TRANSFORMATION
FROM THE OUTSIDE IN OR
THE INSIDE OUT?

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TRANSFORMATION

FROM THE OUTSIDE IN OR THE INSIDE OUT?

by

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ABSTRACT

During the past fifteen years, there have been many efforts to transform the Intelligence Community (IC), Department of Defense (DOD), and the Armed Forces. Some of these efforts have been successful to some degree, but they have not achieved the real revolutions that were promised. In general, the reforms of the IC have been less visible than those in DOD; yet the IC has had more than twenty-five reform proposals from commissions and committees created by either the executive or legislative branches since 1949, which suggests that people think that there has not yet been a satisfactory approach to reform. Most of those reforms recommended for the IC have come from Congress and have been more about process and procedures than about outcomes. Indeed, the concept of "outcome" seems to be missing from the vocabulary of those writing and speaking about the IC, except for those who have been trying to prevent leaks. One of the problems here may be that Congress is composed mainly of lawyers who have never been involved in intelligence or the Armed Forces. They have never had the operational experience of carrying weapons or being in danger of being killed by an adversary. On the whole, lawyers tend to be in the business of telling people what they must not do—not what they can do. This has had a deleterious effect on the IC. For instance, critics have spoken about the inertia within the Intelligence Community, which they attribute to established ways of doing things, and resistance to change. The inertia is probably there, but the reasons for it may have more to do with increasing risk avoidance based on legal requirements than with tradition.

The reforms in DOD have been more visible than those in the Intelligence Community, and several have been billed as transformational. Two recent examples include the Revolution in Military Affairs in DOD, which had its origin in the Office of Net Assessment, and the Transformation of DOD led by ADM Cebrowski and followed by Network Centric Warfare and Operations, which came from the OSD Office of Force Transformation. Each Service developed some new approach, with the Army moving towards lighter and more flexible operational capabilities such as the Stryker Brigade, the Navy embracing Network Centric Operations (NCO) with FORCEnet and the Navy Marine Corps Intranet (NMCI), and now the Air Force with the new Cyber Command.

One of the areas that requires particular reform is that of acquisition—despite many recent attempts at reform. Major capital investments in platforms can take decades to accomplish. Meanwhile as the international

situation changes and causes changes to requirements, modifications to the original acquisition are made without necessary increases in funding, causing massive time and budget overruns. One of the reasons for this is that, because of the length of time taken to build the platform, there will be several Program Managers (PM) involved. While the first PM may have had a clear vision of the desired outcome in his head, with subsequent PMs and changes to the program, the outcome becomes less clear.

The most recent casualty of budget overruns appears to be the much-touted DDG-1000, the Zumwalt-class destroyer, which was estimated to be more than three billion dollars over cost per vessel for the first two vessels. The reprogramming decision was made at a July, 2008 conference hosted by Deputy Defense Secretary Gordon England and attended by Navy Secretary Donald Winter and Chief of Naval Operations Admiral Gary Roughead: the Navy will build only the first two ships, and will cancel the remaining five.

Perhaps even more critically for the war on terrorism, the DOD procurement system, geared to the acquisition of major platforms and weapons systems, prevents new and innovative concepts from being developed quickly; the focus on processes and checklists has taken attention away from desired objectives, and the unwillingness of various organizations to learn lessons from others have all led to problems in facing the future.

These criticisms are symptoms of a larger problem—most of these revolutions and transformations have been proposed and imposed from the outside, without any real attempt to create change from within. There have been exceptions: however, they have come mainly from small commands that lacked the size or scope needed to initiate or influence Department-level change.

One significant case was the transformation of Naval Education and Training started by Vice Admiral Pat Tracey when she was both CNET and N7. But even there, she encountered enormous resistance from the long-term civilian staff, who were quite vocal in their objective to "wait her out." However, she was able to get significant changes made despite the opposition. Most of the recent attempts at transformation have involved information technology that has been imposed top-down (the Global Information Grid, for example) and that centralizes rather than decentralizes the command structures. And in some cases, little thought seems to have been given to whether people are going to be able to use the new technologies successfully.

I have participated in several projects and training programs related to the deployment of new technology in an effort to transform organizations and has seen how difficult such transformations can be. Technology alone cannot transform an organization or its operations. Indeed, technology imposed top down may certainly not be the best mechanism for transformation. What is needed is a transformation in the people—the operators and users, and this requires more than training. It requires winning the hearts and minds of the people within the organization so that they become willing to do things differently. This, in turn, requires belief in what the organization is doing, and it requires trust that people will not get penalized for doing their jobs, no matter what the political situation.

Winning hearts and minds has become a popular phrase in the worlds of diplomacy, strategic communications, information operations, and among soldiers and Marines with their boots on the ground. It has not been entirely successful in those arenas, but at least it has been acknowledged. I have never seen the concept applied to transformation of DOD and the IC, yet that is what is required. Unless we do that, we will not be able to make the kinds of transformations that we want and need. We need to think about changing the mindsets and mental models of people at all levels of those organizations so that we can bring their creativity and ingenuity to work on problems.

People are at the heart of change—not technology and not even the organizational structure itself. We must think about people at all levels from the top to the bottom of the organization. Organizations are collections of people who have been pulled together to accomplish certain objectives. The technologies they use and the structure of the organization within which they work are there to facilitate and support them. Too often it seems as though we expect people to conform to the technology or the organizational structure rather than the other way around. As the Marines would say "we're manning the equipment rather than equipping the man." In both the IC and DOD, people are the most important asset.

This monograph provides a very brief history of the attempts to change both the IC and DOD, some examples of successful methods for change and transformation, and recommendations for both the IC and DOD.

TRANSFORMATION
From the Outside In or the Inside Out?

Transformation: Why and What

WHY Transformation?

Almost everyone in the Intelligence Community (IC) and the Department of Defense (DOD) agrees that things have changed significantly since the end of the Cold War. Yet, in the West, with all our emphasis on information technology, battlespace knowledge, and battlespace dominance, we still seem to expect that most warfare in the future will be fought on our terms. We would like to know as much about the enemy as we did about the Soviet Union... but do we? In the future, our enemies are likely to come from different cultures with different priorities and different approaches to warfare. While we may still have to fight a few traditional conflicts, most people are in agreement that much greater emphasis will be placed on irregular warfare and counterinsurgency (COIN)—both of which will include urban warfare—and some form of nation building. In all these situations, we will be in a contest of wills, with the more resilient prevailing.[1]

With knowledge superiority and the latest technology, we expect to be resilient and to be able to shape the battlespace to our advantage—we are planning to use technology to give *us* that asymmetric edge – but information technology may actually level the playing field rather than tilt it in our favor. Insurgents and terrorist groups tend to adapt to situations faster than we do, especially in their use of such things as cellphones and the internet, and our initial COIN successes may be unsustainable as our adversaries' and their host nation's needs and motivations change dynamically. As Bernard Fall stated more than 40 years ago "If it works, it's obsolete."[2]

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1.   Jeffrey Record, Beating Goliath: Why Insurgencies Win, Potomac Books, Washington DC, 2007 p 1.

2.   Bernard Fall, "The Theory and Practice of Counterinsurgency", Naval War College Review, April 1965.

The Intelligence Community—especially the CIA—developed its organizational structures for the Cold War. During that period, most of our critical international issues were neatly compartmented geographically, so we had headquarters, divisions, and field stations that related to specific areas and countries. The people who ran and worked for those stations were people with enormous experience of those countries; they understood the history, the culture, the languages, the vernacular, and the people to watch. They employed nationals of the country who could talk with their countrymen and mingle with the crowds. Starting in the mid-'80s, the United States began to recognize transnational problems—drugs, proliferation of WMDs, and terrorism; and most institutions, including the IC, did not know how to handle these new problems. In establishing such organizations as the Counterterrorism Center, the CIA set up a matrix organization that cut across the Divisions. Obviously the Division Chiefs did not take too well to that new approach, as it diminished their power. Operations required not just the authority of the chief of a single country, as they used to do, but in some cases the authority and/or concurrence of several chiefs. As in many situations, the more people involved, the less got done.

Similarly, DOD and our military institutions are not geared up for rapid change. The establishment of the Joint Staff and the COCOMs also created a matrix structure, but it has been more effective than that in the IC. Moreover, each of the Services recognizes the need for change, and they are making steps in the right direction. However, their budgetary and acquisition processes tend to be of the Cold War era, and those processes inhibit any kind of rapid change.

In the cases of both the IC and DOD, we have to realize that they operate within a political system that was designed more than two centuries ago, and for an era in which the known world was smaller, things were simpler, and events unfolded a lot more slowly. In today's world, elections every two years for members of Congress are guaranteed to ensure that there is no interest in long-range planning. And even the Senate's six-year cycle is not long enough for Senators to think long term. The pressure for reelection creates a need to demonstrate results for their constituencies either as white knights who right wrongs, or in

the form of dollars flowing into districts. This has created a situation in which budgets for capital projects (whether they are really necessary or not) increase every year, fueled by the desire for the various agencies to develop the latest technologies and the desires of the members of Congress to have more money spent in their districts. This is a situation that is beyond the scope of this monograph, but it is a critical one for both the IC and DOD. Perhaps both organizations should take it upon themselves to develop educational programs for freshmen Congressmen and for those who become members of critical committees.

This monograph looks at the need for the transformation of both the IC and DOD and the aspects of our systems and ways of operating that enable or inhibit real progress, and it makes recommendations for changes over which both institutions have control.

The Author's First Personal Experience of Transformation

It was at 2:00am that I awakened to the sound of hammering on doors and feet running down the corridor. It was the third night out at the SEALs' new training center on San Clemente Island, and we had already accomplished two very intensive days of strategic planning workshops.

I listened to the noise without getting up. No one knocked on my door. It seemed that one of the SEALs was shouting to his buddies to get up and go to the conference room because he'd just had a great idea. A few minutes later, the sleeping quarters were in silence as all the SEALs left, and I went back to sleep. Over breakfast, we asked the SEALs what had happened. It turned out that one of them had awakened with such a good idea related to their strategic planning project that he couldn't wait until morning to share it. All the SEALs had gone to join their enthusiastic buddy without any complaints —except for a bit of friendly joshing—as they explained the occurrence to us.

Later that day, we were working on developing the Vision for Naval Special Warfare Group One (NSWG1.) To us, a vision is a very important part of a strategic plan, and we work hard at getting it exactly right. The SEALs had been working in small groups, and as we went back to the plenary session, we saw that one of the participants was missing. His colleagues assured us that he would be back very soon. At this point in the narrative, it is worth mentioning that the dress for these workshops was very casual—jeans or shorts, t-shirts and flip-flops. Several minutes went by and finally the missing SEAL returned—freshly showered, and in a perfectly pressed uniform. He came into the conference room, saluted the Commodore, stood at attention, and recited the Vision that his small group had produced. It brought tears to our eyes. It was passionate, inspiring, and it carried with it the seeds that would subsequently transform what the SEALs were doing and how they did it, from changes in organizational structure to the development of the Mission Support Center. The (then) Commodore was effusive in his praise for the transformational approach and its impact on the future of NSW.

We learned a lot from the SEALs, and they caused me to think more deeply about what we were doing for our clients. I had been a strategic planning consultant for more than 25 years at that time. We had been very successful in enabling our clients to develop good strategic plans, but the SEALs expressed and shared so many wonderful ideas during

both the project described above and a subsequent one for NSWG1 that they stood out as being special.

So why is this important? It highlights several elements of conventional planning and even transformation that are not normally considered. First, the entire leadership of the organization was involved passionately and enthusiastically—once they realized that we were not there to tell them what to do. They were committed to the eventual outcomes, as they had defined those outcomes themselves. Nothing was imposed on them from outside, or developed by anyone other than the leadership. This is not the norm within DOD. Planning is not taken very seriously and often is conducted only when required in order to be compliant with various rules and guidelines. Most plans are prepared by middle managers—members of an IPT (Integrated Product Team), for instance—that have been given the responsibility of preparing a strategic plan that will be submitted to higher authorities. Imagine what goes on in the heads of those mid-grade officers and civilians responsible for preparing a plan this way. Will there be any out-of-the-box thinking? Will there be any genuinely new and creative thought? Will there be anything transformational? No! It's all too risky for them to do anything other than extrapolate from what is already being done. And will their bosses really take the time to examine those plans thoroughly, questioning assumptions and asking "what if" questions? Not likely! It seems that the purpose of such a plan is to *have* it—not to *use* it.

For good strategy, and certainly for transformation, the leadership itself must be involved. After all, they are the people who have the big picture and who are responsible for ensuring that the organization is on track. As I had the gall to say to (then) Vice Admiral Bill Owens, when he was the N8: "If you and the leadership of the Navy can't spend 2% of your time thinking about the future of the Navy, who the hell else will?"

WHAT – Is it really Transformation?

