

CHAPTER 1

THE MILITARY RESPONSE TO A
COMPLEX WORLD: THE NEW VALUE
OF EFFECTIVE EXECUTION

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It was Thursday, March 20, 2003, the first night of the Iraq War.

No moon. Calm seas. Perfect night for a surprise raid by an elite special operations force.

Four Mark V SOCs (Special Operations Craft) were running flat out across the Persian Gulf. Two boats were loaded with Navy SEALs. Their pockets were filled with ammunition; their faces were blackened. They were dead serious. Just hours before they'd launched, their boat team leader—a 26-year-old Harvard graduate—had told them, "We're going to change the world tonight. Let's do it right." Then his team embarked on one of the first missions in this new war. His men were ready for their task, ready to show the courage to execute.¹

From the boats, they looked out toward their rapidly-closing target: the Mina al-Bakr Oil Terminal, an impressive complex jutting out in the Gulf. The facility handled virtually all of Iraq's crude oil exports and American intelligence assets were convinced that Iraqi forces planned to unleash environmental and financial havoc by blowing up the facility; the SEALs were there to make sure that it didn't happen.

The seconds ticked off the clock, and each second mattered. The raid was supposed to have occurred at the very outset of hostilities, but the air war had started early, so the SEALs knew the Iraqis at the terminal would be on high alert, and more prepared by the minute. Every SEAL had a different scenario running through his mind as he tried to suppress the nervousness that naturally surfaces before combat. No matter how much training they'd had, these professionals all knew things could go terribly wrong in battle. *Stay calm. Stay focused.* Had they missed anything? Perhaps. No team can ever enter a battle with perfect knowledge. You gather your best intelligence, you plan, you brief, and you go. Then you adapt along the way. That's part of the process.

They watched as their brightly lit target approached, and they steadied themselves as the thumping of the boats rattled their teeth. To a

¹James Dao, "A Nation at War: The Commandos; Navy Seals Easily Seize 2 Oil Sites," *New York Times*, March 22, 2003. www.nytimes.com/2003/03/22/world/a-nation-at-war-the-commandos-navy-seals-easily-seize-2-oil-sites.html.

man they were ready, each loaded with weapons, armor, and ammo. They knew the plan; they'd rehearsed it. They'd briefed it again that night. They believed in it. They were ready and this was their mission. This was the opening round of the Iraq War, and their job was to secure the terminal. Simple, direct, achievable.

One SEAL looked at his watch and nodded to the others. The boats slowed and quietly motored out from the dark of night into the halo of light surrounding the oil terminal. The SEALs pulled up beside a ladder. Silently, the men exited the boats and began climbing stealthily toward the upper decks. The team fanned out in perfect order and found their first hostile. He surrendered. Several SEALs bound him while others moved on. Whispered words spoke quietly but crisply from their headsets as the assault team approached the room where they expected the rest of the soldiers would be. With emotionless precision, they swiftly took down the door, swept in, and found 20 Iraqi soldiers turning in complete surprise. The SEALs' shouts mixed with the Iraqi soldiers' cries; hands went up quickly and the room surrendered to the American special forces team.

Phase one was good, phase two was a go. An interpreter began interrogating the Iraqi leaders, the SEALs learned that the Iraqi government had paid them to destroy the terminal, along with themselves and any interfering U.S. forces. As the team members continued their mission, they found explosive charges placed at strategic points throughout the facility. Had the charges been detonated, the facility would have been destroyed and untold amounts of crude oil would have poured into the Persian Gulf.

Within minutes, the SEALs had secured the entire platform, which contained more than three miles of decking and even more piping. They had achieved their goal with no loss of life or property. The mission had gone exactly according to plan. In some ways, they were lucky. But luck usually comes from good preparation. Later, when reflecting on the raid, one of the team leaders considered how this night had been tough—they'd effectively opened the war—but in fact had been nothing more than the expected result of a long deliberate process of SEAL training: fitness and indoctrination, core skills and

specialties, teamwork, planning, execution, debriefing, and leadership, all first learned in the infamous Basic Underwater Demolition/SEAL training program widely known as BUD/S. Aspiring SEALs enter a carefully-designed process—essentially the same methodical military regimen that produces elite teams of warriors for the army, air force, and marines. When our newly trained special forces operators graduate, regardless of their branch, they're prepared to execute flawlessly on any battlefield, the world over.

