

How to Win the Information Battle — Lessons from a Modern War

by David Newkirk and Stuart Crainer

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How to Win the Information Battle — Lessons from a Modern War

Business leaders can learn a lot from how the military manages the flow of real-time information.

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The former British prime minister Harold Macmillan was once asked what made his job most difficult. “Events, dear boy, events,” he replied. In this age of information overload, events befuddle and bewilder leaders more than ever. From battles in foreign countries, to explosions in space, to CEOs’ defense of their honor in court, events are relayed to our television screens and computers in real time. Transmission and production delays in the media once allowed time for editing and perspective. Today, news is unfiltered — and rat-a-tat rapid. There are few guidelines (let alone rules) to help senior executives understand how to manage the outflow of information — or assimilate the avalanche coming in.

The best practices for managing information may lie not in business, but in the military. Long a supplier of metaphors and guidance for grap-

pling with strategy dilemmas, the armed forces are also showing business leaders how to manage real-time information.

embedded with American and British forces. Other journalists roamed the countryside independently, out of reach of any public rela-

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Brittle Reporting

The war in Iraq illustrates both the problem and the solution. Where the military once could hope to control the flow of information, in Iraq it could only respond. In contrast to earlier wars, when military censors controlled the coverage of war correspondents, in Iraq reporters were

tions control. Their unfiltered stories were dramatic in their immediacy, but, as the broader picture became clear, the initial conclusions often proved to be overblown or plain misleading. The rush of breaking information often produced emotional, incomplete reporting.

The Iraq conflict showed how

the very character of information is changing. Traditional war reporting was built on distilling various officially endorsed sources of information and combining the result with observation (if available) to establish the truth of the situation — the first draft of history. The new form of war reporting catches events at their source, when they are still history's raw material. The earlier robust

itive. Like war correspondents reporting from the front lines, business reporters increasingly are “embedded” in companies and industries. Because they have close relationships with senior executives, securities analysts, and industry observers, journalists often report unprocessed breaking news, rumors, and speculation.

And that's only the official

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reporting has given way to what could be called brittle reporting. The result has been wide, unpredictable swings in public sentiment, compounding the government's challenge of building support for the war.

Businesses today must contend with similar issues. Business reporting used to consist of relaying the publicly released information of publicly traded companies. In an era when share-price growth was incremental and steady — and investors relied largely on dividends — there was little competition among media, and little pressure on most companies from unanticipated events. With changes in investment patterns, pension funding, and communications technologies, that comfortable predictability is now nothing but nostalgia. Investors can choose from an ever-growing array of information providers and channels, all of which are deeply compet-

media. The Internet offers a world of opportunities for people with an axe to grind. Discussion boards on individual companies react instantly to news and rumor. Web “blogs,” linked to one another, spread the word, good or bad. This technology and these forums are available to anyone — free of charge. Participants can even include current and former employees of the company under discussion. Anybody can report or distort “news” about a company. Then it can be commented on endlessly, before the morning newspaper hits the porch.

Lessons from the Military

New accounting practices and financial disclosure mandates compound the problem of free-flowing information. Companies and executives are under pressure to be transparent in all of their dealings. In the U.S., the Securities and Exchange

David Newkirk

(newkirk_david@bah.com) is a senior vice president of Booz Allen Hamilton based in London, where he specializes in strategy and organizational issues for multinational clients. Mr. Newkirk has worked with industry leaders on all aspects of strategy, organization, marketing, technology, and operations.

Stuart Crainer

(stuart.crainger@suntopmedia.com) is a U.K.-based business journalist and a contributing editor to *strategy+business*. Mr. Crainer is author and editor of numerous management books, including the *Financial Times Handbook of Management* (Financial Times Prentice Hall, 2001) and *The Management Century: A Critical Review of 20th Century Thought and Practice* (Jossey-Bass, 2000).

Commission demands that material events be reported immediately and widely. Managers, no longer able to control the flow of information, can only react to it. As they gather their wits, markets are already responding. An erroneous report — or, indeed, an accurate report — on an obscure business television channel can affect a company's stock price immediately.

Second, the Pentagon used daily briefings, broadcast live, to put the scattered pieces of embedded-journalist reporting into context. Even though that context could be disputed, it was still the earliest, most robust, and best-integrated message available. Corporations, too, must learn to manage understanding and expectations, to paint the bigger picture, with similar confidence.

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The military appears to be more keenly aware of these trends than is the corporate world. The Iraq conflict was the first fully IT-enabled war. Instant firepower was matched by instant communications and instant interpretation. The business lessons from this military experience will be absorbed over the coming years. Some are already clear.

First, the military has accepted the inevitable and invited reporters into its vehicles and tents. Information can't be suppressed, and attempts to suppress it reflect badly on the organization involved. The lesson for companies: You can't resist the pressure to be open, so don't try. People — whether analysts, journalists, investors, employees, or members of the public — have high standards and increasingly consider the ability to know everything, as quickly as possible, to be their right, an entitlement rather than a luxury.

Third, the U.S. government managed its communications effort from the very top. It appointed Brigadier General Vincent Brooks, one of its brightest officers, to deal with daily briefings at Central Command headquarters in Qatar. In Washington, the secretary of defense and chairman of the Joint Chiefs of Staff held almost daily meetings with the press. Inside companies, corporate communications and other public relations functions — focused internally and externally — are gaining influence and stature.

A New Strategic Weapon

The elevation and influence of communications professionals in corporations must go even further than it has so far: Chief communications officers ought to be part of their companies' leadership teams, and senior executives must become skilled communicators. And throughout companies,

employees need to become more aware of and prepared for handling the threats and opportunities of working in a world where information is so transparent.

Perhaps the most important lesson from the Iraq war is that managing real-time communications is as important as managing real-time processes. Communication is moving from being a peripheral, specialist responsibility to being an essential and integral element of corporate leadership. No matter the organization — government, business, non-profit — the roles of professional communicators who lead communications functions are being reinvented and reinvigorated. As the Iraq conflict proved, they hold the power to wield crucial offensive and defensive strategic weapons for converting information into understanding. +

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