Transformation implies that something has undergone or is undergoing a significant change of state, as in a caterpillar becoming

a butterfly, or a liquid becoming a gas. The change occurs to the appearance, character, and disposition of the object undergoing the transformation. In other words, the change appears revolutionary rather than evolutionary.

Within the Intelligence Community

Proposals for reforming and reorganizing the intelligence community have been made on a regular basis since 1947.[3] Some have called for minor changes, such as budgetary responsibilities, some for changes in the responsibilities of the leadership, and some have gone so far as to call for the dissolution of the CIA. Most of these proposals have been brought about by changes in American foreign policy, changes in the international environment, or concerns about governmental accountability. In some respects these concerns have been raised because the idea of spying—in the broadest sense—goes against the popular view of the American culture. We Americans see ourselves as honest, open, straightforward, and generous—and we are. Espionage is regarded as not very nice; it's sneaky; and spies not only spy on people and steal secrets, they have occasionally assassinated enemies of the State. The fact that it has been done since before the founding of the nation, and that it assisted in the success of the Revolutionary War and all subsequent wars is often forgotten.

Perhaps the most far-reaching reforms resulted from the changes initiated by the Church Committee in 1976. The Church Committee was established in the wake of revelations about assassination plots organized by the CIA, and it resulted in the establishment of permanent intelligence oversight committees and various other recommendations designed to limit the scope of the CIA's activities. CIA operatives were accused of illegal operations – and their careers destroyed for doing their jobs. The Directorate of Operations (DO) lost its best people, and lost its passion and enthusiasm for its work. Human intelligence (HUMINT)—the area that distinguished the CIA from all the other intelligence agencies—became the main casualty. Those who were left in the DO became fearful for their careers and avoided taking risks.

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3.   Richard A. Best, Jr. "Proposals for Intelligence Reorganization, 1949-2004", CRS Report for Congress, Washington DC, 2004.

Bill Casey, the DCI during much of the Reagan Presidency, understood intelligence and had a total dedication to his country. He tried his best to bring back honor and enthusiasm to the Agency, but some Agency people regarded him as "not one of us" and therefore rejected his ideas. But the worst problem was that the lawyers and Congress regarded him as a maverick to be opposed at all costs, so they slow-rolled him. His successor, Judge William Webster, was brought in to tame what spirit was left in the CIA. During his time at the CIA, Webster was responsible for outlining what has become known as "the most sensible of rules for considering Covert Action."[4] He said that the CIA should put forward to the President and the National Security Council only those covert action proposals that could withstand public scrutiny if exposed. In a conversation with former Deputy Director William Nolte,[5] he speculated that we might not need to undertake covert action if we understood clearly what we were trying to achieve at a strategic level. From that strategic perspective we should be able to identify overt courses of action that would be as effective. But that will require a much deeper understanding of the target culture, their motivations, and their decision-making processes than is currently available.

During the period of the two DCIs mentioned above, the view of the world changed, and the CIA tried to move away from its geographical organizations to deal with transnational issues such as drugs, the proliferation of WMD, and terrorism. The matrix organization that developed had the problems associated with all matrix organizations—power, budget, and turf struggles.

Later, because of desires for more relevant intelligence in specific areas, and then the need to coordinate the various organizations involved, the IC grew and became stovepiped. Various Presidents had different relationships with the IC, especially the CIA. President Clinton took very little interest in it, seeing the DCI, James Woolsey, only twice in the course of his first two years as Director. It was only when President

4.   John MacGaffin, "Clandestine Human Intelligence" in Sims and Gerber, Transforming U.S. Intelligence, Georgetown University Press, 2005, p 85.

5.   Dr. William Nolte is the former director of education and training in the office of the Director of National Intelligence and chancellor of the National Intelligence University. He is a former Deputy Assistant Director of Central Intelligence, Central Intelligence Agency.

Clinton realized that covert action might solve problems overseas that he ordered dozens of covert action proposals without understanding their benefits or limitations. These requests of the President, which put him in direct conflict with the CIA, combined with the disasters of American policy in Haiti and Rwanda, created a situation in which some of the more competent people left the Agency in droves. Later, when George Tenet was asked about what he thought should be done to change the CIA, he responded, "Blow it up!"[6] Tim Weiner, author of a 2008 history of the agency, made the assumption that Tenet meant a creative destruction—that it needed rebuilding from the ground up.

Porter Goss understood the problems; he was a risk-taker and was action-oriented. But he faced so much opposition that he left the CIA after only 9 months, and was replaced by General Michael Hayden. Despite his desires to reform the CIA, General Hayden has been in a permanent state of Congressional inquiry over many different problems since he became DCI in 2006.

Following the attacks in CONUS on 9/11 and the intelligence failures of the Iraq war, there have been several changes, including the establishment of a Director of National Intelligence (DNI) in 2004 to oversee the sixteen intelligence agencies. While this might be a useful move from the perspective of attempting to ensure coordination between the various agencies, the DNI was not given a great deal of authority. It was clear that there needed to be more coordination and cooperation across the IC, but inserting a large bureaucracy, including many people with little or no knowledge of intelligence, between the CIA (and other agencies) and the President, did not seem to make a lot of sense, especially when that organization was given so little authority. A very high-level, yet small, agile and flexible ODNI that provided the Director's intent for the agencies, yet left them with autonomy and without bureaucracy, would probably have been a better option. Having said that, the IC is where it is, and it needs to do the best it can.

In addition, since 9/11, the budget for the IC, including supplementals, has been growing at 20% per year. This has facilitated the growth in capital projects, but there seems to have been little oversight

6.   Tim Weiner, *Legacy of Ashes: The History of the CIA*, Anchor Books, NYC, NY 2008, p 516

on the effectiveness of such projects. Indeed, Dr. Nolte suggests that the large capital infrastructure developed by the IC is not very relevant for its current operating environment. Despite the general lack of effective Congressional oversight, given the current economic conditions, it would seem that such budget increases are unsustainable.

Perhaps one of the most insidious and far-reaching attempts at reform has just taken place as this monograph was being written. On 16 July 2008, the House of Representatives passed legislation governing the intelligence budget which demands that lawmakers be given greater access to details of all secret operations. We do not yet know what will happen with the Senate, or whether President Bush will veto the bill, but the fact that the House could even consider such legislation indicates how far out of touch with the whole business of intelligence our lawmakers are. This legislation is a far cry from Webster's "sensible rules," and it must have grown from a sense that lawmakers were not being kept informed. But secrecy is, and should continue to be, an integral part of the culture of intelligence.

None of the changes resulting from the various actions described above was ever intended to produce *transformation* in the IC—far from it. As mentioned earlier, most lawmakers are lawyers. Their profession is one that looks back into history for precedent. They are not visionaries, and they are not long-term thinkers who want to develop the best and most useful IC possible. They have brought in more rules, more oversight, more controls, and more layers of bureaucracy. It has all been about process. Nowhere have we seen any reform that has been focused on improving outcomes.

Stovepiping and lack of information sharing is still the order of the day, as the various agencies vie for resources and power. This has created problems for users of the IC's products. For instance, from DOD's perspective, lack of theater-wide intelligence is a problem for battle management and command and control (BMC2). The various agencies responsible for producing intelligence provide their own narrow, stovepiped estimates, and there is nothing being done to synthesize those intelligence estimates into a coherent whole—it is left to the theater commander to do that. In addition, many different organizations

in DOD are beginning to use foreign media analysis and surveys conducted opinion research companies and to provide open source intelligence. Some of this information and analysis is very insightful. If this information were synthesized with classified intelligence, we could gain enormous insights into *why* people do as they do, rather than knowing only what they are doing, how, and with whom.

From everything that I have read and heard about changes to the IC, the "people elements" were never even considered, except in a negative context. The main people issues involved limitations on actions and methods—some of which were probably necessary, and others that severely curtailed the agencies' abilities to conduct HUMINT. These limitations were supported by people seeking to use information technology to expand the capabilities of the technologically based "…INTS" (Electronic intelligence—ELINT, Signals Intelligence—SIGINT, etc.) and imagery and ISR (Intelligence, Surveillance, and Reconnaissance) technologies—and who wanted to justify the large capital projects involved.

The activities that have taken place in July 2008 have been significant. The President has issued a major amendment to Executive Order 12333 regarding U.S. Intelligence Activities that increases the authority of the DNI and defines the roles of the various agencies. And the current DNI, retired Admiral Mike McConnell, together with the leadership of the IC has produced a "Vision 2015" for the IC. It discusses the way in which the Vision can be made real and provides an operating model for the various agencies to follow. In his covering letter, he challenges the IC's senior leaders to develop a well-defined road-map to translate this Vision into reality. This is a very good start, and it may provide an environment within which a transformation could take place, but more on this later,

Within DOD

The most recent desire to transform DOD started in the early 1990s, when Andrew Marshall, director of the Office of Net Assessment, saw that the Soviets had recognized that the technological developments in the United States could render obsolete the vast military forces that they had been building. While the United States had been the ones

focusing on developing the technology, it seemed that the Soviets recognized its greater potential for revolutionizing warfare. These kinds of revolutions created through technology were not new, they had been recognized for at least 500 years, but on a smaller scale. The Revolution in Military Affairs (RMA) started in the mid-'90s with the aim of ensuring that DOD could shape the international security environment effectively and could enable itself to respond to the full range of military challenges that it could envision for the next 20 years. It led to Joint Vision 2010 and then Joint Vision 2020, both of which addressed the RMA, and today much is still written and heard about it.

The RMA was designed to take advantage of the revolution in information technology—to harness technology to bring about fundamental conceptual and organizational change. As Secretary of Defense William Cohen stated in his Annual Report to the President and Congress *"while exploiting the RMA is only one aspect of the Department's transformation strategy, it is a crucial one."*[7] However, his report described Information Superiority as the backbone of the RMA and identified *"improved intelligence collection and assessment, as well as modern information processing and command and control capabilities as being at the heart of the revolution."* He set out the requirements for a "common backbone" of advanced command, control, communications, computers, intelligence, surveillance, and reconnaissance (C⁴ISR.)

Interestingly, despite this focus on information technology, Andrew Marshall had argued *"from the first, that such a revolution was only a beginning, that the human elements would be by far and away the most important elements in its development, and that it was by no means certain that the US military would be the realizers of the transformation."*[8]

The next major phase in the RMA was the development of the concept of Network Centric Warfare (NCW). The late Vice Admiral (VADM) (ret) Arthur Cebrowski (often called the "father" or "godfather" of NCW) was appointed Director of the newly established Office of

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7. William S. Cohen, Annual Report to President & Congress, 1998, Chapter 13.

8. Williamson Murray in his Foreword to Colin Gray, Strategy for Chaos, Frank Cass, London, 2003, p xi.

Force Transformation (OFT) in October, 2001, and reported directly to the Secretary and Deputy Secretary of Defense. VADM Cebrowski was an out-of-the-box thinker and visionary, who took the ideas of NCW as being at the heart of future warfare, and at the heart of transformation, very seriously. However, in our conversations, he also discussed the importance of both people and changed organizational structures. He wasn't seeking technological developments alone. And his Program Director, John Gartska, also recognized the importance of the human aspects and brought me into his team of people who taught the principles of NCW to groups in both DOD and NATO. However, while some people in the defense industries and DOD recognized the importance of these non-technological aspects of change, most still put all their effort and investment into the technologies.

Why is that? In many respects the technology is the easy part. While it may require a great deal of knowledge, ingenuity, and expertise, it is inanimate: it doesn't complain and dig in its heels. The following comments by Norway's Minister of Defense show that acceptance of military transformation remains as difficult today as it was in the interwar years:[9]

- For many military officers, it is a heart-breaking process to leave behind something that used to be important, used to make them important. In some cases, it implied changing their own established world view.

- But like it or not, relevance must overrule sentimentality. We have to focus on new capabilities, and to try to forget about yesterday's force structures.

The Department of Defense has not addressed the human and organizational aspects of NCW sufficiently. New technology is being substituted for old in existing applications, and some new developments are taking place through improvisation in the battlespace, as described below.[10]

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9. Kristin Krohn Devold, SACLANT Open Road '03, www.e-gov.com/ events/2004/gsf/ download.

10. Frederick Stein, Joe Stewart, Rich Staats, Stephen McBrien, and Andres Fjellstdt, "Network Centric Warfare: Western Iraq Case Study" (briefing, Office of Force Transformation, Washington DC, 2005).

> *"One of the most recent examples of a successful application of NCW concepts to a tactical battlespace environment was the campaign in the Western Theater of Iraq. The results of this operation spoke for themselves in terms of the potential efficacy of NCW-based operations. The conventional wisdom is that, for a successful offensive operation, the attacking force should enjoy a three to one advantage in combat power. In the Western Theater, the coalition forces actually suffered a five hundred to one disadvantage in terms of "boots on the ground." Even with this shortfall, the coalition forces: were able to prevent the launch of any theater ballistic missiles; suffered no fratricide; and, captured an area roughly the size of Nevada in less than five days. **One of the critical elements in that victory was the culture of the U.S. Air Force (USAF) and Special Operations Forces (SOF), which allowed them to leverage Information Age opportunities through creative changes to Doctrine, Organization, Training, Materiel, Leadership, Personnel, and supporting Facilities (DOTMLPF) and thus achieve advantages in the battlespace."***
> [Emphasis mine.]

