

What Every Leader Needs Now in This Unprecedented Era of Global Competition

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INTRODUCTION

The global pandemic forced recognition of what many already knew: the world has changed in ways that significantly alter every organization's strategic planning; few will adapt and thrive, but most will remain stagnant and perish. The world as we think we know it no longer exists. Every consequential factor, of a weakened competitive position in this new era, will cascade across our traditional landscape of responsibilities: militaries can no longer defend national borders; governments can no longer control what happens to their constituencies; and businesses are now both the primary targets and prime facilitators of global affairs.

Global trends like hybrid warfare are the new normal. They undermine trust in core institutions and the achievement of goals normally associated with military action through non-military means - and its associated tactics. For example, cyber penetration (espionage), information (cognitive) warfare, deep fake influencing, and theft of intellectual property. The new Cold War, based on highly effective hybrid warfare, has been thriving while propelling the world economy to rapidly decouple.

Corporations lacking an agile strategy and process to deal with these realities will not survive. Those that do will not only survive but thrive. The US economy is the most successful Darwinian system that has ever evolved. We can eventually win, but a majority of the companies in existence today will fail, because they came to prominence during a less competitive period of US primacy. We are back in an unstable world environment in which we, Americans, have traditionally thrived, however we must quickly adapt.

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T. Casey Fleming serves as Chairman and Chief Executive Officer of BlackOps Partners Corporation, which provides strategic risk, strategy, and intelligence advice to senior leadership in many of the world's largest organizations. He regularly advises leaders of the private sector, government agencies, the military, Congress, and academia. Mr. Fleming is widely recognized as a top thought leader and keynote speaker in the areas of strategic risk, national security, cybersecurity, and unrestricted hybrid warfare. He was named Cybersecurity Professional of the Year by the Cybersecurity Excellence Awards. Previously, he led global units for IBM Corporation, Deloitte Consulting, and other management consulting and technology companies. He served as founding managing director of IBM's early Cyber division, known today as IBM Security. Mr. Fleming earned his bachelor's degree from Texas A&M University, served as guest instructor for IBM's internal MBA program, and participated in executive programs for IBM Corporation, Harvard Business School, and The Wharton School.

KEY LEADER SURVEY: POST-PANDEMIC

The year 2020 served as a critical inflection point. The entire world became simultaneously frozen, through stay-at-home orders, and reconfigured, to adapt to the new global environment underscoring the change while rendering previous assumptions and plans obsolete. Business as usual was demolished within companies and across industries. Hidden risk became revealed in the form of new financial risk, demand changes and decreases, labor shortages, and supply chain failures, to name only a few. The future is unclear, but it also presents new opportunities and new risks for those leaders who are prepared. It is a changed world, and this is the time leaders must lead in an entirely new way with a new whiteboard. During June 2021, an online and verbal survey was conducted with over 350 CEOs and government, military, and academic leaders to identify and examine the challenges top leaders are facing in this extraordinary time. This era has already been defined as unprecedented and requires an entirely new set of tools, skills, and assumptions.

NEW CRITICAL SUCCESS FACTORS EMERGED

The key leader survey revealed common critical factors that are central to future survival and success for leaders and their organizations. These include the following: (1) a continuous strategic clarity in evaluating all risk, (2) identify unseen risk to support rapid decision making, (3) agility, (4) rapid execution, (5) resilience, (6) focus on innovation.

Achieving each of these critical success factors requires an approach that is very different from any that have been used in the past. Successfully fitting these critical factors together, to harness the full power of the organization as an inherent force multiplier, will require the strategic unification of risk, strategy, the

human factor, technology, and security. The most robust method for accomplishing strategic unification and engaging the entire range of human capabilities and vulnerabilities is through a variation of business wargaming anchored in real-time intelligence.

STRATEGIC RISK REDEFINED

As 2020 unfolded, nearly every organization faced new and unprecedented risk due to the pandemic. Existing strategy and risk assumptions did not compensate for the unanticipated or hidden risk of a pandemic and, in a few cases, unseen opportunity. Further, the significant impact the pandemic would have on supply chains was completely missed. Never in recent history have companies and the global economies been so abruptly and critically impacted by unforeseen and unplanned risk.

The pandemic exposed the urgent need for a new way to identify unforeseen strategic risk across industries. It also showed how organizations need the ability to make quick decisions, pivot, and execute. Figure 1.

