We highly recommend *The Art of Action* for executives, management, and leadership who are responsible for transitioning their enterprises with Lean and Agile.

This article summarizes the essential concepts and techniques from each chapter of this important book.

This summary has been endorsed by the author Stephen Bungay and is used with permission.
CHAPTER 1. INTRODUCTION

Chapter 1 is a quick background of Stephen Bungay, how he came to this field of study, applying military leadership to organizational development.

CHAPTER 2. THE CAUSE: THE THREE GAPS

_Friction makes doing simple things difficult and difficult things impossible_

Clausewitz observed that armies find executing strategy difficult and developed the concept of friction to explain why. Friction manifests itself when human beings with independent wills try to achieve a collective purpose in a fast-changing, complex environment where the future is fundamentally unpredictable.

Friction is a universal phenomenon ultimately grounded in the basic fact of human finitude. Its universality means that it applies in some degree to all organizational life, including business. It also means that we can never completely escape it.

Our finite nature means that we have limited knowledge, due to things we could know but happen not to (because we do not have perfect information) and things we could not know even in principle (such as unpredictable future events). It also means that we are independent agents. When we engage in a collective enterprise we therefore face the problem of communicating with each other and aligning our individual wills. While we cannot become God, we can deal with the more tractable implications of our finitude. The first step is to recognize it.

Internal friction is exacerbated by the fact that in business as in war, we are operating in a nonlinear, semi-chaotic environment in which our endeavors will collide and possibly clash with the actions of other independent wills (customers, suppliers, competitors, regulators, lobbyists, and so on). The internal and external worlds are in constant contact and the effects of our actions are the result of their reciprocal interaction.

As shown in Figure 1, the overall concept of friction is due to the finitude of the human condition. Each person in an organization is an independent agent – not a robot – and we work with limited knowledge. There is information loss in transmitting and processing information between each other and we each react differently to that information – even if perfectly transferred – because we have independent wills.

Friction gives rise to three gaps: the _knowledge gap_, the _alignment gap_, and the _effects gap_. To execute effectively, we must address all three. These three gaps are illustrated in Figure 2.

Our instinctive reaction to the three gaps is to demand more detail. We gather more data in order to craft more detailed plans, issue more detailed instructions, and exercise more detailed control. This not only fails to solve the problem, it usually makes it worse. We need to think about the problem differently and adopt a systemic approach to solving it.
Figure 1. The overall concept of friction

The difference between what we would like to know and what we actually know.
Meaning: **plans will never be perfect**
Anti-pattern: more detailed **information**

Figure 2. **The Three Gaps caused by Friction**: The basic model of organizational dynamics we must address.

The difference between what we hope our actions achieve and what they actually achieve.
Meaning: **cannot predict exactly how the environment will react to what we do**
Anti-pattern: more detailed **controls**

The difference between what we would like people to do and what they actually do.
Meaning: **people and structures are never perfectly aligned with the plan**
Anti-pattern: more detailed **instructions**
CHAPTER 3. ELEMENTS OF A SOLUTION: LEADING THROUGH INTENT

Do not command more than is necessary or plan beyond the circumstances you can foresee.

TECHNIQUES DISCUSSED: LEADING THROUGH INTENT, PLAN-DO-ADJUST

The Prussian Army developed an operating model called Auftragstaktik which enabled it to consistently overcome the three gaps. This development began in 1806 and the first step was to change its culture by creating a meritocratic officer corps which valued independent thinking and initiative.

The leader who turned the culture into a system was Helmuth von Moltke the elder, who fostered high levels of autonomy and worked out how to simultaneously achieve high alignment. His answer to the knowledge gap was to limit direction to defining and expressing the essential intent. He closed the alignment gap by allowing each level to define what it would achieve to realize the intent. He dealt with the effects gap by giving individuals freedom to adjust their actions in line with intent.