Clearly some forces are better able than others to improvise and make creative changes—especially SOF—but so far nothing very revolutionary and transformative seems to be occurring, even through the use of IT. We are still manning the equipment rather than equipping the man. The Chairman and Vice Chairman of the Joint Chiefs—Admiral Mullen and General Cartwright—"get it." They realize the importance of people, and they understand the changing nature of warfare. Yet, despite comments by General Cartwright that Information Operations is a major warfare area and that kinetic operations should be in support of IO, even this change has not yet happened. At a recent DOD conference on IO, a 23-year old Second Lieutenant (a very unusual speaker) said to the middle-aged audience "You guys just don't get it!" Meaning that, in the areas of IT and the use of the Internet for IW, we are not up to speed with the kinds of things that young people know are possible. This echoed a statement made at a counter-proliferation conference earlier this year, when Jared Cohen from the State Department said that a young person in the Middle East will read the instruction booklet for a cell phone at least a dozen times in order to be able to make the best possible use of it—perhaps for

life-or-death situations. How many of us have read such a booklet even once? The Second Lieutenant also said that her 9 year old niece is even more competent and knows more about the internet and IT than she does. That's a scary thought for those of us over the age of twenty-five.

OUTSIDE IN

Current Situation

Almost all the changes that have occurred so far within the IC and DOD have been from the outside in. What does that really mean? It means that people (from both outside and inside the organizations) have decided that something can be done *to* the organization to cause it to become better. These include getting new leadership, reorganizing, adopting new technology, adopting different ways of doing things, etc. Frequently it means that the recommendations for action have been made by an individual or small group of specialists who saw the benefits that could be derived from using IT in innovative ways, for example, but who may never had had experience on the battlefield; or the benefits of applying some form of business approach that has never been tested in a government setting before (TQM, BPR, Six Sigma, Lean Six Sigma, etc.). In the IC, they have been operating under increasing legislative constraints from Congress, whose members have never had experience as intelligence operators. Recommendations of this sort have generally involved new rules and guidelines for behavior, or the adoption of some business approach as described above.

In all these cases, people have been regarding the organization as a whole, almost sentient entity that can be affected by external prodding. External prodding can be useful if it points out things that the organization might be missing—new ideas, new research, or new perspectives, for instance. But the focus from the outside can take attention away from the business of reform or transformation from within. In addition, this kind of external prodding has had the result of detracting from the development of good, viable strategic planning. Almost all the Services have suffered from being "jerked around" by well-meaning people who thought they had the right solution for some aspect of the Service's business—how to acquire and build aircraft

or ships, for instance—and whose advice turned those acquisition programs into debacles.

Rarely has an organization from the IC and DOD taken a hard introspective look at what it is, what it is doing, what it is good at, where it has come from, and where it is going. Even more rarely have the organizations in the IC and DOD looked at the people who make up that entity—their skills, capabilities, and experiences—and asked what could and should they be doing? Almost all the organizations in the IC and DOD could use some effective strategic planning. Recent conversations with several "3 stars" and their civilian equivalents have indicated that they do not have the time to do it. They have said that getting their own people together for more than a day at a time is not feasible, and they have doubted that they can get the appropriate senior people together even for a serious strategic planning discussion/workshop. That kind of comment suggests that they are so overwhelmed by short-term events and activities that they are forced to neglect the longer term. That does not benefit the United States. The primary purpose of strategic (top-level) leadership is to lead the organization into the future—to think strategically and creatively about what it should be doing. Such leaders should not be spending their time fighting fires and micro-managing. That's what subordinates do.

Before we can think about transforming, or even changing, existing organizations, we need to look at the kinds of people in those organizations, their motivations for being there, their ways of doing things, their values, and their expectations for the future. In short, we need to understand the culture. The IC has many and various types of people involved in everything from HUMINT to imagery and hence, many different cultures. We tend to think of DOD as homogeneous, yet each Service has its own particular culture, which may be more or less open to change.

The IC Culture

In many respects, the culture of the intelligence community is at odds with the American culture of openness, optimism, straightforward democratic relationships, and the rule of law, as mentioned earlier. By its very nature and for the survival of its people, intelligence is

clandestine, covert, and sometimes has to involve otherwise unlawful activities. This has created a very tight-knit group, or rather a set of sixteen groups, since most of the intelligence organizations are highly competitive in terms of both resources and power. Each of these groups has a two-way boundary—permeable from the outside in (to bring in information and intelligence) but highly impermeable from the inside out. People and information do not cross the boundaries between these sixteen intelligence agencies easily, even when "rules" or national interest dictate otherwise. This lack of information sharing comes from traditional concerns about power, resources, and prestige. It also comes from the nature of the intelligence that each collects. The NSA, NGA, and NRO, for instance, collect very different information from the CIA. It is collected differently and used for different purposes by different customer organizations. The Defense Intelligence Agency (DIA) collects military intelligence which, in many areas, tends to overlap with that collected by other agencies, especially the CIA. Unfortunately the two agencies have tended to be at loggerheads for many years, and there has been very little information sharing. Yet there will be times and situations that could benefit from synthesis of all kinds of information—if only people in one agency were aware of what the others had. Each organization and the way in which it functions can be a mystery to outsiders, even outsiders with a need to know. Dr. Jennifer Sims[11] suggests that, with the pendulum swinging even more violently since 9/11 between aggressive collection of intelligence and self-restraint, U.S. intelligence may be a doomed enterprise. She wonders whether intelligence can coexist with democratic governance of the American variety, and if it can be engineered to do so in this new era of non-nation-state aggressors. Thus it appears that the internal cultural problems facing the IC are probably the greatest problems that it has. Unless we can gain some understanding of them, and then some degree of control over them, transformation may be impossible.

The Armed Forces' Cultures

Each of the Armed Forces has its own culture, and we must be aware of these different cultures before we can attempt to change

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11. Jennifer E. Sims, "Understanding Ourselves," in Sims & Gerber, Transforming US Intelligence, Georgetown University Press, Washington DC 2005, p 32.

them. For instance, unlike the Navy and the Air Force, the Army has generally seen itself as the "government's obedient handyman,"[12] and has therefore accepted the need to grow and shrink according to the government's demand for its services. It has tended to measure itself in terms of "end-strength"—numbers of people rather than of platforms and equipment, which is how the Navy and Air Force have measured themselves. The Army has always relied on its human capabilities more than on technology, and that remains true today. Soldiers pride themselves on their knowledge of the essential skills of war rather than on their equipment, although this may be changing somewhat as new technology provides exciting new capabilities.

Despite the fall of the Berlin Wall and the success of the first Gulf War, many people in the Armed Forces still tend to think in Cold War terms. This mindset, or paradigm, no longer helps them make sense of today's world. Recent events in Iraq and Afghanistan make it less likely that this Cold War mentality will persist, but the Services may not yet have replaced it with a new paradigm. The leadership of DOD talks about significant change—the increased role of IO, for instance, and the emphasis on instruments of power other than purely military ones. But in practice, whenever budgets are discussed, the old ways of doing things and the mindsets that go with major platforms and weapons systems come to the fore. Despite many different versions of acquisition reform, it seems that none has succeeded. Indeed, with the emphasis on process, performance measures, and checklists, rather than on outcomes and achievement of capabilities, we may have prevented ourselves from transforming. Nonetheless, the Navy has become more expeditionary; it focuses more on littoral warfare and pays more attention to information operations—something it has never really done before. And the SEALs are in the forefront of the Global War on Terror (GWOT), or the "long war." The Air Force is also becoming much more expeditionary, with its new Air Expeditionary Force, and is moving into the 21st Century with the new Cyber Command. The Army has developed new, more agile brigades, such as the Stryker Brigade. Yet we still need that new story— that new paradigm—before the cultures can change fundamentally so that transformation can take place.

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12. Samuel P. Huntington, The Soldier and the State, Harvard University Press, Cambridge, 1957, p 261.

Another personal experience – from the outside in to the inside out

In the early '80s I was consulting with a major British retailer. The organization was doing rather badly, and the leadership didn't understand why. It turned out that they had defined themselves in terms of their competitors, rather than thinking about their own vision of their business. I remember drawing a diagram of the way I perceived their business—it had many facets all facing outwards, where each facet represented a competitor. In many cases, the company was competing solely on price. In the center of the diagram was a void. When I asked them what should be in the void, none of the leadership team had an answer. The strategic planning workshops were being held at a mansion that belonged to the company, and in the entrance hall was a bust of the founder. At one point in the proceedings, I took the leadership team down to the entrance hall, put them in front of the founder's bust, and then asked them about the history of the company—who was the founder, what was his vision? This produced the most animation amongst the leadership that I had seen, so I led the questions into the area of "If the founder were alive today, what would he want to do?" "What would his vision be today?" Without exception, the entire leadership group had a real "Aha!" experience. It became clear that the founder's vision was still relevant. That understanding transformed the way the leadership thought about their business. Everyone became passionate about this new approach, and the new, vision-based strategic plan that they developed was very successful. It was the "Aha!" moment, and the passion that followed it that turned the business around.

A Famous Example of "Inside Out" – Can We Learn Some Lessons?

The people who colonized North America in the late 16th and 17th centuries tended to be law-abiding citizens of Britain (and some European countries) with Judeo-Christian values. Some had arrived in America to escape religious persecution that was sanctioned by the crown, but most were content to remain subjects of the British monarchy. They must have had a higher than average pioneering spirit in order to have left the safety and security of their birth country; and the nature of the country in which they found themselves and the fact that British legal and judicial institutions were so far away probably led them to become even more self-sufficient. Eventually, triggered by what they perceived as unfair taxation to recover the cost of the French and Indian wars, they rebelled. Starting from the First Continental

Congress in 1774, they developed a vision for their new country that was totally different from the monarchy under which they had started out. They developed a new vision for their new situation, a vision that was totally different from the vision of monarchy. But the vision was not developed overnight. Starting from the First Continental Congress in 1774, their leaders spent the next two years debating how best to adapt to their new situation. Eventually they decided, "in Congress, assembled," that they would "dissolve the political bonds which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them." They declared themselves "to be free and independent states" with the "full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which independent states may of right do." The document enshrining this new vision and purpose was signed on 4 July 1776. That was truly revolutionary.

After seven years of war and another five years of trial and error under the Articles of Confederation, their leaders would assemble again, and this time they would develop a vision of representative democracy, a purpose for government, and a plan for achieving their vision unlike anything that had ever come before. They would finally ordain and establish—and ratify—this new vision, purpose, and plan in 1788:

> *"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."*

That was a real transformation.

This example raises some interesting issues that must be considered if we are to understand some of the elements in any desired transformation.

The pioneers who founded this country were fighters and risk-takers. They had the opportunity to establish a nation that was different from those they had left—one in which they had much more freedom and

autonomy. The pioneering values persisted through WWII, and were especially visible in those who joined the Armed Forces and the Office of Strategic Services, from which the CIA derived. They were fighters and risk-takers who generally put the good of the country above their own requirements. An interview with a retired intelligence operator suggested that, in the 1950s and '60s, those operators that were really good got promoted. That was the norm, no one quibbled about it, and more importantly, no one ever sought promotion. By the early '80s, people were beginning to refuse to go to certain parts of the world because they knew those places were not good for promotion. As Major General Jack Singlaub remarked upon receiving the Donovan Award last year, "We used to know the Right Thing and the Wrong Thing. Now we know the Legal and the Illegal." With the exception of most of the people in the Armed Forces and the IC, our nation's values have moved away from honor, courage, commitment, duty, and country to generalized WIIFM (what's in it for me?)

It would be easy to comment on the cultural changes that have taken place since the '60s and on the educational system that no longer places emphasis on personal responsibility and the history of this nation, but those should not be part of this monograph. However the IC and the Armed Forces need to take these changes into account when recruiting, promoting, and providing education and training.

INSIDE OUT

Transforming Individuals

Lao Tzu said, "A journey of a thousand miles begins with a single step." Transforming an organization effectively from within begins with the transformation of individuals—or groups of individuals. Research that has been conducted for more than 30 years by Applied Futures and Cultural Dynamics staff suggests that the best way to change individual and group behavior (and eventually attitudes and motivations) is through values. [13] This values-based approach has been used for marketing, advertising, and human resource planning for

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13. Christine A.R. MacNulty, "Truth, Perception and Consequences," Proteus Monograph Series, Volume 1, Issue 1, November 2007, pp 38-45.

many years. The latest version—we call it Cultural-Cognitive Systems Analysis (CCSA)^{SM}—is now being used for planning and assessing Information Operations. A paper by Squadron Leader John Davidson, RAAF discusses a similar application of Maslow's group theory to campaign design for COIN interventions.[14]

Is there any difference between conducting IO against adversaries in order to change their behavior, attitudes, and motivations, and conducting some form of transformation within an organization in order to change the way it does things? I think not. Both challenges are about changing behavior and mindsets on a large scale. Thus we might do well to use experience and expertise in IO to help in the process of transformation.

