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Five principles to manage change in the military

Two change-management experts offer guidance on moving from the what to the how.

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Defense spending has been under pressure for some time now in the developed world. After climbing dramatically for the better part of a decade in the aftermath of September 11, 2001, defense spending began to fall in many countries after the global financial crisis of 2008. European members of the North Atlantic Treaty Organization were the first to make cuts, with total spending falling by $37 billion from the high-water mark in 2008 through 2012, and a further $4 billion in cuts between 2012 and 2015 is expected. Even the United States, where spending continued to rise until 2011, plans to reduce spending by about $65 billion between 2012 and 2015. The pressure of trying to squeeze more military capability from declining defense

dollars has been with us for a number of years and seems likely to continue.

It's not that hard for reasonable people to agree on a set of steps that militaries must take to cope with the tremendous pressures they face today. In the United States, for example, in June 2013, a bipartisan group of defense analysts agreed on an agenda of changes for the US Department of Defense. In Europe, many militaries have long agreed in principle to the pooling and sharing of equipment.

However, acting on the agenda is much harder, especially in today's complex environment. The initiatives that militaries are contemplating—

intensive, programmatic, cross-discipline, and often cross-service changes to fundamental processes such as procurement, logistics, and maintenance—are not minor adjustments. The changes these initiatives entail are transformational, not incremental, and require major shifts in mind-sets, behaviors, and capabilities.

Successfully implementing this type of transformational change is not easy; indeed, the majority of transformation programs in both the public and private sector fail. Our recent survey of almost 1,000 leaders and senior employees in more than 30 US government agencies found that only 40 percent believed that their transformation programs succeeded.

However, our experience with large-scale transformation programs in defense organizations around the world has taught us five lessons that can help contribute to the success of a defense transformation.

Start at the sharp end. Defense leaders are concerned first and foremost with preparing, deploying, and sustaining forces to deliver operational effect. Change programs in defense that start with operational effectiveness create stronger engagement and are more likely to succeed than those focused primarily on cost reduction. The United Kingdom's work on end-to-end logistics serves as a good example. Rather than focusing primarily on cost reduction, the program set out to deliver a number of important operational improvements. These included reducing the deployed footprint, improving supply-chain performance, and increasing platform availability. By proposing to deliver a superior operational solution, the program secured the full support of operational commanders.

As a result of this work, delivery time to bases in the United Kingdom and Germany decreased from 30 days to 7 days, among other effects. In Afghanistan, customer wait time was reduced by 15 days. In almost all of the areas investigated, the program also delivered a more cost-effective solution. This served to prove that a better solution is usually also a cheaper one, though the converse is not always true. In its annual report and accounts for 2003–04, the UK Ministry of Defence reported that the end-to-end logistics review both improved logistics effectiveness and generated savings for investment in other priorities.

Similarly, in its restructuring as part of the Danish Defence Agreement (Forsvarsforlig) 2005–09, the Danish Defence set out to move from a static, defensive posture to one that could better support expeditionary missions abroad. The Danish Ministry of Defence described the situation and the work it did: "The support structures, the tail, had grown out of proportion, and the operational structures, the teeth, had reached a level of close to irrelevance. The restructuring from scratch entails a change in emphasis in order to bring the priorities from 40 percent operational capabilities and 60 percent support structures to 60 percent operational capabilities and 40 percent support structure."[1] In the process of designing a more deployable force, the Danish military reduced support costs by a third.

Lead through the line. In a typical transformation program, a project team—often working in relative isolation—defines the program's objectives, designs initiatives, and expects personnel on the ground to implement them. This is a mistake, particularly in military organizations where, in our experience, commanders often prefer to give up budget rather than authority. In contrast,

leaders of successful defense transformations empower line personnel, set clear expectations of them, and hold them accountable for the transformation's success within the established chain of command. The UK's Defence Logistics Transformation Programme was particularly successful in this regard. Warfighters were embedded into each of the project teams and helped shape the specific recommendations. Suggested changes were then vetted with the appropriate frontline commanders, who were able to quiz their own embedded staff about the suitability of the resulting initiatives. An audit of the program by the UK Office of Government Commerce found "the programme appears to have been notably successful, through a structure of programme boards, in obtaining buy-in at senior levels in the frontline commands whose full involvement in implementing the change will be vital to success."[2] Leading change programs "through the line" in this way capitalizes on the can-do attitude of military culture, empowering officers to hit aggressive targets set through the chain of command.