That night on the Persian Gulf was one more element of proof.

So, how do members of America's elite military units execute at such high levels? Do they have natural abilities and instincts that the rest of us don't have? Are they by nature the bravest of men? Were they predestined from birth to be supremely fit men of action who can work together to achieve almost any goal under nearly any circumstance? Not at all.

Yes, they are brave. They confront and overcome all manner of challenges in pursuit of their goals. But they weren't born with these abilities, nor did they necessarily have them when they first volunteered to serve. Their courage, confidence, and capabilities stem from a relentless, time-proven process of conditioning, training, planning, executing, and improving. They are brave and capable because they have been prepared to be brave and capable. They enter battle in top physical condition (resulting from months or years of regimented training), they know the plan (which they've helped to develop), and they've committed all the details to memory. They trust each other; they've considered every contingency. They understand their goal and the consequences of failure. They're bought in, aligned, and they have the confidence to execute the most challenging missions.

Training is of course key. Spec ops team leaders have organized their men according to their abilities; they've clearly defined the role of each man. They don't operate as a rank-based hierarchy, but as a group of professionals, each accountable for specific tasks. From that accountability arises trust. In the field, these operators share information as they receive it and incorporate it into their battle plan, which remains flexible even as their goal remains constant. The team may encounter

surprises, but that won't alter their process—in fact, that's *part* of their process. They expect surprise and when it occurs, they simply adapt, adjust, and continue pursuing their mission.

Perhaps above all, these men are more disciplined than almost any other team on the planet. They are wholly focused on their mission and they will execute every action patiently and with unshakable confidence. They do this not because they're arrogant or naïve, not because they think they're invincible or superior to their foe, but because they have prepared, they have honed their process, and they trust one another implicitly. Courage is not bravado; it's forged through a regimented process. And that process is uninterested in your pedigree and blind to politics. That process takes raw soldiers and manufactures elite warriors. Twelve months after its raid on the oil terminal, that finely-tuned team of SEALs would look very different. Veterans would leave, replaced by new members who brought their own experience. But that team, and every spec ops team, would continue to function at its previous high level. The military's common process and the SEALs' core principles remain a constant and ensure consistency, even during periods of turnover. The new simply replaces the old, according to the process that makes these warriors.

American business could use some of our military's elite men and women, and the process they use to execute their missions. You see, American business has a problem. It's not a strategy problem or an analysis problem. And it's not a measurement problem or a capital problem or an education problem; we have plenty of gifted people, innovative ideas, and financial resources. We have an abundance of great plans developed by specialized in-house task forces or highly-paid external consultants. Our corporations have wise boards, make great products, and are smart operators—yet they consistently fail to meet goals and can't figure out why. Organizations will spend valuable resources to deliver new training or to develop new methodologies that only make a complex business more complicated. The end result of all this activity? Businesses still don't get the results they want.

Why? American business has an *execution* problem. Complexity is the mortal enemy of good execution, and our world is nothing if not

increasingly complex. Good execution demands simplicity, and in the military, we combat complexity with simplicity. We take a team of SEALs, give them a mission, and send them on their way. Secure the platform; use your training. Simplicity.

When the global war on terror began in 2001 with Operation Enduring Freedom, few real fronts existed, even in Afghanistan. On the ground in the Hindu Kush mountains, and virtually around the world, the U.S. military found itself fighting terrorists in caves and on the Internet. Modern warfare is marked by complex networks that resist change and have less and less central control, yet they evolve faster than ever. Fronts appear, disappear, and reappear. Friends and foes are hard to distinguish. Welcome to the asymmetrical battlespace.