Changing Mindsets and Cultures

Our mindsets are formed from very early childhood on by representatives of the culture into which we are born—parents, teachers, friends, etc.—all of whom want to influence us to be good citizens of society as they view it. The society in which we live—in this context not the national culture (although that does have some influence) but the fairly small area in which we grow up—results from that area's history, tradition, culture, religion, environment, norms, values, beliefs, and expectations for the future. For example, most countries in the West have neighborhoods of Caucasians, Blacks, Hispanics, and Asians. The people in each of those neighborhoods probably have some of the values and mores of the country in which they live, but they also have the values, beliefs, religions, myths, and mores of their forebears. The children in each of those neighborhoods develop quite different mindsets about many things. These mindsets may not be as different from those of the indigenous national population as those of their immigrant parents; they are probably far more westernized. Even so, they still have different cultures, values, beliefs, religions, and views about money, work, marriage, gender roles, and so on.

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14. SQNLDR John W. Davidson, "Needs Must: Applying Maslow Group Theory to Campaign Design for Counterinsurgency Intervention," Defence Research Paper, Joint Services Command & Staff College, Shrivenham, UK, June 2008.

We do not often think about mindsets and how pervasive and persistent they are. Once we have a particular perspective on something, then it is very difficult to undo that perspective and see something different. The old "wife/mother-in-law" picture shown in figure 1 illustrates that. If we can see the young wife, we cannot see the mother-in-law—and vice versa. And our tendency is to focus on one picture only, even when we know there are two.

Figure 1: Wife and Mother-in-Law

Yet people do change their mindsets—through schooling, through peer pressure, through aging and maturing—but it usually happens in a fairly slow evolutionary fashion. When we are children, the earth appears flat; that's all we see. Then we learn in school that the earth is round (although we still wonder why people in the Southern hemisphere don't fall off). Then we fly in an airplane and see that the horizon is curved, and we look at pictures from space that show that the earth really is round (or rather, an oblate spheroid.) That finally convinces us. However, while that logical, rational approach works when we consider "something out there" that has little impact on us personally, a purely rational approach does not suffice when we consider the future of something that will have a direct impact on our lives—such as an organization for which we work. In the West, we have convinced ourselves that our decisions are made logically and rationally, but to convince people to change, we also have to include a means to tap into their emotions and their intuitive faculties.

Changing the mindsets of a large group of people, and changing them significantly in order to create a transformation, really means changing paradigms, i.e. the stories we tell ourselves that enable us to make sense of the world in which we live and work and in which we want to continue to live. These stories are based on our values, beliefs, culture, and experience; and they include emotion, not just facts. The cultural

approach to changing organizations therefore requires both leaders with vision, who are viewed as trustworthy and who can connect with their people at emotional levels, and good stories about why the people in the organization need to change, including what they want to be and do in the future and how they plan to do it. Most importantly, the leadership has to be able to articulate to everyone (or at least representatives of every major stakeholder group) what is in it for them.

In his book *The Masks of War,* Carl Builder described the substantial opposition to Trident modernization in the UK.[15] That opposition prompted the Ministry of Defence (MOD) to issue a White Paper that included many logical, rational arguments about strategic objectives, threats, and the like. They were good arguments, but few people found them compelling. Almost as an afterthought, the White Paper mentioned that if Polaris were not modernized, the MOD would be unable to attract and retain the best people for its strategic nuclear forces. That somewhat emotional argument proved especially effective, but it hadn't been recognized by most senior officers or politicians. Conventional wisdom tells us that most people don't like to change. That may have been more true before the days of widespread travel and communication, but it is no longer always the case. At least a third of the people in most Western countries are happy to change in certain ways—indeed they create or embrace change, even for its own sake. More than a third of the population will change if they see that it is in their own best interests to change, and less than a third will actively resist change.[16]

Thus, if we believe that we need to change the cultures of the IC and DOD in order to transform, we must find the right stories to tell current and future soldiers, sailors, airmen, Marines, and intelligence operatives and analysts. We must enlist the support of those who welcome change; we need to show those who might consider changing why it is in their best interests to do so; and we need to bring along the rest by whatever persuasion we can muster, or else tell them to leave. However, before we go so far as dismissing them, we need to listen to their arguments for resisting change, because they are often the

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15. Carl Builder, The Masks of War: American Military Styles in Strategy and Analysis, JHU Press, Baltimore, 1989.

16. MacNulty, "Truth, Perception and Consequences," pp 40-44.

people who alert us to the advantages in the current situation that we do not want to lose. All this requires both a vision for the transformed organization and an information operations campaign to "sell" that vision to the whole of the organization and its key stakeholders.

Changing Minds – by Howard Gardner[17]

Gardner, who is famous for his work on the mind and intelligence, has described seven levers for changing people's minds.

- *Research:* In which people learn from others' examples. For instance, during the era of Thatcher and Reagan, each observed and emulated the other in terms of both the personae they presented as world leaders, and the kinds of policy decisions they made.

  This could happen within DOD and the IC, if one large organization were to exhibit a real transformation, but so far there have not been any good exemplars.

- *Resistances:* Challenging directly the ideas that are stale or erroneous. President Bill Clinton provided an example of this with his desire not to "end welfare" but to "mend it."

  This is perhaps harder within DOD and the IC than in the commercial world National Security is such a loaded subject, and is so related to the values of patriotism and duty, that challenging authority can be risky. Yet if DOD and the IC are to transform, challenging tradition—which is likely to mean challenging authority—is what will be required.

- *Resources and Rewards:* Using resources that are available to the leader of the organization to develop a reward system for initiating new policies and practices. For instance, Margaret Thatcher was able to privatize major industries and curb unions by offering the citizens more money in their pockets (less tax) and more personal control over how the money would be spent.

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17. Howard Gardner, Changing Minds: The Art and Science of Changing Our Own and Other People's Minds, Harvard Business School Press, Boston, Mass. 2004.

> *There seem to be fewer appropriate levers for government agencies such as DOD and the IC, but the agencies might offer some new ideas about how to spend the taxpayer's money more effectively.*

- *Representational Redescription:* Since any major change is likely to produce resistance, Gardner suggests that the leadership describe the new vision and purpose in several different ways. These different ways can help individuals who have different emphases in their multiple intelligences (some people are better visually, some auditory, mathematically, musically, etc.) or different values, to evaluate the vision from those different perspectives.

  > *This is something that is definitely worth doing—it is a part of the stakeholder communication plan.*

- *Reason:* The ability to put forth a well-argued case—weighing the pros and cons—can be a major factor in getting people to believe in the transformation or in a new course of action.

  > *Again, this is a useful thing to do, and the arguments can be derived from scenarios or other tools used in the transformation process.*

- *Resonance: R*easons and rationales always carry more weight with an audience when they are stated with genuine conviction—when they resonate with the leader's background and life experience.

  > *This should present no problems, as there are so many members of the leadership of both DOD—especially the uniformed leadership—and of the IC with the stature and background to deliver transformational messages.*

- *Real World Events:* Good leaders should be able to take current, real world events and use them in the arguments for the transformation. They will make it more believable.

  > *This is undoubtedly a useful thing to do, but it seems so obvious that I can't imagine anyone in DOD or the IC not doing it.*

Changing Mindsets – Key Ideas

In summary, from all the material, above, two key ideas for changing mindsets emerge:

- Develop a new story that includes emotion as well as facts, and that makes sense to most of the people involved—and sell it to them. In organizational terms, this is usually the inspirational vision of what the organization should be, plus a description of what it wants to do, why it wants to do it, and how it wants to do it.

- Get buy-in and commitment from the entire leadership of the organization, and then identify and get them to communicate "what's in it for me" to their subordinates and key stakeholders— telling the story to different people in different ways, especially the people who are reluctant to change.

However, there is more to selling the new story than these two ideas. First we have to ensure that we have the correct new story—vision—for the organization, one that is truly shared, so that when the leadership communicates with its subordinates, they do so with genuine feeling. It must ring true. That requires a process for developing the vision, and a great deal of thought about how to communicate it to different stakeholders, especially subordinates.

HOW TO ACHIEVE TRANSFORMATION

Over the last few decades there have been hundreds of books written about transformation, change, strategy development, and new approaches to conducting business. It is not my intention to produce a comprehensive listing of these methods, or even a good synopsis of them. Rather, I have chosen two books that reflect my experiences and prejudices on the subject, and I describe a third method in some detail.

Approach Number 1: It's All About the Right People

<u>Good to Great</u> – by Jim Collins

The first of these books is from Jim Collins: *Good to Great: Why Some Companies Make the Leap and Others Don't.*[18] He compared eleven different pairs of companies (where each pair was in a similar business). Both companies in each pair were doing well; then one business in each of the pairs "took off." Collins and his team researched very thoroughly the reasons for the dramatic success of those companies. Although Collins rarely uses the word Transformation, that is what his whole book is about, and the principles he deduces from his research are those that I consider crucial for transformation to occur and be sustained. The only difficulty with his findings is that they are much easier to implement in commercial organizations than in government agencies. Even his subsequent Monograph: *Good to Great and the Social Sectors*[19] does not cover DOD and the IC. However, Collins' research has indicated that there is a way of getting organizations to transform from good to great without undertaking a massive cultural change or information operations campaign within the organization. There are some very useful concepts in his book that support my experience in transformation. Figure 2 illustrates the major steps that Collins sees in the transformation from good to great.
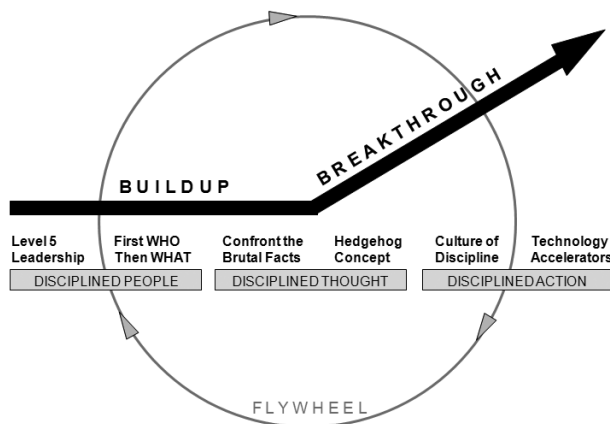

Figure 2: Steps in Transforming from Good to Great

18. Jim Collins, Good to Great, HarperCollins Publishers, NYC, NY, 2001
19. Jim Collins, Good to Great and the Social Sectors, Jim Collins, 2005

There are several key findings and steps in the process of transformation from *Good to Great:*[20]

- *Level 5 Leadership:*[21] Not high profile leaders with big personalities, rather self-effacing, quiet personalities with personal humility but professional determination and technical competence, whose ambition is first and foremost for the organization not themselves, and who are willing to see the real results occur even after they have retired. They are people who will always give credit to others, yet will take responsibility for poor results.

  > *These kinds of leaders should not be difficult to find within DOD, since most of the leaders of the Armed Forces joined those organizations because of a sense of duty, patriotism, and a real desire to help their nation. The same is probably true of the leadership of the IC. The difficulty may be that the culture, especially of DOD, requires strong, commanding leadership, and that is sometimes interpreted as high-profile, big personality. That need not be the case.*

- *First WHO, then WHAT:* The best leaders first get the right people on board, and then they all figure out the direction together. People (any old people) are not the most important asset—the RIGHT people are—and leaders of the sort described above will let the wrong people go as quickly as possible.

  > *In government agencies, there is generally not the opportunity to select the right people for the particular organization when the task is left to Personnel and Human Resource specialists. And firing people is rarely possible. If DOD and the IC are to operate this way, they may require a change in policies for recruitment, training, assessment, and assignment. They should perhaps emulate the "math mafia" in the NSA, which ensures that it is one of their best mathematicians who spends a year being responsible for recruiting the right caliber people.*

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20. Jim Collins, Good to Great, pp 11-14.

21. Ibid. p 20. Collins has identified a hierarchy of leadership based on the qualities of leadership he has observed. Level 5 is the highest level.

- *Confront the Brutal Facts* (Yet Never Lose Faith): The leader must maintain unwavering faith that he can and will prevail, regardless of the difficulties. And, at the same time, have the discipline to face the most brutal facts of the organization's current reality, whatever they may be. Collins named this the *Stockdale Effect,* after Admiral Jim Stockdale and his response to being a prisoner of war.