Von Moltke demands high autonomy and high alignment at one and the same time. The more alignment you have, the more autonomy you can grant. See Figure 3. The one enables the other. Alignment needs to be achieved around intent (what to achieve and why); autonomy should be granted around actions (what to do and how).

The result is to make strategy and execution a distinction without a difference, as the organization no longer plans and implements but goes through a "thinking-doing cycle" of learning and adapting.

Such a model will only work if people are competent and share basic values. Von Moltke invested considerable resources, including his personal time, in developing people, an activity centered on the War Academy.

The principles of Auftragstaktik have since been adopted by armed forces across the world, particularly those of NATO, under the name "mission command:"

The model is scalable and transferable, and it is robust because it is not a new idea but a set of practices which evolved over a long period. The theory behind it stands in contrast to the scientific and engineering approaches which dominated management thinking until the 1980s.

Some features of mission command are exhibited in some business organizations today. Grasping the principles as a whole offers a dividend over the value of the parts. I give mission command in business the name "leading through intent."

CHAPTER 4. THE KNOWLEDGE GAP: WHAT AND WHY

Strategy is a framework for decision making, a guide to thoughtful purposive action

TECHNIQUES DISCUSSED: ROUND-THE-LOOP, “MBA” TOOLS TO ASSESS CAPABILITIES AND OPPORTUNITIES, PLANNING STAIRCASE AND MAIN-EFFORT STEPS, CENTER OF GRAVITY OF THE BUSINESS, PATTERN RECOGNITION.

A business strategy sets direction by considering both the ends to be achieved and the means of achieving them in a competitive environment. Means include execution. Strategy development and strategy execution stand in a reciprocal relationship and co-determine each other.

A strategy is not in itself a plan, but prepares the organization for the future by providing it with a framework for decision making, based on some basic choices about how to compete. It is "the evolution of an original guiding idea under constantly changing circumstances:"

Depending on the nature of the uncertainties in the environment, a strategy can set direction by giving a compass heading or a destination, or both. A robust
strategy does not guarantee success, but shifts the odds in one's favor.

Thinking strategically involves "going round the loop" to establish coherence between aims, opportunities, and capabilities. It is a rational activity involving analysis, experience, and pattern recognition to generate insight into the basis of competition, the center of gravity of the business. Good strategies involve risk but they are realistic, not heroic.

A strategy is fundamentally an intent: a decision to achieve something now in order to realize an outcome; that is, a “what” and a “why.” Even if our destination is unclear, we need some sense of the end-state to be achieved which gives our current actions a purpose. And even if the current situation is volatile, we need to decide what to do next in order to get into a better position than we are in at present. Strategic thinking can therefore be laid out as a staircase: a logical sequence of steps which lead to an end-state, which is either the destination or a position which opens up future options.

The steps of the staircase define the organization's "main effort" at a strategic level. The main effort is that single thing which will either in itself have the greatest impact or on which all other things depend. It has resourcing priority. Defining main effort creates focus and energy, helps people to make trade-offs, and cuts through complexity.

CHAPTER 5. THE ALIGNMENT GAP:
BRIEFING AND BACK-BRIEFING

Tell me what you want, what you really, really want

TECHNIQUES DISCUSSED: Strategy Briefing, Back-Briefing, Briefing Cascade

TEMPLATE: See the Strategy Briefing template in Appendix A.

People at all levels can find themselves in situations when they have to exercise independent thinking obedience. They can only do so if the organization has already prepared them by providing them with the information they need to take decisions.

That information can be formulated as a statement of intent which distills the strategy for everyone. That statement can then be broken down into its component parts and used to start a process of briefing each level.

A briefing should cover the higher intent, up to two levels up, the tasks that this implies for the unit concerned, where their main effort should lie, and their freedoms and constraints.

Working this through in a structured way pays dividends in aligning the organization both up and down levels and across functions.

The whole organization can be aligned if briefing is done in a cascade, with each level adding more specificity to the tasks implied by the higher intent, and then presenting the results to the level above in a process called backbriefing. This checks mutual understanding, allows for adjustment of the original brief, and, when done collectively, helps alignment across functions.

