t confuse activity with progress” leadership to the Katrina response effort.)

The industrial-age management precepts that are still institutionalized in both government and private sectors systematically discourage precisely the adaptive behaviors we celebrate in our crisis-management heroes. That management system is predicated on predictability and efficiency. Strategy is a plan of action; structure is a set of vertical hierarchies of authorities linked by processes (aptly called “chains”), with the knowers at the top and the doers at the bottom. Governance is command and control (actually, in most large commercial organizations command and control has been replaced by “communicate, budget, design processes, and hope.”)

So deeply ingrained and unchallenged are the principles of the legacy management system that most readers of the 9-11 Commission report, even after becoming convinced that the Commission had nailed the *problem* (US Intelligence badly needs more accountability, collaboration and information sharing), would nonetheless find unremarkable the Commission’s following *organizational recommendation*:



It seems unremarkable because we are so used to seeing this kind of picture. But in terms of the issues to be addressed, it is truly remarkable precisely because it is so traditional....so static. It deals with the accountability issue by adding yet another decision-making layer at the top. The sharing and coordination issues are not addressed at all (in this picture),

presumably awaiting subsequent process designs that will specify and sequence all the response options and contingencies that can be predicted in advance. And even the most casual viewer can readily see the battle lines where future turf and budget wars will be waged. The Department of Homeland Security probably has a similar looking design, and Katrina demonstrated the impact on responsiveness of interposing layers of DHS approval between FEMA and the President.

This picture is most emphatically not the way an adaptive organization looks or behaves. Adaptive organizations are modular, not integrated, so that capabilities can be linked as late as possible, (late binding), rather than in advance by process designs (early binding). And the power to allocate resources moves closer to the point of effect (customer), not further up the chain (that word again) of command.

Einstein once pointed out that it is impossible to solve problems created by the current pattern of thought using the current pattern of thought. Therefore, leaders who exhort people to be innovative must realize the damage done by preserving a management model predicated on repetition and efficiency. Adaptive people should not be -- but regularly are -- asked to improvise successfully *in spite of* the legacy structure and management system. This works only in the case of those who become highly skilled in getting things done without breaking too much glass as they finesse, evade, and ignore the institutionalized management system. Even then, it is a very unproductive diversion of time, talent and energy. Katrina makes it very clear how dangerous it is to rely on having an adequate supply of heroes on hand to handle the unpredictable. In order for ordinary people to achieve exceptional results, management must step up to its accountability by providing a management system that fosters and leverages coherent improvisation -- one premised on adaptability and effectiveness rather than predictability and efficiency.

In an adaptive enterprise, such as a virtual *National Security Enterprise* is envisioned to be, *strategy* becomes structure: a structure *for* action, featuring the dynamic synchronization and binding of capabilities at the latest possible moment. *Structure* becomes a system architecture of modular roles and accountabilities in which the interactions *between* capabilities, rather than the actions *of* them, are specified. These interactions are expressed as inter-role commitments to an exchange of outcomes and deliverables; with unambiguous accountability for the effects those outcomes produce.

And *governance* becomes Context and Coordination, where Context is a declaration of: organizational purpose (Reason for Being); Global Constraints and Restraints (Governing Principles); and the specification of how people in accountable roles relate to one another to carry out the Reason for Being (Role and Accountability Design). Coordination entails tracking the dynamically changing commitments between roles, and propagating the Global Governing Principles as conditions that must be satisfied in carrying out of any commitment.

A National Security Enterprise created using the principles of adaptive organizational design satisfies the imperatives mentioned above. Massively distributed decision-making is made coherent by the Governing Principles and by the Role and Accountability Design that specifies the "Who Owes What to Whom" architecture of roles. These roles can be located in local, state, federal, private sector or coalition partner "home rooms." The National Security Enterprise becomes, in that sense, a "real" virtual organization. Local self-synchronization arises from the effect-back "late-binding" of capabilities. Shared situational awareness and enhanced speed of command are directly addressed by other principles and features of adaptive organizational design. (For readings about these and other aspects of the Sense and

Respond managerial framework for adaptiveness, please see http://senseandrespond.com/?page_id=498

In a National Security Enterprise designed and managed as an adaptive organization, “Who Owes What to Whom” would never be a mystery, because the strategic relationships are explicitly addressed by the Role and Accountability Design. New operational and tactical roles can be created by local managers as they decompose their accountabilities into a structure for action that fits the situation at hand. Some tactical responses will involve synchronizing and dispatching existing roles. Others will require the use of new roles created in the fray and on the fly..... improvisationally, but always coherently, because they are systematically tested for conformance with higher level designs and the global constraints and restraints.

The highest level design, once adopted, becomes the national security strategy, expressed as a structure for action. Investments can then be made to stand up the capabilities specified in the design, which will be sourced from military, intelligence, homeland security, FEMA, local police and fire departments, Center for Disease Control, engineering firms, hospitals, *et alia*. Roles are populated with individuals who might reside in a state, local, federal, or commercial agency “home room.” The decisions about who populates a given role are made or approved by the person who is held accountable for the higher level outcome to which the role in question is a contributor.

Note that such a National Security Enterprise need not “own” any of these capabilities – only the architecture and requisite authorities to populate and provide resources to the roles in the design. The actual use of those resources is event-specific, and would be substantially different depending on the nature of the event. The response manager for an avian flu pandemic would dispatch a very different set of home-room resources – and be a very differently skilled individual – than would the response manager for a chemical attack on a Chicago El station, or a 7.9 earthquake on the San Andreas fault, or a local disaster that requires resources housed in federal agencies.

This short essay briefly describes how sense and respond managerial concepts could contribute to an adaptive and robust National Security Enterprise without reorganizing the Federal Government. Many other important adaptive enterprise attributes, such as scalability, are not discussed here, but it is worthwhile mentioning some of the benefits:

- Clarification of purpose and policy that the enterprise Reason for Being and its Governing Principles provide;
- Modularity of component capabilities, enabling both an exponential increase in the number of national security response configurations, as well as the seamless incorporation of both highly proceduralized and highly improvisational behaviors;
- Intrinsic and dynamic alignment of organizational roles around a common purpose, and the corresponding elimination of the sub-optimizing behaviors that are a hallmark the industrial age management model;
- Creation of a National Security strategy expressed as a virtual and scaleable *design* for security.

An adaptive National Security Enterprise would not be designed to respond efficiently to predicted security challenges, but rather to respond *effectively* to the challenges that actually present themselves, be they predictable or surprising.

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