



In a chaotic world, business needs competent generals. A military expert weighs in.

VINCE Cable is not known for his military commentary. So when he recently declared that the economy more closely resembled warfare than any other human condition, he caught the headlines; I believe he also got it dead right. Why are we surprised by the analogy? Business and warfare are fundamentally forms of adversarial engagement, where competing parties seek marginal advantage in the marketplace or on the battlefield.

Thankfully, nobody gets killed in business; a state monopoly on violence remains the defining characteristic of the military instrument within democracies. But when your third quarter numbers are soft and those phone calls from the boss on how can he help you become more successful get increasingly insistent, it doesn't always feel like that. And business is an unremitting 24 x 7 x 365 affair. No matter how demanding the contact battle, most soldiers spend more time training and preparing for war than they do conducting it.


Both disciplines are about the creation of highly defined, high performing teams: brand or regiment. Both face a sentient opponent – the competition or the enemy – and any complacent assumption that the opponent is less smart, tough or determined than the home team is likely to lead to failure. Both business and military life are defined by a patchwork of alliance and adversarial relationships; the more complex and insidious twenty-first century conflict becomes, the closer this resemblance will be.

But perhaps there is a single defining concept that draws the two together more than any other, and it is what I can best describe as the phenomenon of strategic shock. A strategic shock is an event that makes us think differently about our lives or the way we conduct business. By definition, it is unforeseen and unpredictable; its effects are ubiquitous and indiscriminate and have the capacity to change personal, corporate or institutional assumptions; it's what war feels like. The first decade of the 21st century contained two clear examples: the events of 9/11 completely altered the global security landscape, while the financial crisis changed assumptions around business practice, the role of the state and international economic co-operation.

But the alarming thing right here, right now is that 2011 has already produced the Arab Spring and the euro crisis, while an Iranian bomb, Chinese mercantilism and the US deficit are waiting in the wings. So, as the incidence of strategic shock increases, maybe Cable's easy headline was even more prophetic than it first appeared or he ever intended.

In its pure form, war implies the implacable clash of competing wills in an environment where the conventions, structures and established routines of peacetime are lost and replaced by chaotic violence. Is that where we are now? No, it's worse than that. Competing wills are always biddable at some stage, but what we seem to face now is not an enemy looking, at some point, to negotiate but an arbitrary destiny which has none of the calculus of strategic advantage.





The world we face now has all the confusion of warfare, but, for now, none of the bloodshed (literal at least, metaphorical bloodshed stains most boardrooms and chanceries). The trick will be to keep it that way as Greek mobs howl for justice, the British dispossessed contemplate the next round of recreational larceny and China looks to contest US naval hegemony in the western Pacific.

So, a parlous situation, and, if we pursue the warfare theme, what do the generals intend and what strategies will they employ? This is the point at which a military frame of reference begins to become unstuck. Most militaries maintain encyclopaedic contingency plans and constantly rehearse responses to unpredictable events, but the politicians holding the fate of the euro or the US federal deficit in their hands conspicuously lack coherent plans or even the intellectual techniques to address the problems they face.

All this begins to look like the worst of all possible worlds: a state of war but with no competent generals to take charge. But that may change soon. Afghanistan is now the USA's longest-ever campaign, and hundreds of thousands of young Americans have been engaged in the wars of the twenty-first century. The numbers from the roll call of European nations is smaller, but still represents a phenomenon that has not existed on this continent for 60 years – a generation of future leaders in public and business life who have experienced “the disciplines of the wars”. For men and women whose formative experiences have been forged in the crucible of combat, this will carry an indelible mark into their future careers, and the sooner the better.

It was a good line, minister, but truer than you thought.

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