A briefing cascade will only work properly if the organizational structure broadly reflects the task structure implied by the strategy. If it is in conflict with the strategy, it should be changed before anything else. It requires an appropriate level of hierarchy of entities that can be made wholly or largely accountable for critical tasks, led by people who are skilled and experienced enough to make autonomous decisions.

CHAPTER 6. THE EFFECTS GAP:
INDEPENDENT THINKING OBEDIENCE

Sins of omission are worse than sins of commission

TECHNIQUES DISCUSSED: Monitoring through Metrics, Quarterly Reviews, Commander’s Telescope

There is a general requirement for individuals in a leadership position to adapt what they do in line with the organization’s intent, and to take responsibility for their decisions. Not everybody will be willing to do this. Equally, there will be others with an authoritarian personality who will be unwilling to give subordinates the space they require to be adaptive. Both groups are minorities in the management population, but they need to be detected in the recruitment and development process.

The bulk of the management population do not fall into either of these problem groups, but they need to be developed so that they master the appropriate briefing and decision-making skills. A common development program covering the behaviors which go along with these skills can begin to shape the culture, as long as it is reflected in day-to-day practice.
Even if they understand what part they are to play in executing a company’s strategy, people do not always behave in the way required. However, they usually do behave rationally from the point of view of the subsystem of the organization to which they belong. If we examine the goals, resources, and constraints of the subsystem, we can understand why they behave as they do and can take steps to change the subsystem itself in order to produce the behavior we want.

Day-to-day practice is in part determined by organization processes, most importantly budgeting and performance management. They should themselves be aligned with the strategy, and using a briefing cascade to link them all together is a practical way of achieving this. They should also enable rather than inhibit adaptation. A good first step toward making them flexible is to create an operating rhythm with quarterly reviews of progress, in which adjustment is expected and the budget is treated as a rolling forecast.

In order to know if the intent is being realized, we need a system of metrics. However, we should not allow metrics to be separated from what they are supposed to measure and substitute for it, or they become a fetish. A scorecard should be used to support strategy execution by monitoring the effect actions are realizing, not to supplant strategy. Business leaders should supplement internal scorecards by taking a look outside through the commander’s telescope.

**CHAPTER 7. LEADERSHIP THAT WORKS: FROM COMMON SENSE TO COMMON PRACTICE**

*The director is detached, calculating, and flexible; the manager is engaged, realistic, and pragmatic; the leader is committed, passionate, and determined*

**Techniques discussed:** The Decision-Making Trinity: Strategy/Operations/Tactics, The Executive’s Trinity: Directing/Management/Leadership

There are three areas of decision-making. They are linked together and allow for flexibility and efficiency. Each level gives boundaries to the next and each is important.

- **Strategy** defines the intent, the aim, the “why.” Strategy is at the business unit level.
- **Operations** is the area of problem solving and execution. It exploits advantage through independent thinking obedience. It focuses on how to do what is needed, considers alternative solutions, and evaluates possible courses of action. Operations is at the department level.
- **Tactics** focus on the routine standard operating procedures. It creates uniformity and predictability where that has high value and enhances efficiency by enabling tasks to be carried out at speed with little supervision. Tactics is at the sub-unit level.

The Executive’s Trinity (see Figure 4) involves direction, management, and leadership. These define the skills and work required. Every senior leader must master all three.

- **Directing / Command** involves going around the loop: considering the aims given, the external environment, and the internal capabilities of the organization and how to build the capabilities to realize the strategy.
- **Management** is about understanding objectives, solving problems, and creating processes. It focuses on maximum use of resources.
- **Leadership** is a moral and emotional activity. It balances defining and achieving the task, building the team, and developing individuals in the team.