The business world is just as complex and market competition changes just like those modern battlefields. Today, a savvy entrepreneur with a pocketful of capital can fundamentally alter a marketplace once dominated by Fortune 500 stalwarts. New apps and business models render old ones obsolete—then new companies get outinnovated and replaced themselves. Sometimes, innovative firms can make legacy companies more profitable, if the legacy companies are forward-thinking enough to act. Companies like Priceline and Uber helped the travel and transportation industries by allowing traditional companies to sell excess capacity to consumers at a discount. Smart organizations are always looking to exploit new opportunities, adapt their business model to keep pace with the rate of change, and stay alive.

Many organizations have combated this complexity with even more complexity. Countless books, articles, and theorists offer myriad models to analyze markets, formulate strategy, develop products, enhance execution, and measure sales teams. What do they have in common? They're just as complicated as the world they're trying to simplify.

Increasing the level of complexity to solve a problem doesn't work. It never has.

When World War II Allied supreme commander Dwight Eisenhower left the White House after serving eight years as president, he warned the public about the military-industrial complex, that group of industries closely tied to national defense. Today, there

is another rising complex and it poses a serious threat to the very people it claims to help. We call these groups the *business-intellectual complex*. Between books, magazines, seminars, and schools, it's a staggeringly-large, multibillion-dollar industry. Articles, experts, and dissertations abound that interpret trends, teach strategic planning, offer sales advice, or provide new management models. Thousands of students attend one of hundreds of U.S. business schools each year.

Here's the thing: The U.S. military gets extremely high levels of execution from teams with members who are often under age 21, most with no college education. These teams perform at extremely high levels in the most demanding, high-stakes environments imaginable—and on G.I. pay. Their secret?

A simple, replicable process to make them elite warriors.

Thankfully, those processes easily transfer to business and you can just look at Todd Ehrlich to see them at work.

At the beginning of the twentieth century, the beverage industry's soft-drink battlefield ran between Coca-Cola and Pepsi. It was a simple environment, Coke versus Pepsi with a few stragglers on the edges. Now it's the Wild West. Dr. Pepper, Snapple, Red Bull, Arden's Garden, and countless others products, including a recovery drink called Kill Cliff.

After leaving the Navy, former SEAL operator Todd Ehrlich became an entrepreneur. During his military service, he learned that inflammation contributed to numerous health problems. He saw a void in the beverage market and decided to develop a sports drink that would help fight internal inflammation. He came up with Kill Cliff recovery drinks, which restock a body's lost electrolytes and fight swelling.

Ehrlich sold his first case of Kill Cliff in 2012 and ever since, he's waged a challenging but successful campaign to grow sales and spread the benefits of his product. But it wasn't easy. Competitive forces fought back; retailers were skeptical. Kill Cliff often had to take bad terms or delayed payment to get shelf space; occasionally, they had to promise to buy back any unsold product. To succeed, Ehrlich and his sales team had to take their lumps until they could prove that their products could deliver.

“As a Navy SEAL, I wouldn’t have ever picked a fight with the Chinese army,” explained Ehrlich. “So as a start-up beverage company competing against established giants, I have to use small unit tactics, just like the SEALs. We don’t play their game; I’ll beat them in other ways.”

First, like special operations forces going into a new territory, Kill Cliff’s employees set out to win hearts and minds. They began low-budget campaigns to sponsor trainers at local gyms. When members saw trainers wearing Kill Cliff T-shirts, they inevitably asked about the product. Kill Cliff couldn’t compete with sponsors in established sports leagues like the NBA or NFL, but they could make headway at the Ultimate Fighting Championship. One November night three Kill Cliff-sponsored fighters fought and each won. The trio of victories helped spread the word and build the brand.

Second, Kill Cliff hammers and pivots with extraordinary agility. It can attack competitors head-on, or call in a strike on their flanks. It can quickly change strategies or marketing thrusts. The company’s employees can also pivot. In SEAL platoons, at least two men can do any given job. “One is none, and two is one,” goes the spec ops saying, and Cliff Kill is no different. The company hired employees with unique as well as overlapping skills so they can approach problems from different perspectives. Experts on one subject can also handle secondary roles when manpower runs thin.

