

Book Review - The New Face of War: How War Will Be Fought in the 21st Century

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***The New Face of War: How War Will Be Fought in the 21st Century* Bruce Berkowitz (Free Press, 2003)**

The success of Al Qaeda on 9/11 showed that it is not the preponderance of firepower, but rather the leveraging of information and the ability to make rapid decisions based on that information that differentiates success from failure. Bruce Berkowitz, in his book "The New Face of War: How War Will Be Fought in the 21st Century," discusses the impact of the information revolution on how war is fought. And what has this got to do with business? Throughout the ages, military organization and strategy have influenced and found parallel expression in business. Indeed, Berkowitz's observations, ideas and perspectives about the changing nature of war and the adaptive responses of the military readily transfer to the world of business, offering fruitful ground for cross-pollination.

Berkowitz expends much ink—usefully, though—depicting the extent to which the concepts and terminology of the information revolution have impacted the military's perspective and language for analyzing and responding to threats to peace. Specifically, he posits four areas of overwhelming influence:

1. Asymmetric threats can arise from groups of disparate size and organization due to global instantaneous access to information and communication. Terrorist cells strike in multiple countries on a variety of scales based on individual situations and resources.
2. Consumer development of information technology is leapfrogging that of military tactics. Consequently, the focus of war has shifted from brute firepower, which the rest of the world has conceded to the US, to that of leveraging information, where the playing field is basically level (particularly, given the educational and financial resources to which terrorist groups have access).
3. Virtual and asynchronous methods of achieving results eliminate geographic and time-coordinated constraints on actions. The chain of command has been flattened. Groups, whether military units or terrorist cells, know the overall goal and mission, leaving them free to leverage local information for the most efficient and effective means of achieving the ends. Networking multiplies the impact of individual actions.
4. In war, first strike decisions and capabilities mean the difference between life and death. However, speed and ability in gathering information and interpreting it drives the cycle, not quantity of firepower amassed. And analysis paralysis can be fatal as the decision cycle becomes an action-based, iterative loop. Clearly, lessons learned from previous efforts contribute to future decisions--it took three attempts before the World Trade Center was destroyed.

As I See It...Applications to Business

Much of the organizational and leadership structure of large, established corporations is modeled on the military. Indeed, corporate America today is characterized by top-down hierarchical decision-making units and, in particular, business units organized by product and/or geographic fronts and reliance on market dominance to deter/defeat competitors. Even the language of business is sprinkled with military terms and analogies—e.g., the war for talent, price wars, the fight for market share or shelf space, marketing campaigns,

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etc. But just as the Greatest Generation has yielded its role in military affairs, it has also passed the reins of corporate governance to the next. Not surprisingly, the information revolution is exerting a parallel impact on business.

Though that impact has been uneven, there are some noteworthy examples:

- In the automotive industry, advances in information technology have speeded up the market design-implementation-distribution cycle. Here, competition in information technology has contributed to the substantial reduction of model development timelines -- from seven years to three and falling. Instead of merely speeding up the process, leading-edge companies are eliminating steps completely.
- In the movie industry, speed and ability in gathering and interpreting information are playing a critical role in creating a competitive advantage. Thus, for movie studios, positioning their releases in relation to other studios becomes extremely critical when competing studios create similar movies. When the release date of Disney's *A Bug's Life* was announced, DreamWorks Studio advanced the completion of *Antz* and released it sooner, effectively stealing some of Disney's thunder.
- In the music industry, the worldwide, instantaneous access to information and communications has seriously threatened the industry's modus operandi by facilitating the rise of asymmetric threats from an assortment of individuals and organizations. The industry, for example, faces the threat of individual consumers leveraging the networked communities of file sharers. As consumers turn away from retail stores and music bundled in \$19 CDs, the industry has floundered in offering profitable alternatives -- i.e., those music lovers are willing to pay for. At the same time, however, new, rapidly growing channels are emerging from non-music companies such as Apple and Wal-Mart.
- The advent of the Internet has made networked organizations possible, particularly among individual citizens. Indeed, virtual communities have been able to force Intel to recall a chip, organize protest marches against the war in Iraq staged simultaneously in cities around the world, and assist Howard Dean in raising millions of dollars early in the Democratic primary process.

Like the military, companies -- particularly, successful ones -- are leveraging decision-making cycles, networked organizations, and information technology to position themselves ahead of the competition. Moreover, global businesses are evolving toward acquiring, sharing, and applying information and knowledge at all levels of the organization to achieve clearly identified objectives. Without a doubt, like the face of war, the face of business will never be the same.