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*Figure 4. The Executive’s Trinity of Skills. Senior Leaders must master all three.*
CONCLUSION

**Techniques discussed**: Leading through intent, Simple Rules, Strategy Briefing, Address all three gaps, Attractions of the Compass (through cascading briefings and/or self-organizing networks)

In many ways, leading through intent is management by objectives for the twenty-first century. If one goes back to his original thoughts, penned in the middle of the last century, one sees that Drucker's concern was to create a common effort which avoids the gaps, overlaps, and friction which result from optimizing subsystems.

He suggested that every manager write a "manager's letter" to his boss twice a year (which is very similar in content to a strategy briefing) and include the measures he would use to exercise self-control. It was the manager who was to get the control reports, not his boss, let alone an audit committee. The manager would act “not because somebody wants him to but because he himself decides that he has to – he acts, in other words, as a free man.

**Leading through intent** draws on a longer and richer experience base than Drucker was able to access in 1955. It is more comprehensive, and its techniques, though similar, are more refined.

But the spirit of management by objectives and that of leading through intent are the same. Sadly, as management by objectives became "MBO;" it all too often turned from a management practice into a corporate process. The "manager's letter" became an approval process rather than a back-brief, and measures have become an external control mechanism. Intentions became dominated by targets, and rigidity returned.

While it has undoubtedly had a positive impact on the practice of management, MBO has been reduced to a mechanism for closing the alignment gap which leaves the knowledge gap and the effects gap wide open.

Perhaps we can recapture the spirit of Drucker's original thinking.

The alignment gap is the focus of attention of the literature on implementation and is the most obvious of the gaps to managers. Others have found ways of closing it by cascading objectives. P&G has what it calls an OGSM technique. This starts with the corporate center defining its Objectives and Goals (corresponding to our "why" and "what") and its Strategies (sets of actions corresponding to our "implied tasks") and Measures - hence OGSM. These are then translated down into business and functional levels. In accordance with current best practice, goals have to be SMART (Specific, Measurable, Actionable, Realistic, and Time-bound). In Hewlett-Packard, Yoji Akao devised what he calls the Hoshin method of aligning managers up and down and across the hierarchy behind a single goal. With its roots in the total quality and lean manufacturing movements, it is a systematic engineering approach toward executing complex projects, and has also been deployed outside HP. There is a growing literature, including handbooks.

There is no disputing that such techniques can have value but they also have a danger. Focusing on closing the alignment gap without addressing the other two will tend to create rigidity. Techniques like this, which are forms of MBO, originate in specific corporate environments. When they are transferred into others, the process gets adopted but the culture is left behind. The result is often a bit more clarity and alignment and a lot more bureaucracy.

Some of the principles of Auftragstaktik probably influenced German management practice after the war. In 1962 Professor Reinhard Hohn expounded a comprehensive management system called the Harzburger Modell which is still taught at the Akademie der Führungs­kräfte der Wirtschaft in Bad Harzburg. Some 680,000 German executives have visited the Academy since its inception in 1956, which is enough for it to have had some impact on the performance of the German economy as a whole. The principles of the model are based on a view of managers as independent thinking individuals, the delegation of objectives, and decentralized decision making.

That there was direct military influence is clear from Hohn's publications. In 1952, he published a book about Scharnhorst. Fuhrungsbrevier der Wirtschaft, first published in 1966, draws heavily on military practice, and in Die Führing mit Staben in der Wirtschaft of 1970, Hohn describes in detail how the workings of the General Staff could be re-created in business.