  > *This should be fairly easy for leaders in DOD, who know that they can accomplish what they set out to achieve, in a particular time frame, and who are more used to having quantitative goals. Process-oriented organizations such as the IC may find this more difficult, unless they become more outcome-oriented—as they should. But this approach may be difficult for Congress, whose time frames are shorter, who have constituents with even shorter time frames, or who have had experience with people who promised but didn't deliver.*

- *The Hedgehog Concept* (Simplicity within the Three Circles): The title of this concept comes from Isaiah Berlin's book, which is based on the Greek fable, "The fox knows many things, but the hedgehog knows one big thing." [22] (Namely how to defend itself against all predators by rolling into a ball with spines stuck out.) Find a simple concept that reflects a deep understanding of the "business" you want to be in. Create three circles: What you can be the best in the world at; What you are deeply passionate about; and What drives your economic engine.

  > *The first two circles should be relatively easy for the IC and DOD to determine (although it may take time for some organizations to articulate an appropriate vision). However, the third circle of this hedgehog concept—the economic engine—may not be as easy for either of them to define and implement as it is for commercial organizations; still, it is something that must be defined for each organization. The driver of the economic engine may well be defined in terms of the performance measures for*

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22. Isaiah Berlin, The Hedgehog and the Fox, Elephant Paperbacks, Chicago, 1993.

> the Top-Level Goals (see the section below on the Vision-Based Planning Process).

- *Culture of Discipline*: Disciplined people do not need hierarchy. Disciplined thought does not need bureaucracy. Disciplined action requires few controls. A culture of discipline together with entrepreneurship yields great performance.

    > *Although I don't personally know enough about the organizations in the IC to comment authoritatively, from what I have read and heard, it does not seem that many of them have a culture of discipline. Certainly DOD has a culture of discipline (which the Military Intelligence organizations probably have too), but it also has hierarchies and bureaucracies that are at odds with the rest of the above statement. Nevertheless, this culture of discipline seems like an ideal environment for network-centric organizations—which many DOD organizations are striving to achieve—and it does comport well with the concept of Commander's intent.*

- *Technology Accelerators:* Great organizations think differently about the role of technology. They NEVER use technology as the primary means of igniting a transformation, yet, paradoxically, they are pioneers in the application of carefully selected technologies.

    > *This should not pose problems for the IC or DOD; yet DOD, particularly, has a history of trying to ignite revolutions through technology.*

- *The Flywheel and the Doom Loop:* Those who launch revolutions, dramatic change programs, and wrenching restructurings will almost certainly fail to transform. Transformations never happen in one fell swoop. Rather the process resembles pushing a giant, heavy flywheel in one direction, building momentum until a point of breakthrough is reached and continuing beyond it. The Doom Loop is the process of reacting to circumstances without understanding what is really happening, seeing the disappointing results that ensue, and reacting again. This takes the organization further and further into failure.

> *The nature of government agencies is that they want to demonstrate to Congress that they can make sweeping changes overnight. This can lead to promises that can't be met—and they are off and running into the Doom Loop. However, such problems can be overcome, and the flywheel effect achieved when there is continuity of leadership, as in the Naval Special Warfare example below. It is more difficult when the leadership changes every few years.*

Applying these concepts in retrospect to NSWG1

Let us return to the example of Naval Special Warfare Group One (NSWG 1), which used a transformational process very similar to that described by Collins when they decided to transform their approach to operations in 1995.[23] This process established the foundation for the SEALs' major venture into both Network Centric Operations and Transformation—before these terms even became currency. These developments were entirely demand-led.

Brutal Facts

There were several driving forces for the transformation. In the post-Vietnam era, the SEALs had little in the way of resources; if they were understood at all by the Regional Combatant Commanders (CINCs at that time), they were regarded as a tactical asset rather than a strategic one. They were also known more for their "brawn" than their brains. The SEALs knew that there must be better ways for them to conduct operations. One of the major problems they encountered in conducting missions was the time that was spent in waiting for message traffic: of the typical 96 hours task window, 48-72 were spent waiting. Another problem was that the Task Units supporting forward deployed platoons were much larger than the platoons themselves. That meant that the logistics tail inhibited the SEALs' ability to move rapidly and to be agile—the footprint was too large. Commodore Holden, the Commanding Officer of Naval Special Warfare Group One, wanted to change those two situations. The third area to which Commodore Holden gave his attention was that of conducting more

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23. The Office of Force Transformation has prepared a case study on Naval Special Warfare Group One and its Mission Support Center.

sophisticated, nodal analyses ahead of time, so that the whole approach to operations was smarter and less direct. These changes were designed to decrease the detectability and increase the survivability of the SEAL platoon. This new form of nodal analysis, was based on the idea that (somewhere) there was perfect intelligence, and that from it could be derived perfect mission planning. The gaps between perfect mission planning and reality provided insights on what needed to be focused on and done.

One of the characteristics of NSWG1 was that the leadership was willing to face internal brutal facts. In a subsequent workshop, this included some criticism of leadership communications and style—but the whole group faced this problem and became stronger for it.

Hedgehog Concept

Commodore Holden wanted to make the SEALs more relevant for the times, by turning them into an intelligent, articulate, and intellectual force that could operate more effectively and with greater agility than any previous force. He also knew that he wanted them to become recognized as a major strategic asset for the CINCs. Both of these requirements became the basis for the new (hedgehog) concept for NSWG1. They found what they could be the best in the world at; they were deeply passionate about it; and they were able to develop new measures of effectiveness for their operations that provided an increasingly clear statement of their worth—which eventually led to increased budgets.

Leadership and First WHO…

The Commodore was a visionary with many of the leadership characteristics described by Collins. He had a very good, smart, and enthusiastic leadership team—the commanding officers of the SEAL Teams among others—whom he trusted, and with whom he shared ideas. In addition, in the post Gulf War climate, he had already realized that, in order to maintain the OPTEMPO, he would have to reduce platoon size to increase the number of platoons available to do the work. That meant that he had to develop a new way of conducting

operations that would enable smaller platoons to be as effective as the larger ones had been.

With those ideas/problems in mind, Commodore Holden took his commanders and the Command Master Chief off to the new training center on San Clemente Island to work through his ideas with them and develop a vision and strategic plan for NSWG1. He also brought in Rick Woollard, a retired SEAL who was known for his out-of-the box thinking. Together they established the vision, direction, and priorities. The Commodore then procured a small amount of funding with which to develop the ideas.

…Then WHAT

To implement the vision, Commodore Holden assigned his best people to the task of developing an entirely new operational concept called "Quantum Leap." Indeed, two of this leadership team have since become Flag Officers. He operated with a Commander's Intent, and allowed his leadership team the freedom to make things happen. The SEALs looked to two organizations for insight and inspiration: the British Special Operations Executive (SOE) from WWII, and FedEx. The SOE was and still is a model for the SEALs' approach to operations, although they cannot make use of all the SOE's methods. FedEx provided a model for a dependable, decentralized, information-intensive operation in which massive amounts of data were integrated, fused, and made available for tracking purposes. They used technology as very effective accelerators of change.

But Quantum Leap was a lot more than just technology—it was an entirely new approach to conducting operations that leveraged all available assets, enabled the SEALs to operate more intelligently, and facilitated a smaller footprint. The Vision itself contained two key elements from which Quantum Leap was derived, and which are still appropriate today:

- Clarification and simplification of the battlefield;
- Advanced technology, training, and tactics to provide unorthodox solutions to complex military problems.

For the technological aspects of Quantum Leap, the Chief of Staff, together with NSWG1's R&D Department, were instrumental in putting the technology together. The R&D Department grew from the original science advisor into a very small permanent team that, in their words, exhibits the characteristics of "part shopper; part Rube Goldberg, and part mad scientist." This Department put together the original gadget that became the Blue Force Tracker (BFT); they developed, tested, fielded, and displayed the results on a chart/map on a screen. The facility in which the BFT was housed became the first Mission Support Center (MSC), although it was in a very early, experimental phase. The BFT itself was a device for generating situation awareness that prevented fratricide, enabled deconfliction, and changed the way the SEALs fought. At first, some were not enthusiastic about the BFT. It was seen as a "7000 mile screwdriver"—a way for the Commodore or any commander back in Coronado to micromanage the SEAL Team or platoon in the field. But after its use in combat—where, as several SEALs said, "it takes the S out of SAR," (Search and Rescue)—it became accepted.

The Flywheel Effect

To help generate more momentum around his vision, the Commodore held another workshop just before his change of command. This was to test the Vision and Strategic Plan and to put in place the elements that would sustain in into the next command. To do this, he brought other SEAL Team leaders into the workshop and also asked his old friend and mentor, General Wayne Downing to provide his perspectives on the future of Special Operations. At the end of the workshop, the Vision remained the same and they had added one goal for improved communications. They maintained the momentum of the Flywheel, and never fell into the Doom Loop trap.

Although it is thirteen years since the Vision was developed, its two core elements have persisted. The SEALs have continued to evolve their ways of operating as their missions have changed, and the MSC has also evolved to meet the SEALs' requirements. Indeed it played a key role during Operation Enduring Freedom and Operation Iraqi Freedom. But there was a very important aspect to this original vision

and planning process that needs to be emphasized, namely that three subsequent Commodores of NSWG1, and one Commodore of NSWG2, were part of the process and helped develop the Vision and Strategic Plan. This meant that there was an unprecedented continuity in leadership and direction for more than 10 years, and this enabled the flywheel to gain significant momentum.

Implications

It seems clear from this example that Collins' transformational approach can take place within DOD, but it may require some changes in how authority is transferred from commander to commander. Rather than "new brooms sweeping clean," we may do better to recognize the good things that each commander has done for his organization and develop some formal process for enabling smooth transition. A longer-term, shared vision (say, 10 to 20 years out) can often provide the basis for this, as each new commander can continue to use that vision (perhaps updated) as his guiding direction, rather than developing a totally new one. In addition, we should note that the SEALs are a close knit and exceptional force (as are most SOF), and they may have more opportunity to select the right people.

However, transformation can be encouraged and implemented through various combinations of cultural change and vision-based strategic planning. These will be discussed below.

Approach Number 2: A Typical, Step-by-Step Planning Process for Transformation

Understanding the Requirements

This approach focuses on the people who make up an organization, rather than on the organizational setting in which they function; thus it places significant emphasis on leadership and the development of an inspiring vision.

Vision and Leadership

"Vision without action is a daydream. Action without vision is a nightmare"

—Japanese proverb

The emphasis on vision is important in changing culture. In essence, the leader (together with his leadership team) asserts that the future will look significantly different from the past and even the present. While the organization may continue to do some similar things in the future, it will do them in different ways. (This is the most obvious application of technology.) External circumstances may force entirely new behavior on the organization and its people. And new technologies and approaches may allow them to do many more new things than the old organization even dreamed of. In developing this new vision, the leadership must think futuristically and creatively before considering constraints such as budgets, policies, and procedures. The leader must also think systemically—see the new organization as a total system— and examine its roles and missions from that broad perspective. Thus the purpose of a vision is to provide a long-term direction—a guiding star for the organization—and within that direction, many different decisions can be accommodated; see figure 3. A good Vision is inspirational, it contains emotion, and it may sound better read aloud than seen in writing. A Vision should provide continuity and have longevity—of at least 20 years—so that shorter-term missions, goals, and strategies can be judged in terms of their alignment with that longer term perspective.

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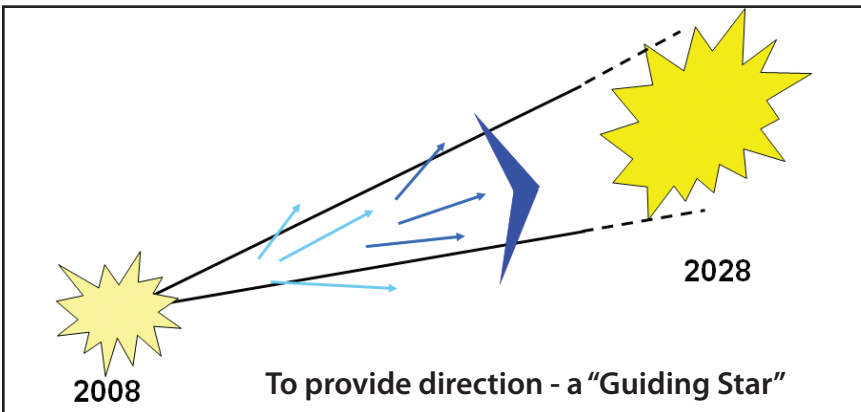**2008**   **To provide direction - a "Guiding Star"**

Figure 3: Purpose of a Vision

While the leader can determine this new vision on his own, a vision developed by an entire leadership team (usually immediate subordinates who command sub-organizations or component divisions,

and perhaps their immediate subordinates) plus other key stakeholders, receives far more buy-in and commitment. In the workshop process described below, a few young mavericks are also included, as they are more likely to think unconventionally than the older leadership, and they are also the seed corn for the future. Only by creating this broad, shared perspective can the leadership of the various sub-organizations or component divisions see the benefits that the new vision would bring to themselves and to their own organizations, even if they must reorganize to realize them. This takes courageous leaders who can not only lay out their ideas but also commit themselves to considering the ideas that emerge from the group. However, over my 40 years of experience, this has always proven worthwhile. An additional benefit of this workshop approach is that it builds strong teams with a shared background that enables good communications. Behnam Tabrizi has made similar comments regarding a shared approach in his book, *Rapid Transformation*, which will be discussed later.[24]

In some situations a leader may already have a vision and believe strongly in it, but still must develop a plan to achieve it. Under those circumstances, the leader should make that vision as open and "unfinished" as possible so that all stakeholders can interpret it in ways that make sense for their own parts of the organization. The emphasis, in this case, belongs on the ways in which various parts of the organization can *contribute* to the overall vision and plan. Visions that are simply imposed by the leader rarely gain traction and commitment.