Third, Kill Cliff built a sense of identity around the company and created a sense of mission among its people. At first they found young men and women who were willing to work for free, who believed in the product and the team’s philosophy. Ehrlich himself took no pay for nearly two years and his first salesman had no salary for nine months. The shared sacrifice created a cohesive team that built camaraderie and trust.

Fourth, the team was prepared for contingencies. “We have to be prepared,” Ehrlich said. “Because it usually takes longer than you plan and something always comes up. You have to be prepared financially and mentally.”

In a word, Ehrlich transformed his start-up into an elite team of warriors and applied his SEAL training to his desired outcome—to

establish his brand as a serious competitor in the sports drink market.

“As a SEAL or start-up, you have to have the tenacity to see the mission through on the bad days when the wind is in your face,” Ehrlich said. “Sometimes during BUD/S your goal might have been just to finish one set of pushups. But you set goals and reach them; we do the same thing at Kill Cliff. We set daily goals that keep us moving forward, focused on what’s most important. And we get there.” Kill Cliff responded to asymmetry just like its founder had learned during basic training: by developing new tactics, combating complexity with simplicity, and never quitting. In SEAL parlance, he never *rang the bell*, the signal a SEAL candidate is dropping out.

Should Coke, Pepsi, and other giants worry about a small competitor like Kill Cliff?

Absolutely. There is an array of specialty providers like Kill Cliff, slowly chipping away at established market leaders. With fewer barriers to entry, revenues will go to the nimble and quick-to-adapt. If larger companies can’t or don’t adapt, they’ll suffer.

Those larger companies haven’t taken this lying down. Coca-Cola has diversified by acquiring brands like Vitamin Water and Monster energy drinks. They’ve improved niche appeal with brands like Odwalla and Gold Peak Tea. Likewise, legacy brewer Anheuser Busch responded to the surging popularity of microbrews with Shock Top and Goose Island. Many consumers have no idea that microbrew lookalike Shock Top and Chicago-brewed Goose Island are owned by Anheuser Busch—and that’s just fine with Anheuser Busch, who is busy building these niche brands. Forward-thinking large firms are learning how to handle changing market trends and push an entrepreneurial mind-set through their organization. They’re learning to grow corporate value while benefitting from the niche appeal and nimbleness of subbrands and subsidiaries. Many are driving authority to lower levels of the organization. But they still face tough competition from smart and savvy upstarts.

Whether you’re leading a raid on an oil terminal, running a start-up, or leading a corporate division, you can learn from the clear and

simple military process that created leaders like Todd Ehrlich, along with high-performing teams, just like the one that secured Mina al-Bakr. To implement its process, the military indoctrinates its recruits and new officers with the basic values and skills they need to succeed as individuals and teams. Then, these individuals become specialists and learn to align their role on a team with any given mission. They're taught to plan deliberately and brief the plan before executing it. With each soldier or sailor depending on another in combat, they learn responsibility. In postoperation debriefs they hold each other accountable while distilling lessons learned that they'll use in the next mission. The military trains us to be accountable, to simplify, to align and empower others, and to know the process that builds men and women into elite performers. As our servicemen and women repeat this cycle again and again, they can become extraordinary leaders who have the training, experience, and confidence to act. They have the *courage to execute*. American business can develop the same thing.

MISSION BRIEF

In the chapters ahead, you'll see that:

1. In a complex world, simplicity combats complexity.
2. A clear, simple process will improve an organization's ability to execute and achieve its goals.
3. Effective plans come from a deliberate six-stage planning process that begins with the end in mind.
4. Specific mission objectives should be clear, measurable, and achievable, and aligned with a high-definition destination.
5. Briefing the plan is critical to good execution.
6. Task saturation presents the biggest threat to effective execution, but it can be managed through task shedding, cross-checking, and checklists.

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7. Nameless, rankless debriefing is key to continuous improvement and closing execution gaps.
8. Incorporating lessons learned from regular root cause analysis improves performance.
9. The right execution engine will develop leaders with a bias to action and the confidence to execute.