Resist the urge to reorganize; start with quick wins. When embarking on a transformation program, it can be tempting to focus first on reorganization. But an initial emphasis on roles, responsibilities, and reporting often delivers few results. Leaders of successful defense transformations resist the urge to reorganize; they focus first on securing successes that can make a big difference to the momentum of a program. They specifically aim to achieve quick wins, often through targeted pilots, over the first three to six months. Many of these initial successes can then be turned into transformational change across the organization.

In one example from 2009, a defense ministry conducted a diagnostic to assess the quality of procurement processes, organization structures, and outputs in its defense establishment. The diagnostic also assessed the value received for expenditures and the scale of the opportunity for achieving efficiencies. Detailed analyses of six categories covering approximately one-third of nonequipment purchasing identified the potential for annual savings as 8 to 10 percent. The diagnostic homed in on three root causes of inefficiencies. First, the defense establishment lacked a single point of accountability for each category. No function or individual in the organization had visibility into the cost implications of decisions made at each step of the process. Second, the absence of performance metrics resulted in an insufficient focus on cost efficiency. Third, a series of organizational, process, and budgetary barriers impeded

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efforts to capture scale benefits. The ministry piloted several initiatives to address these inefficiencies in four nonequipment categories. For each category, it created an integrated category-management team. Based on the success of this effort, it then conducted a major over-haul of the budgeting process and redesigned the purchasing organization by appointing a "lead purchaser" to manage each generic category. By running the pilots first, it was able to point to its success to overcome resistance within the organization.

Expect (and plan to overcome) resistance to change. B. H. Liddell Hart probably said it best: "The only thing harder than getting a new idea into the military mind is to get an old one out."[3] Many military leaders would agree that their organizations are highly resistant to change as a result of their size, complexity, and culture. Yet despite a general awareness of this challenge, even seasoned defense leaders underestimate the degree of inertia and resistance to change within their organization. Leaders of successful defense transformations take an end-to-end approach to overcome this inertia in two ways. First, they set a clear vision and ambition for the trans-formation—one that emphasizes the link to the organization's overall mission, clarifies why the program is necessary, and outlines a journey

over the coming years that resonates within the organization. When the Danish Defence restructured to adjust to a more expeditionary posture, it set an ambitious goal to reduce support costs by a third while maintaining output, a target reached as promised within four years. The savings were required to fund a series of important increases in deployable forces, which served to secure support from operational commanders. Second, leaders of successful transformations provide credible and visible com-mitment to the transformation from top-level leadership. The United Kingdom's end-to-end review of air and land logistics, for example, was jointly led by the vice chief of the defense staff and the Ministry of Defence's second permanent undersecretary.

Invest in building capabilities. Building the right capabilities is a prerequisite to achieving and sustaining change in any organization. Among US government leaders who reported limited success in their change efforts, 75 percent said that the right capabilities were not present. In many defense ministries, leaders rise through the ranks based on a substantial body of excellent work that demonstrates mastery of core mili-tary and leadership skills critical to warfighting. But achieving and sustaining change often requires not military but management capabilities

in fields such as project management, procurement, and product development. Successful transformation programs first define the core and functional capabilities required and then invest in building these capabilities using programs that follow best-practice adult-learning principles. Such approaches, which are familiar to the military from its combat-skill development, can be six to seven times more effective than conventional training courses. Take project management, for example, where a robust organizational capability can pare as much as 20 percent of costs in about half the defense budget. One defense organization used "learning by doing" programs to train several waves of project managers and leaders. Managers who successfully completed the training designed to build their project-management capabilities were able to cut costs on most projects by between 20 and 35 percent.

These five guidelines are the distilled wisdom of hundreds of military and civilian leaders with whom we've been privileged to work. We do not say that this is the sum of all the knowledge on the topic. But we do believe that a transformation that follows these five guidelines stands a higher chance of success. ○

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[1] General H. J. Helsø, "Transformation is key to armed forces' relevance," Danish Defence, July 2013, forsvaret.dk.
[2] UK Office of Government Commerce Gateway Review 888.
[3] B. H. Liddell Hart, *Thoughts on War*, first edition, London, United Kingdom: Faber and Faber, 1944.