The Vision-Based Transformative Planning Process[25]

There are many different techniques and templates for transformational strategic planning, but one that I have found particularly useful is shown in Figure 4 (folowing page).

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24. Behnam N. Tabrizi, Rapid Transformation, Harvard Business School Press, Boston, Mass, 2007, pp 9-10.

25. Vision-Based Planning Process, developed by Christine MacNulty, Stephen Woodall, Leslie Higgins, and Elizabeth Allingham—The Applied Futures Team. While this has been developed and used by Applied Futures for more than 20 years (and the details are proprietary), the steps in it are fairly typical of planning processes.

Figure 4: Vision-Based Transformative Strategic Planning

This shows a vision-based strategic planning process that is especially useful in situations where the organization is seeking to change, and it needs to be able to change its internal cultures in order to do so. The leadership team and stakeholders are interviewed before the project; but rather than conducting a great deal of analysis of the organization and its situation, it is better to put the entire leadership team, plus stakeholders and mavericks, through intensive, interactive workshops. After all, an emphasis on the past and on the problems that have existed creates a backward focus, so those are touched on lightly, not analyzed to death. It is better for the organization to focus on the future and its transformation. This approach produces much more, and better, information in a much shorter time than lengthy analysis and one-to-one discussions. Indeed, a former Under Secretary of the Navy said that it would have taken him 100 hours to get the information that was pulled out of the group in 2 hours of workshop. A workshop also enables the participants to approach the future from both a logical/ rational perspective and a creative/emotional one, thus producing more balanced and thought-through strategies to which everyone has

contributed. This vision-based planning process typically takes 10-12 weeks to accomplish. It involves the following steps:

Step 1- Develop Objectives for the Project

Develop the objectives of the Transformation/Strategy Project in conjunction with the commander and the leadership of the organization. This requires intensive discussions with the commander and his leadership team prior to the workshops to ensure that everyone understands the objectives of the project thoroughly. Interviews with the leadership team and selected stakeholders ensure that those conducting the project have a fairly comprehensive picture of what each member thinks about the organization and about the nature of the changes that are needed. This information is then taken into the design and preparation for the workshops. This workshop process involves two main stages: the first being exploratory and expansionary to get people to think out-of-the-box, and the second being to synthesize the material they have produced into a vision and strategic plan. The participants in the workshop are drawn from the entire leadership and management of the organization, plus young mavericks and external stakeholders. The workshop includes both plenary and small group sessions in order to ensure that everyone has the opportunity of working with everyone else. Figure 4 illustrates this planning process.

Step 2 – Exploration Workshop

This is probably the most crucial step in the transformational process. It is designed to move people away from their current perspectives on what the organization is about in order to start changing their mindsets. This workshop begins with techniques for getting people to think unconventionally about the future, including the technologies under consideration, the people, capabilities, organization, values, and processes, and about the new things they may enable the organization to do.

There is always a tendency for the participants think about the future from where they are today—which gives a technology-push or supply-push orientation to their views of the future. Part of getting them out-of-the-box is to get them to think about demand-pull. In the case of

military and intelligence organizations, this means getting them to think about future warfare and about the nature of future adversaries and their ways of doing things, and then thinking about how we might deal with them. Figure 5, next page, illustrates this.
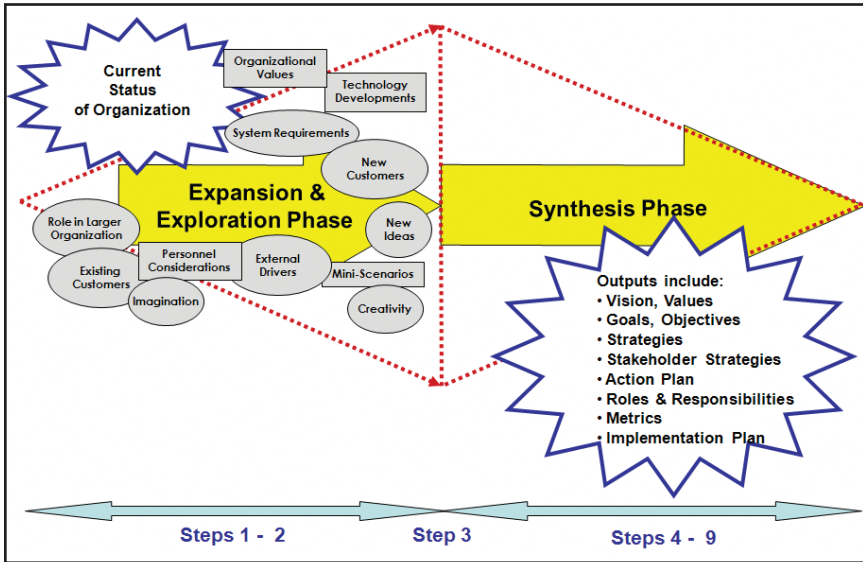

Figure 5: Vision-Based Planning Process

To accomplish this, the participants go through a series of exercises, including one on science fiction in which they are asked what technologies or products they have read about or seen in science fiction books or movies that might benefit their organization. A Romulan cloaking device (Star Trek) comes up frequently, for instance. Then the participants take the attributes of the technology and ask themselves what comes closest to it today? In what kinds of ways could the capabilities be approximated? They also work through several creative sessions, including one in which they "get inside the minds" of adversaries. In some cases, we have even asked them to get inside the minds of future Americans in order to understand some of the opportunities and constraints the Armed Forces and IC may face. Then they pull the results of these sessions together in mini-scenarios: vignettes that describe certain aspects of the organization's operations, its culture, and the issues and problems with which it needs to deal.

These sessions engender futuristic thinking. Sometimes it is difficult to get hard-nosed pragmatic people to start these sessions. They want to get on with the development of the vision and strategy, and they are reluctant to work through these out-of-the-box exercises. However, by the end of the process, all of them realize what benefits accrued from taking different perspectives on their business/operations. But they often want to bring up their perceived problems or constraints for discussion. Since it might cause difficulty for the project if they were prevented from discussing organizational concerns, they are allowed to touch on them and potential cultural inhibitors, but they are not permitted to emphasize them here, as the focus is on developing ideal futures. Constraints come later. After working through several vignettes, the participants synthesize the results into a shared, meaningful, and "ideal" story for the future of the organization. They must pay significant attention to developing a desired, inspirational vision that contains emotion rather than just a likely future. Then in later steps, they are allowed to impose whatever constraints—budgets, policies, cost-benefit analyses, and so forth—appear to be necessary.

Step 3 – Developing the Vision and Purpose

From this synthesized story, the participants develop both the Vision and the Purpose for the organization. A vision is a description of what the organization is and will be. It must be short, easy to understand, and, above all, inspirational. A purpose is a description of what the organization is for—what it does. The purpose, too, must be short and easy to understand. In military organizations, this purpose may be the organization's mission.

Step 4 – Developing Top-Level Goals

From the Vision and Purpose, the participants then work back to derive six to eight top-level goals that will enable the organization to achieve its Vision and Purpose. As illustrated in Figure 6 (following page), the process should start as demand-driven and then should iterate between demand-pull and technology- or organization-push. The goals should be quantifiable—with dates and measures of effectiveness. This is also the stage at which constraints are considered. These may take the form of potential legal constraints, resource constraints, and "turf"
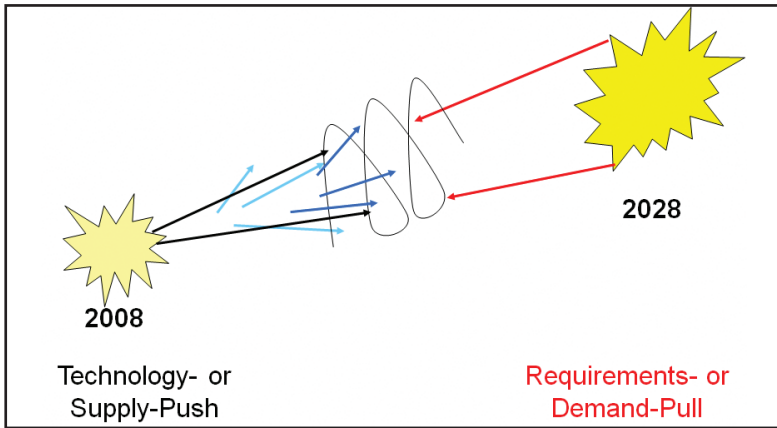
Figure 6: Requirements-Led Vision

constraints. This is also the stage at which cost-benefit analyses should be done—or set in motion.

At this stage the participants start to think about organizational changes that might be required to enable them to achieve the Vision, Purpose, and Goals. Responsibility for achieving a goal should be assigned to a single individual or group. In a situation where an organization is seeking to transform itself, one or more of the goals will address the process of transformation, including the identification of "what is in it for me?" for every major stakeholder. Sometimes there will be an entire goal for communications, including communications with various stakeholders. At other times, communications may form one or more objectives of a broader goal.

Step 5 – Developing Objectives

From the top-level goals, the participants derive the objectives (sub-goals) that will enable the organization to achieve its top-level goals. Typically there will be four to eight objectives for each goal, and each of these must be quantitative.

Step 6 – Developing Strategies

The participants then develop the strategies to achieve each objective, giving as much detail as they can while in the workshop. They may need to flesh out the material later.

Step 7 – Prepare Action and Implementation Plans

Next, the participants prepare action and implementation plans with roles, assigned responsibilities, and performance measures. Action Plans are the detailed, operational descriptions of what needs to be done to achieve a strategy. Implementation Plans describe the steps in implementing the whole Strategic Plan.

Step 8 – Prepare Communications for Stakeholders

This final step is to identify the specific organizational and cultural changes required and the ways to accomplish them. The participants will have addressed many of these areas in the course of the workshop, and in this step they collate or synthesize their findings and decide how best to communicate them. They then prepare a communications plan (IO plan) to influence the stakeholders and to ensure that they understand what is in it for them.

Step 9 – Final Report

Prepare the Final Report as a record of everything that has been accomplished during the workshop. One of the best ways to do this is to have an Executive Summary plus a "War Room" of the entire workshop planning process. The War Room format enables people to see the logic trail of the decisions that were made during the workshop process. Many organizations display the key pages from the War Room in a board room or along a corridor so that everyone can look at the plan on a regular basis. When something new occurs, or a decision has to be made, it becomes fairly easy to look at the War Room, decide what part of the process/plan is likely to be affected, and then update the plan accordingly.

This kind of vision-based plan can act as an overarching commander's intent for the organization. Many organizations have said that having such a plan reduced the frequency and length of communications (for asking questions or obtaining permission to do things) between the headquarters or head office and the outlying operations by up to 40%. And they saw that as a good thing!

Finale

Since the leadership team has prepared the entire plan, they already have a commitment and a desire to see it accomplished. Indeed, it is sometimes difficult to stop the participants from rushing out to start the change process immediately!

During this final stage, the participants must also establish how they will monitor progress. Generally, at the beginning of the project, it is recommended that the leadership put together a strategic planning group from among the best people in the organization with the responsibility for monitoring progress, reminding people of their deadlines, and identifying problems that prevent progress and bringing them to the attention of the leadership. Such a group of knowledgeable people should be established prior to the workshops so that its members can participate in the activities, learn what is needed, and be prepared to start on the monitoring process.

Repeat Performance?

In my experience, this kind of vision-based planning and transformational workshop should take place every few years, but not annually. The commanders of several organizations have conducted such projects at the beginning of their command tours and then conducted a quicker update (one three-day workshop) at the end of their tour—and they invited along their successor. In all such experiences, the Vision and Purpose of the organization remained the same. In about half the cases, the group decided to add one further goal (and then worked it through to the Action Plan stage). No one ever wanted to change more than those items—and many of the organizations said that the goals and plans were so strong that they did not plan to update them very often.

Aproach Number 3: Shifting the Organization's Functioning

90 Day Rapid Transformation – by Benham Tabrizi[26]

This is the second book selected to describe the key steps and attributes of successful transformation. This approach is based on a

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26. Benham Tabrizi, Rapid Transformation.