But Hohn was no Moltke. The techniques of the Harzburger Modell emphasize job descriptions and formal rules for giving direction and exercising control. While it signaled a move away from authoritarian leadership, because of its formal character it also created
bureaucracy. At one point it contained 315 rules. On the positive side, it provided a framework within which a more cooperative form of leadership could develop, created more role transparency, emphasized rational rather than authoritarian decision making, and gave companies a way of creating space for junior and middle managers to think and act. On the negative side, it set out to achieve these things through order and regulation which was time consuming and costly, and actually stifled initiative. While the declared objective was a more democratic form of organization, Hohn claimed universal validity for his method and would have agreed with Taylor that "there is but one right way:"
The mindset behind the model is in fact authoritarian. It recommended that any employee breaking one of the 315 rules be fired. As one critic has observed: "You cannot change leadership style by administrative decree."
The story of the Prussian Army related in Chapter 3 is, in contrast, one of piecemeal evolution. There was no system, just a series of developments that slowly coalesced. The developments began with culture and what emerged was a strong and very particular ethos. Habits were created and techniques evolved to refine them. Progress was not linear - there were periods of stasis and even backtracking. There was a lot of debate and some very lively arguments. It was all brought together by the thought and practice of an enlightenment figure who established immense personal authority, although his post initially granted him very little. If we want to achieve something similar we cannot take decades, but as businesses are not slowed down by periods when they are not in operation, and we already know the end-point we are aiming for, we do not have to. But we do have to do more than merely set up a process for cascading goals.
The principles point beyond our current forms of hierarchical organization. The intelligence of an organization is never equal to the sum of the intelligence of the people who work in it. It is always either more or less. Scientists who study complexity have shown how insects such as ants and bees can create complex adaptive organizations by following very simple rules. Ants have evolved to become extremely efficient foragers by following two rules: "Lay pheromone and follow the trails of others:" In human organizations, tactical subsystems such as freight cargo or call routing can improve their efficiency dramatically by adopting the same technique. The way in which bees allocate labor has been used to optimize scheduling of paint booths in a truck factory. However, predicting the collective effect of setting such rules for human beings to follow is beyond the capabilities of the human mind and has to be modeled by a computer. This suggests that although the approach has tactical value, it would be fateful to rely on it to direct strategy.
However, simple rules have long been used by commanders to influence tactics and operations. Both Napoleon and von Moltke impressed on their officers the rule "always march toward the sound of the guns" in order to operationalize the behavioral principle of mutual support. Napoleon was famously shocked when his subordinate Grouchy failed to do so at Waterloo. Within a specific context, rules such as "allocate manufacturing capacity on the basis of gross margin" can work well in business too. To make them work, humans, unlike ants, still need an understanding of intent. But intent does not need to be set by one person or indeed any single, central body.
Leading-edge business thinker Philip Evans has pointed out that organizations like Linux and Toyota are self-organizing networks in which the overall intent is shared without being laid down. Linux has no single leader. Self-organizing networks have all the characteristics we have observed to be cornerstones of leading through intent: a lot of people taking independent decisions on the basis of a shared intent and high mutual trust. The strong connection between the top and bottom of a hierarchy created by a briefing cascade is replaced by a strong network with widely dispersed knowledge and myriad dense interconnections. This may not be a solution to everybody’s problems, nor would it be practical for most organizations to transform themselves overnight into self-organizing networks. It may, however, reinforce the attractions of the compass heading I have been advocating.
As I observed at the outset, what I am advocating is no more than common sense, but common sense is not so common in practice. This observation is well captured in one of the more piquant acronyms sometimes used in military circles: GBO, standing for “Glimpses of the Blindingly Obvious.” The implications of the term GBO are worth a moment’s reflection. If the obvious only comes in glimpses, it is easy to miss it if we are not paying attention. If it is blinding, our natural reaction if we do glimpse it is to shield our eyes and look away. When we turn back, it is gone. GBOs can be disturbing, for they challenge the way we have always done things.

10 GLIMPSES OF THE BLINDLINGLY OBVIOUS

Here is a summary of the argument of this book in the form of Ten Glimpses of the Blindingly Obvious.

1. We are finite beings with limited knowledge and independent wills.

2. The business environment is unpredictable and uncertain, so we should expect the unexpected and should not plan beyond the circumstances we can foresee.

3. Within the constraints of our limited knowledge we should strive to identify the essentials of a situation and make choices about what it is most important to achieve.

