

Asymmetric competition: decision processes shaping the future

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Abstract

Presents a practical exploration of business manoeuvre theory, examining the application of a developing military war fighting doctrine and how this can be transferred to the business mindspace in order to influence future planning. Suggests that attackers have strategic advantage over defenders and describes decision processes and complementary systems designed to support aggressive attack. Argues that decision makers broaden their attention from a dual focus on product innovation and increased market share, to include processes and tactics aimed at undermining and destabilising a competitor's C² (command and control). Also calls for an increase in the study of competitive behaviour and the study of decision processes and psychological operations ("psyops") as they occur under time and resource constraints within the combative business environment.

Introduction

What is it that differentiates the achiever from the non-achiever? Why is it that some people, whether in business, politics, philanthropic endeavours, or sport achieve more in a few short months or years than others achieve in their entire lives? Drucker (1985) has echoed what Schumpeter (1950) has always argued, that it is innovation and entrepreneurship that shape the future. These terms describe creative mindsets, proactive and energetic behaviours, goal achievement, and change. From a management perspective these are desirable qualities that can often be traced back to the decision processes employed by the individual or the organisation.

The following discussion is a further exploration of the concept raised by Pech and Durden (2003) examining the application of the military war fighting doctrine of manoeuvre warfare and how this can be transferred to the business mindspace in order to effect rapid goal achievement and change. Manoeuvre warfare is a military strategy employing surprise, speed, and economy of both movement and effort against an opponent's weak points and vulnerable positions and/or processes. Manoeuvre theory argues that sudden and unexpected attack against an opponent's weaknesses will be a more economical means of destroying his or her key centre of gravity. The centre of gravity as defined in military parlance is:

... the key characteristic, capability or locality from which the enemy's freedom of action, physical strength and will to fight is ultimately derived (Australian Army Doctrine Wing, 1999, p. 37).

For business, the centre of gravity may reside in the strength of its market share, supply chain domination, penetration of

brand, or breadth of portfolio. To attack a firm directly at its centre of gravity will attract a response; manoeuvre theory is designed to minimise the threat and severity of such responses. It is argued that firms that adopt the manoeuvre paradigm, employing maximum impact with an economy of resource, upon the vital or unprotected ground of a competitor, are those that stand to succeed and thereby shape the future.

This article develops the application of manoeuvre theory as a means of arming business decision makers with a greater ability to disorientate and defeat competitors, and immobilise their command and control (C²). It is argued that this will deliver greater probability for success than a programmed and templated decision and response process. The latter process, predictable in every way, is all too often confused with strategic planning (for example, see Mintzberg's 1994 scathing attack on such approaches), while the former approach demands decision processes that often conflict with organisational traditions and practices, and possibly their sense of fair play, which it is predicted, will delay the acceptance, adoption, and application of manoeuvre theory by non-military decision makers. This is also argued on the basis that D'Aveni's (1994) description of hypercompetition has received some attention from strategic management authors (Grant, 1998; Wheelen and Hunger, 2002) but there appears to be little advancement of the concept or practical suggestions explaining how it can be either exploited or its destructive implications avoided. Other authors appear to have ignored it (Mintzberg *et al.*, 2003; David, 2003), and yet, as Ireland and Hitt (1999, p. 11) point out, the pace of change in industry is relentless and it is increasing (although



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according to McNamara *et al.* (2003), this is not an indication that hypercompetition is increasing). While the term hypercompetition succinctly describes the changing and somewhat turbulent landscape upon which some businesses strive for dominance and their very survival, it is argued that manoeuvre theory can provide a philosophical mindset designed to free the strategist from making predictable and routine responses to events occurring on the competitive landscape.

The aim of this article is to provide the means to effect proactive and economical new strategies and tactics for the purpose of aggressively shaping the future business landscape. It attempts to enlarge on Pech and Durden's (2003) introduction to an alternative strategic mindset, and further explain the complex combinations of decision-making and organisational activities termed manoeuvre warfare.