> **Another Personal Experience of the Power of the Workshop Approach:**
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> *We were asked to work for an organization within the Army that, in the words of the Commanding General (CG), had been "kluged together" from six organizations that had not wanted to be together and were doing everything in their power not to work with one another. Using the workshop approach to transformation described above, in which the leadership and management of each of the six organizations worked with each other in small groups, they came together as a team remarkably quickly. By the end of the third day of the first three-day workshop they were talking about "we" and "us" and "ours." By the end of the second three-day workshop, they had reorganized the entire organization into four functional divisions that cut right across the original six organizations. They had done this themselves, without any prompting on our part or that of the CG, based on the workshop processes that they had experienced. Two years later we worked with them again, and they were a productive and congenial team—a situation that continued for several more years at least.*

decade of research and working hands-on with CEOs and other senior executives in their processes of organizational transformation. It has many similarities to the process described in the section above, yet Tabrizi has approached it from a slightly different perspective.

Once it has been decided that an organization needs to transform, the first step is to select a transformation leader who thinks strategically and holistically, and who can motivate and communicate with the entire organization. This requires that the leader needs to be sensitive to and aware of the organization's culture. He will then need to put together a strong team to drive the effort. The key steps in Tabrizi's method are shown in Figure 7.
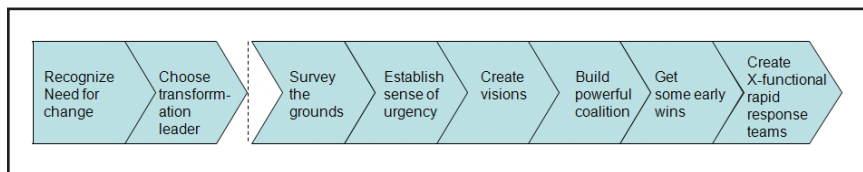

Figure 7: Benham Tabrizi's Model for Rapid Transformation

- *Survey the grounds:* This is about gaining a deep understanding of the organization and its problems.

    This is equivalent to the interviews and discussions described in the previous planning process, although Tabrizi would probably want to conduct more in-depth analysis than I believe is necessary if using workshops.

- *Establish a sense of urgency:* Tabrizi and several other people, including Professor Garvin from the Harvard Business School,[27] have suggested that it is necessary to create a sense of urgency or dissatisfaction within the organization.

    While that kind of "stick" may motivate some people, it is more likely to cause them debilitating concern, or cause them to go into a state of denial and dig in their heels. An inspirational "carrot" can produce more passion and commitment.

- *Create Visions:* Tabrizi sees the need for a solid, inspirational vision to motivate and align personnel during the transformation process. However he also sees the need for something more practical, which he calls the strategic vision.

    There is clearly a need for such an inspirational vision, and the purpose or mission described in the transformational process in the previous section is akin to Tabrizi's strategic vision.

- *Build a Powerful Coalition:* Tabrizi recommends building a coalition of senior executives and managers who believe in the necessity for change, and who are trustworthy and dependable. He anticipates that they will express their convictions vocally and actively.

    Any such coalition must also include external stakeholders and mavericks—not necessarily those who are true believers at the start, but those who, if they can be convinced, will put aside their skepticism and become true believers. This

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27. Interview of Professor David Garvin, Harvard Business School, by colleague Dr Rich Staats (Col, USAR) from MITRE, Oct 1998.

> *both expands the ownership of the transformation and brings the power of the converted to the table.*

- *Get some early wins:* Every transformation and strategy implementation has some low-hanging fruit. It is important to grasp these successes in order to give credibility and encouragement to the organization.

  > *However, the group should not focus so much on the low-hanging fruit that the longer-term requirements of the transformation are forgotten.*

- *Create Cross-Functional Rapid Response Teams:* These teams bring together members from diverse functions and departments across the organization to achieve common goals in the ninety-day process. These kinds of teams tend to break barriers to communication and cooperation.

  > *The products of these teams are similar to the outputs from the Vision-Based Transformative Planning Process workshops. The key differences are that the leadership involved in the workshops produces all the results in one or two concentrated sessions, whereas Tabrizi's teams are lower level staff who work throughout the 90-day process.*

The last two steps focus on ensuring early wins—which are very useful in convincing people that the new story works. And the idea of cross-functional rapid response teams is a variation on a team comprising members of the strategic planning groups and the part of the organization that is implementing the strategy. Yet nothing in Tabrizi's book suggested any marked diversion from the process described earlier, which suggests that there are common ideas and processes that are used by many different organizations.

What's Missing?

All the approaches described above are, naturally enough, top down. They must start with the leadership of the organization. However, one of the problems with this approach is that, sometimes, the transformation never gets past the middle management—or mid-grade officers and civil servants. I always recommend that each manager who participates

in the vision-based transformation workshops then conducts similar workshops with his own staff. The idea is that they take the overall Vision, Purpose, and Strategic Plan, and ask themselves "How can my division contribute to the overall Vision and Purpose? What does our division's Vision, Purpose, and Strategy need to be in order to make the best possible contribution to the organization's Vision, Purpose, and Strategy?" If Organization Goals have already been assigned to the division during the original workshops, then those Goals must be made part of the division's plan. Just as the overall organization's Vision, Purpose, and Strategic Plan become the commander's intent, so too do the division's Vision, Purpose, and Plan become the division commander's intent. This process cascades on down through the whole organization.

However, sometimes middle management can still be obstructive, and it is usually because they are comfortable with what they know and have been doing for some time; the new requirements of the transformation take them out of their comfort zones. One of the best ways for engaging the middle managers is that of the Measurable Management Program developed by Robin Byrne.[28] Unfortunately this is a proprietary technique that is only revealed in its entirety to those who go through their training program. By taking this approach, organizations require their middle managers to work directly with their subordinates to make direct contributions to the new Vision, Purpose, and Strategic Plan. Middle managers are tasked with communicating the transformation's new Vision, Purpose, and Goals to their subordinates. Then the subordinates work in small groups to create ideas for action—relevant to the transformation—in three areas: Resources, Relationships, and Processes. *(The only concern here is that these three areas are all process-oriented. I would add a fourth area: Outcome.)* The subordinates work in small groups (twelve to fifteen people) under the direction of the middle manager to identify issues in each of the three areas and then to find ways to resolve the issues or solve the problems to the benefit of the transformation. Typically, over a 6 month period, an organization can expect to get forty-five measurable improvements

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28. The Measurable Management Program was developed by Robin Byrne as a result of his work with Xerox. It is offered by McQuillan-Byrne Management Group of Sheffield England.

(related to the transformation) from a twelve to fifteen person team. In other words, this is a way of growing low-hanging fruit in addition to getting the entire organization on board with the transformation. And this method also helps to build teamwork.

So What Might the IC and DOD do to Transform?

The IC

Many of the problems and challenges facing the IC have been discussed earlier. They are large, significant, and complex, and they will require a great deal of time and attention. There are several areas yet to be discussed before we can consider making recommendations.

The Role and Nature of HUMINT

HUMINT is by far the smallest part of intelligence, yet it is absolutely critical. Nothing can compare to the combination of experience, knowledge, and intuition that a good operator on the ground can bring. Not only can the experienced operative talk face-to-face with all manner of contacts, but he or she can assess the atmosphere, smell the fear, make deductions on the fly, and pursue other leads in very short order. Brainpower, together with intuition, can provide better synthesis of information than even the best computers. Brainpower can deduce motivation and intention—which are keys for thinking about even the short-term future. Technology in the form of all manner of C4ISR is useful, but can only provide answers to "what?" type questions, not "why?" questions. According to Professor McLaughlin, the development of operatives to conduct these kinds of operations is a lengthy process—minimum 2 years—from identification of capable individuals through their development to deployment. In the Cold War, when the United States knew that it had a long term adversary, the development of such people made sense. However, today, with significant changes taking place in the world scene and increasing numbers of non-state adversaries, it is more difficult to define requirements for HUMINT operators. Dr. Nolte suggests that people are not given the chance to be as good as previous ones were, as they are switched from area to area and don't get necessary experience. Also many good operatives are turned into

managers, rather than being allowed to ply their craft. Yet the IC needs to develop people with language and analytical skills who can operate in all the countries that are of interest to us in this war on terror—and ensure that they become and remain qualified in their region without pulling them out of their educational process simply because a new situation has emerged in some other region. Too often today people are shifted from training to become experts on one country of current interest to another that has just developed crises, without finishing the first one. Thus the organizations fail to develop fully qualified country or area experts.

HUMINT includes a broad range of activities from Foreign Intelligence to Counterintelligence and Covert Action. Counterintelligence, with its requirements for deep penetration of adversary intelligence services and its use of double agents and deception, suffered from the Church Hearings and later the actions of the Clinton Administration, which forbade the recruitment of foreign sources, contacts, and operatives with dubious or criminal pasts. That affected Foreign Intelligence, too, although not to the same extent. But it is covert action (CA) that has suffered most, and which remains the most controversial and subject to scrutiny. While Dr. Nolte has speculated that we might not need to undertake CA if we understood clearly what we were trying to achieve at a strategic level, human operators are probably still required to conduct CA in the short term. Professor McLaughlin has indicated that we need more long-range thinking, we need new strategic concepts that drive the IC, and we need more understanding of the cultures, decision-making processes, intentions, and motivations of adversaries in order to be able to develop those strategic concepts for the IC

Currently the CIA seems either reluctant (risk avoidant) or incapable (lacking creativity) to recruit sources from our most implacable enemies, such as Iran and North Korea. They have Stations in almost every country, but the work of the people in the Stations seems to lack focus. With the transnational scope of terrorism, it has become even more difficult to conduct HUMINT, since the system still thinks often in terms of countries. The CIA has to get so many approvals and/or coordination from so many people in so many countries in order to conduct the HUMINT necessary for the war on terror that nothing

seems to get done. It needs to be more willing to take risks—make risky calls when situations are unpredictable.

Is it going to be possible to transform clandestine HUMINT? John MacGaffin believes that it can be done with three steps:[29]

- Provide Authority: Provide a clear and complete assignment of authority and responsibility for national clandestine HUMINT.

- Enforce Lanes: Develop appropriate, efficient, and effective lanes across all the agencies in the IC to avoid embarrassing and dysfunctional interactions with foreign services.

- Stay the Course: Consistency is critical for success. Consistency has been made extremely difficult with changes in administration, in leadership of the agencies, and in the leadership of other agencies—particularly the CIA's Directorate of Operations. The community must stick to its tasks even when boring, when policymakers don't understand the importance of an operation, and when other interests or other targets emerge.

The Problem of Leaks?

Perhaps one of the most insidious problems facing any intelligence (and defense) agency is that of leaks. Congressman Pete Hoekstra said it well in a presentation to the Heritage Foundation:[30] "Each year, countless unauthorized leaks cause severe damage to our intelligence activities and expose our capabilities. The fact of the matter is, some of the worst damage done to our intelligence community has come not from penetration by spies, but from unauthorized leaks by those with access to classified information." He described three categories of leaks: accidental, deliberate, and espionage-related. All are of great concern, and the IC must be prepared to deal with them. Deliberate

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29. MacGaffin, "Clandestine Human Intelligence." pp 87-95. MacGaffin served over thirty years with the CIA, culminating his career as associate deputy director for operations, the second-ranking position in the nation's clandestine intelligence service. After leaving the CIA, he became senior adviser to the director and deputy director of the FBI,

30. Pete Hoekstra, "Secrets and Leaks: The Costs and Consequences for National Security," presented to the Heritage Foundation, July 25, 2005.

leaks seem to have increased during the past two administrations, and many have obviously been partisan. But deliberate leaks should not be tolerated. Those making the leaks need to be prosecuted, no matter why they thought that the public should know. Yet, apparently in more than twenty years, only one Navy analyst, Samuel L. Morrison, has been prosecuted (in 1985) for leaks[31]. And the new legislation being considered by the Senate—the Free Flow of Information Act (FFIA) of 2007—is actually a "Leaker and Other Enemies Shield Act," as Frank Gaffney of the Center for Security Policy described it.[32] In his view, it will undermine our counterterrorism efforts, frustrate federal investigations of crime and terrorism, undermine foreign intelligence collection, encourage more leaks, and put judges in charge of national security functions, to name only a few of the problems it will cause. The IC needs to do all in its power to oppose this legislation, and indeed, the Director of National Intelligence has already stated his position forcibly in an Op-Ed piece in USA Today.[33]

Having said all that, well-meaning and knowledgeable people, who truly believe that their bosses are not listening to them about matters of national security, need to have some mechanism for airing those concerns in such a way that they do not have to leak the material to journalists. There may be all kinds of reasons that the "bosses" do not appear to listen. These may range from a greater knowledge of the situation than can be explained to the subordinate, to political expediency, to sheer ignorance—but whatever the reason, the concerned individual needs to have some official outlet, or the leaks will only get worse.