4. To allow people to take effective action, we must make sense: they understand what they are to achieve and why.

5. They should then explain what they are going to do as a result, define the implied tasks, and check back with us.

6. They should then assign the tasks they have defined to individuals who are accountable for achieving them, and specify boundaries within which they are free to act.

7. Everyone must have the skills and resources to do what is needed and the space to take independent decisions and actions when the unexpected occurs, as it will.

8. As the situation changes, everyone should be expected to adapt their actions according to their best judgment in order to achieve the intended outcomes.

9. People will only show the level of initiative required if they believe that the organization will support them.

These glimpses pass so quickly. It is too easy to miss them and get back to our old ways of getting by. We must not!

Winston Churchill is said to have observed,

Most people, sometimes in their lives, stumble across truth. And most jump up, brush themselves off, and hurry on about their business as if nothing had happened.
APPENDIX A. TEMPLATE FOR A STRATEGY BRIEFING

*Note: the purpose of the strategy briefing is to gain alignment*

1. CONTEXT

What is the situation?

2. HIGHER INTENT

One level up (my boss)

Two levels up (my boss's boss)

3. MY INTENT

What are we trying to achieve and why?

What:

In order to:

Why:

Measures

- 

- 

4. IMPLIED TASKS

<table>
<thead>
<tr>
<th>Main Tasks</th>
<th>Responsibility</th>
<th>Timing</th>
</tr>
</thead>
</table>

(Which task is the main effort? Highlight in bold or color)

5. BOUNDARIES

Freedoms

- 

Constraints

- 

6. BACKBRIEF: HAS THE SITUATION CHANGED?

No - our brief is valid

Yes - we have to change some tasks, but what we are trying to achieve is still valid

Yes - and we have to change what we are trying to achieve
GREAT QUOTES BY STEPHEN BUNGAY

ABOUT ACTION

In business, everything is simple but the simplest thing is difficult. Taking action involves movement in a resistant medium.

ABOUT FRICTION

Friction is inherent and universal. Resistance is caused by friction. Friction is the totality of uncertainties, errors, accidents, technical difficulties, the unforeseen and their effect on decisions, morale, and actions.

Friction cannot be eliminated. But friction can be mitigated. Friction can be used... it provides opportunities.

Organizational friction is why we need managers.

ABOUT LEADERSHIP AND OBEDIENCE

The king made you an officer because you should know when not to obey. Obedience is a principle but the man stands above the principle... and initiative must be steered toward intentions.

FROM VON MOLTKE

With darkness all around you, you have to develop a feeling for what is right, often based on little more than guesswork, and issue orders in the knowledge that their execution will be hindered by all manner of random accidents and unpredictable obstacles.

In this fog of uncertainty, the one thing that must be certain is your own decision... the surest way of achieving your goal is through the single-minded pursuit of simple actions.

A leader who believes that he can make a positive difference through continual personal interventions is usually deluding himself. He takes over things other people are supposed to be doing, dispenses with their efforts, and multiplies his own tasks.

The higher the level of command, the shorter and more general the orders should be. Leave details of execution to verbal instructions.

Ensure that everyone retains freedom of movement and decision within the bounds of their authority.

The rule to follow is an order should contain all, but also only, what subordinates cannot determine for themselves to achieve a particular purpose.

<table>
<thead>
<tr>
<th>Decide what really matters</th>
<th>Do not plan beyond the circumstances you can foresee.</th>
<th>Use the knowledge you can access to work out the outcomes you want the organization to realize. Formulate strategy as intent rather than as plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get the message across</td>
<td>Pass the message along to others and give them the responsibility for carrying it out.</td>
<td>Keep it simple. Be clear about intentions: what to achieve and why. Ask them to tell you how they will achieve it.</td>
</tr>
<tr>
<td>Give people space and support</td>
<td>Encourage people to adapt their actions based on what they are observing in order to achieve the outcome.</td>
<td>You cannot predict the outcome of actions. Do not try to do so. Give people boundaries that are broad enough to make decisions for themselves and act on them.</td>
</tr>
</tbody>
</table>