IMPORTANCE OF BUSINESS WARGAMES AS THE RISK PLATFORM IN THE NEW ERA

Evolving global and local risk requires a new approach to assessment and analysis that accounts for all potential contingencies. Dynamic business wargaming, an experiential process for identifying both strategic risk and unseen opportunity, has been proven by the world's most successful strategic planners in military, government, and business. Businesses require a variation on military wargaming to bring together political, technological, and environmental factors and, most importantly, people, to provide a comprehensive assessment and an action-oriented plan that cannot be achieved through any other type of analysis. A wargaming-based approach aligns every level of an organization, with shared understanding of risk and strategy, and establishes systemic agility in executing necessary change. For optimal results, the wargaming process must be tailored to each client's unique circumstances.

Almost every form of strategic analysis in common use, by business executives, exhibits three critical flaws: (1) the analyses are linear in nature rather than dynamic; (2) they are artificially objective, creating a false sense of certainty; and (3) they are collaborative in their incentives, which prevents the rigorous critical thinking that would yield the desired objective. These shortfalls, collectively, cause both important risks and potential opportunities to be missed. For centuries, wargaming has served military leadership reliably as a way to avoid these pitfalls by allowing decision makers to experience and assess potential futures at very low cost. This approach can greatly reduce aggregate risk in the increasingly complex, dynamic, and competitive environment accentuated by the pandemic.

What makes wargaming different is the handling of the inherently irrational element of human decision-making. Even economists increasingly admit human beings are not always rational actors. Yet much of business analysis tacitly assumes they are, and proceeds with “objective” assessments that provide a false sense of accuracy and certainty. Wargames draw out the emotion and inherent irrationality that accompany human beings making decisions under stress and with imperfect information. They also offer incentives for an exploration of the full range of challenges that competitors or changes in the business environment might pose—no matter how inconvenient or improbable they might be. You must face competitors and evolving circumstances as they are or may turn out to be, not as you wish them to be.

In addition to developing and testing strategy, wargames offer several collateral benefits. They train participants in critical thinking; help both participants and their management evaluate their decision making under stress; draw out input from those at junior levels of the organization who might not normally have the mechanism, incentive, or permission to contribute; show whether risk or opportunity is greater than expected due to scattered distribution across several parts of the organization and/or its supply chain; draw out assumptions and challenges through group-think that might otherwise remain hidden; and help align teams toward a shared understanding and shared course of action.

Business wargames are a pivotal tool for every organization seeking to reduce risk or identify opportunities ahead of their competition. Effective wargames can range from a few hours, for senior leadership, to several days, for senior and mid-level staff. The length and scope depend on the complexity of the situation(s) being assessed and the level of detail desired.

REAL-TIME INTELLIGENCE

Economic espionage and the case for corporate counterintelligence in today’s hyper-competitive global environment, static wargames and risk modeling are ineffective without a foundation in real-time counterintelligence. Nation-states and corporations have historically utilized business wargaming to gain strategic advantage against US and western enterprises. Wargame scenarios and outputs must be continuously measured against known threats, risks, adversarial strategies and actions for the most accurate results.

TECHNOLOGY AND SECURITY

To remain competitive, companies are required to focus on a pipeline full of innovation to maintain leadership in both global and local markets. While innovation is important, securing intellectual property must be paramount. Ongoing technology campaigns—for example, digital transformation, hybrid cloud, and artificial intelligence—must treat security as an integral part of development.

LEVERAGING THE HUMAN FACTOR

The human factor is the force multiplier in every organization. Over the years, efforts have fallen drastically short in harnessing and efficiently leveraging the collective power and security of employees, contractors, and suppliers. Survival and success require a culture in how we view our role in the new era of global competition. This can be accomplished by business wargames.

SUMMARY

It has been said that within every crisis, there is also opportunity. This is the time for leaders to engage this unprecedented era of global competition by leading in an entirely new way—through the unification of strategic risk, strategy, the human factor, technology, and security—facilitated through the power of business wargaming. Leaders and their companies must achieve new critical factors of: clarity in strategic risk, identifying unseen risk and opportunities, agility, resilience, rapid decision making, and the ability to prioritize quickly and pivot for execution. 🛡️

Experiential process for identifying both strategic risk and unseen opportunity has been proven over 150 years by the world's most successful strategic planners in military, government, and business. We use a variation on military wargaming to bring together political, technological, environmental and *most importantly* human factors to provide a comprehensive assessment and an action-oriented plan that cannot be achieved through any other type of analysis. This approach aligns every level of an organization in shared understanding and provides elevated agility in executing necessary change. The process is bespoke tailored to each client's unique circumstances.



Figure 1. Process for Identifying Strategic Risk and Unseen Opportunity
Experiential Business Wargaming: Required to Survive and Succeed in this Unprecedented Era of Global Competition