Secrecy, Open Source Intelligence, and Lack of Imagination

Intelligence professionals have always had a reputation for not being very willing to share information, even with other intelligence

31. James B. Bruce, Vice Chairman, DCI Foreign Denial and Deception Committee, "Laws and Leaks of Classified Intelligence: Cost and Consequences of Permissive Neglect", paper prepared for the Panel Discussion "Safeguarding National Security" American Bar Association, 22 November, 2002.

32.. Frank J. Gaffney, Jr, "The Leaker Shield Act", The Intelligencer: Journal of US Intelligence Studies, Vol. 16, No. 1, Spring 2008, pp 15-19

33. Mike McConnell, "Bill Wrongly Shields Press," USA Today, 28 July 2008, p A10.

professionals—a situation that may have contributed to the failure to detect the terrorist plot of September 11, 2001. However, an equally likely reason is that given by the President's Commission on 9/11, which stated, "9/11 was a failure of national imagination." Dr. Nolte has commented that we should pay attention to producing *analysts* not just analysis, and that our attention to producing "product" has obscured the need for analytical capabilities that include imagination and synthesis. Indeed, he has suggested that the enforcement of bureaucracy and the rules that go with it have driven out people with imagination and creativity. Professor McLaughlin has also lamented the fact that "people issues" were not given enough attention. He also commented that the IC was developed and came into its own in an era before the internet. Espionage was often the only way to obtain certain types of information, and secrecy was a very necessary part of that process. Today secrets are harder to get, and fewer people have access to them. However, in today's world where so much information can be obtained through the internet, open source intelligence (OSINT) can provide enormous amounts of useful information. Indeed, Professor McLaughlin recounted a conversation with GEN Zinni, when he was the CENTCOM commander, in which the General said that 80% of his requirements for information were OSINT, and perhaps 5% were classified. Given that the internet has expanded considerably since that time, that estimate of 80% is probably low today. However, the IC not only seems to have difficulty incorporating OSINT into its analyses, it is disdainful of it.

Another key area that Dr. Nolte has mentioned that goes hand-in-hand with good analysis is that of lessons learned. The IC has never had the capability for undertaking thorough lessons learned. And even though an Office of Lessons Learned has been established within the Office of the Director of National Intelligence, unlike, for example, the Army's Center for Lessons Learned, it carries very little "clout." That needs to change.

Hand-in-hand with the need for lessons learned, according to Dr. Nolte, is the need for an IC "think tank." It has never had one. The establishment of such a think tank that would attract first class people, conduct futuristic studies, and develop scenarios of the future and

examine their implications, a think tank that would have the respect of the IC, would be a very useful development.

The DNI

Most new government organizations seem to emerge fully grown, rather than developing in a manner appropriate for whatever function they are there to fulfill. Clearly the IC needs to be better coordinated, and the role of the DNI in that activity is probably a useful one, but comments about the organization suggest that the additional layers of bureaucracy—especially the large numbers of people who have never had IC experience—are causing friction and delays in getting things accomplished. As mentioned earlier, a DNI that carries significant influence, with a high-powered, agile organization composed of people who really understand the details of all aspects of intelligence, would probably be more effective.

Having said that, Professor McLaughlin and Dr. Nolte both indicated that the IC is in a unique situation today. The Secretary of Defense, Robert Gates, the Under Secretary for Intelligence, James Clapper, the Director of National Intelligence (DNI), Mike McConnell and the Director of Central Intelligence (DCI), Michael Hayden, have all known each other, respected each other, and worked together for many years. This combination of leaders is likely to produce the greatest level of cooperation and collaboration that the IC has ever seen. The new administration, of whatever political party, would do well to keep this combination of leaders in place for several more years. If these leaders of the IC are replaced by the new administration, it should try to find a team with the same dedication to cooperation.

Vision 2015[34]

The current DNI has produced *Vision 2015*, which outlines the Mission, Organizational Vision, Strategic Vision, Values, and key elements for a strategy. The Vision discusses the areas in which cooperation and collaboration will need to be achieved to ensure that

34. Director of National Intelligence, Vision 2015: A Globally Networked and Integrated Intelligence Enterprise, July 2008. Available online at www.dni.gov/Vision_2015.pdf

all the agencies within the IC will pull in the same direction. Indeed, while it comes across as more of an exhortation than a demand, it says:

> *"Our leaders will need to transcend the traditional, independent agency-centric orientation and move towards a leadership style based on cross-agency collaboration and interdisciplinary experience"*

As Dr. Nolte commented, an IC that transcends agencies would be extraordinarily powerful.

However, the one area of concern in Vision is that there is great emphasis on technology and technological solutions—and very little about people. Clearly the IC needs to be at the leading edge of technologies that will enable it to do its work better, especially better than its adversaries, but that leading-edge technology may not require massive capital projects for imagery, communications, and the like. Much more investment is required in people—identification of the right sort of people, recruitment, education, and training—and the means to truly empower them.

Vision 2015 emerged from a series of three offsites that the DNI held with the leaders of the sixteen agencies in order to figure out where the IC should be going. It became clear to them that the complexity and unpredictability of their environment is increasing, and the speed at which things are happening is also increasing. In addition, they realized that the IC has never really thought in terms of persistent threats or emerging challenges, and they saw the necessity of identifying those threats and challenges in order to monitor them and to enable their "customers" to develop the means to overcome them. Some of the insights that emerged from the offsites were that the separation between foreign and domestic intelligence no longer makes sense; national security issues are broader and more numerous than those that we recognized prior to 9/11, and in order to deal with them, the IC must take a multi-disciplinary approach. In order to provide a context within which to develop plans for the IC and the component agencies, the ODNI took the results of the offsite and produced Vision 2015. This seems to be an ideal way to produce the kind of transformative vision and plan that we have discussed earlier.

The sixteen leaders are now meeting with the DNI every two weeks to discuss their implementation of the Vision, the development of their plans and the barriers to their achievement. This is a very sound approach.   My only concern is about how the sixteen leaders are developing their own visions and plans for their organizations. Ideally, they should be implementing a similar process with their own leadership and managers to that which they experienced with the DNI, so that Vision 2015 cascades down into their organizations.

It is clear from the DNI's covering letter for Vision 2015, that he expects the leadership of the sixteen agencies to develop their own strategic plans to support that Vision. If we were discussing a thriving, successful IC, with collaborative relationships already established between them, then it should be a simple process. But, given the problems of turf, power, and lack of information sharing discussed earlier, there is a potential for more problems than solutions.

Asking the sixteen agencies to produce their own strategic plans, is reminiscent of the problems that occurred with Link 16, which was designed to be a tactical data link that would meet the information exchange requirements of all tactical units (U.S., NATO, etc.) supporting the exchange of surveillance data, electronic warfare data, mission tasking, weapon assignments, and control data to ensure joint interoperability. The specifications for the development of Link 16 were thought to be unambiguous, yet each Service and NATO developed its own version differently, causing significant delays in its effective deployment.

Vision 2015 is a clear and coherent DNI's intent, yet the potential for each of the sixteen organizations to develop its own strategic plan that may carry the letter, but not the spirit, of the Vision is huge. Human nature is such that, despite participation in Vision 2015, it would be only natural for the head of each organization to want to maximize its power, scope, and budget, while appearing to be following Vision 2015. Given the inertia in each of the organizations, it is likely that plans developed in this way would tend to be extrapolations of the past, with some concessions made to such things as collaboration, net-centricity and enterprise integration, but they would be unlikely to

be transformational. It is in the DNI's interest to ensure that the six major aspects of the Vision—Decision Advantage, Customer-Driven Intelligence, Global Awareness and Strategic Foresight, Mission-Focused Operations, Net-Centric Information Enterprise and Enterprise Integration—are inculcated into each of the sixteen organizations in such a way that they become part of the air that all members of those organizations breathe, not just the leadership. Those six aspects must be understood thoroughly and internalized. As mentioned earlier in this monograph, it is frequently the middle managers who have not been part of the Vision development team who will do all they can to prevent the new Vision from taking hold in their own organization. Overcoming such resistance requires a great deal of assistance from the overall leader—in this case, the DNI—and carrots and sticks as appropriate.

To accomplish this, the DNI will need a small team of very experienced staff who are knowledgeable about intelligence, who understand what is required for good strategic planning, and who have a thorough understanding of Vision 2015. The Strategy, Plans and Policy group may well be such a team. They will also need to be respected by each organization and to have good interpersonal skills. The DNI might be able to overcome some of those problems described above by having this team work with each of the sixteen organizations to guide them through the process of preparing a strategic plan that aligns with Vision 2015. Such a team would need to have the authority to work at senior levels with each organization, and to compel them, if necessary. Workshops will be the best way for such a team to accomplish its strategic planning efforts. Since it is necessary for there to be significant collaboration among the sixteen organizations, some of the leadership and key stakeholders from the other organizations should participate in those workshops, at least during the exploratory and expansionary stage. Indeed, the strategy to ensure enterprise integration should be worked on by the leadership of each of the sixteen agencies themselves in order to obtain their buy-in and commitment.

The DOD

Some of the challenges facing DOD have already been mentioned earlier in this monograph: the changing nature of warfare, the archaic approach to acquisition and procurement, competition for budgets, inability to communicate with and convince Congress that things need to change, and so on. It seems doubtful that things will change significantly until there is transformation right at and from the top.

Some may argue that this kind of change is impossible to accomplish, and that it would be better—easier—to take it one step or one organization at a time. While various organizations within DOD will be able to transform successfully on their own, there is a question as to whether such transformations will take them in directions that are in alignment with DOD as whole. Certainly it will be better for many organizations to transform themselves than to let things go on as they are, but in such piecemeal and fragmented transformation there runs a risk of divergence from DOD's overall direction. Obviously they can use the National Security and National Military Strategies as frameworks. But whether those are adequate for the new challenges the country is facing is questionable.

A primary problem with any complex system is that altering one part of it affects the rest in complex ways that are difficult to determine. DOD is a massive, complicated, interconnected, complex system with a massive but limited budget. There is competition for power and for funding at all levels. The only real solution for DOD is for the initial transformation to include and involve every part of DOD leadership, from the Office of the Secretary of Defense and its entire leadership, to the Chairman and the rest of the leadership of the Joint Chiefs, the Combatant Commanders, and the Services and their military and civilian leadership. This could only be undertaken through interactive workshops with all the leadership. Integrated Product Teams and other representatives, even senior ones, won't do for a transformation that will affect every part of DOD. Ideally, the workshops—at least the exploratory ones—should also include the leaders of key stakeholders such as the State Department, the National Security Council (NSC), and the IC. They should also include some highly intelligent, broad-

thinking young mavericks as described earlier. Genuinely interactive workshops that are structured and facilitated carefully will enable them to resolve all the issues and conflicts in a timely fashion. Roundtable, collegial discussions won't. And the use of subordinates and IPTs won't. The leaders themselves will need to look at the long-term future of DOD—in timeframes that go beyond their own tenure in leadership, and even beyond the next administration or two. That way, the major problems can be considered and worked through at the right levels by the right people who have the power to implement changes. Anything less than this will result in suboptimal solutions. Any and all the ideas discussed in the "How to Achieve Transformation" section of this monograph would help in this endeavor.

The required output from such a transformative workshop should be a long-term Vision, Mission, and Strategic Plan for all of DOD that would contain within it direction for each part of DOD (OSD, JS, Combatant Commands, Services), direction that would provide the overarching framework and template for each organization's Visions and Strategic Plans.

And More?

Most people will probably think that pulling the leadership of DOD and the IC together for their own transformations is likely to be so outrageously difficult that it is not worth even trying. I think that the future wellbeing of the United States is so critical that this, and perhaps an even more ambitious project, is necessary.[35]

This more ambitious project with an even greater pay-off would be for the leadership of all the agencies involved in national security, defense, intelligence, and international relations (at a minimum DOD, State, NSC, and the IC) to get together to develop an overarching Vision and Strategic Plan for the Nation's Security and Foreign Relations that would act as a framework and guiding star for the Visions and Strategic Plans for each agency. Part of this Vision and Strategic Plan would be the development of desired outcomes for U.S. engagement with the rest

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35. The author has had discussions with some senior people from DOD and the State Department who also expressed their belief that this kind of a project that pulls the leadership of these agencies together is absolutely necessary.

of the world, and part would be the development of guidelines for roles and responsibilities across and between agencies for joint operations and for improved communications. It would include mechanisms for resolving disputes between the agencies and for resolving budgetary problems associated with particular operations.

The benefits of this kind of cooperation would be huge in terms of the increased effectiveness and speed of operations based on the deeper understanding of the capabilities and resources available from each agency. It is not impossible. It requires the will to do it and the willingness to subordinate some aspects of a particular agency's power for the greater good of the United States. Above all, it requires imagination, creativity, vision, and strategy, strategy, strategy.