Manoeuvre – moving from a fixed to a flexible mindscape

Strategy, when “realised”, is the result of planning and allowing for the intercession of emergent actions (Forster, 1996). These plans and actions are intended to leverage the resources and capabilities of an organisation in the course of taking advantage of rent generating opportunities as they appear in the general environment (Phelan, 1997). Template driven, routine, process oriented, and predictable activities such as production management, inventory balancing and purchasing are real time actions that are subordinate to the manoeuvre paradigm. These activities provide the basis of the organisational machinery that achieves the generation of a return from the business landscape, and the essential role they play in realising strategy cannot be ignored. In this context these activities sustain the organisational strategy, and have a place within it. Indeed they are the implementation platform of any given strategy, they are positioned by the organisational strategy and are limited within it. Because of their fixed and process oriented nature they may be seen paradoxically as the natural enemy of flexible strategies that seek to take advantage of a rapidly changing general environment. Therefore fixed, process oriented activities that enjoy rent generation in momentarily static environs attract the adoption of equally fixed strategies and decision making that rejects change to the status quo. There are inherent risks in this as Pech and Durden (2003, p. 168) point out:

History has demonstrated repeatedly that in warfare, predictable, off-the-shelf strategies result in long drawn out battles of attrition and exhaustion – with all of the attendant costs, wastage, and pain.

This may in turn be analogised to the long and drawn out price battles that airlines inflict upon each other, and the price cutting trench wars we see in the services required for cellular telephone usage. Viljoen and Dann (2003, p. 27) emphasise that the process of innovation is not a natural one and that the natural tendency is for an organisation to institutionalise its successful behaviours of the past.

It would seem clear that if an organisation attempts to use a template approach to doing business, then reasonably a competitor with a greater sense of manoeuvre already has the initiative. There are many reasons for this. Such a competitor is scanning the general environment, is aware of shifts and has knowledge of the strategy of other firms competing on its landscape, allowing it to anticipate with some accuracy what its competitors are thinking and planning . . . the mindscape. Notwithstanding Ma's (2003) alternative option of winning without fighting, the pre-emptive strike at a competitor's centre of gravity, destabilising the operational template, will often be more effective than a hurriedly conceived counter thrust attempting to foil or fend off another's unexpected tactic. Fighting with a template response to an exception in the general environment provides a competitor with immediate advantage through symmetry of information. The player who has adopted manoeuvre is able to gain advantage through a foreknowledge of a competitor's reactions. Arguably, an off-the-shelf response that provides a reactive, routine and programmed approach to a problem is not a strategy, it is a template that begs to be learned and exploited by a competitor. It is a turn-based (you do this, I will do that) response to the actions of business opponents on the competitive landscape.

Advanced objectives, medium objectives and objectives-in-depth

As the routine activities of a firm are taking place, and generating income to an either greater or lesser extent from an existing market, organisations with a sense of manoeuvre are attempting to focus valuable resources and capabilities in areas where additional (and future) income may be maximised. Additionally a firm may need to assess the apparent strengths of rivals on the

competitive landscape so that effort may be both efficient and afford the greatest effect. To this end, an opponent's centre of gravity needs to be calculated in relation to its dominance on the landscape, or the variability of its strength across its portfolio of holdings. In his discussion on "Void and actuality" Sun Tzu argues that knowledge of an opponent's strategy is critical to successful engagement, and an analysis of "the enemy's plans so that you will know his shortcomings as well as his strong points" is essential to the outcome of the commitment (Tzu, 1998, p. 32). Further, the enemy must be agitated to the point where a firm may "ascertain his pattern of movement" and identify the template against which the competitor fights (Tzu, 1998, p. 32). The essence of the manoeuvre paradigm is captured in Tzu's argument "that the enemy must not know where I intend to give battle, for if he does not know where I intend to give battle then he must prepare in a great many places" (Tzu, 1998, p. 31). Arguably, the acquisition of intelligence regarding an opponent's asset deployment across the business landscape becomes a critical factor in formulating any manoeuvre-based strategy.

According to the Australian Army's military doctrine for warfighting, manoeuvre relies on a thorough assessment of an opponent's critical vulnerabilities (Australian Army Doctrine Wing, 1999). Logically this encompasses a consideration of a competitor's strategic deployment. For the appraising firm, this means a thorough consideration of potential objectives to be reached. It will include an evaluation of the status of an objective into one of several categories:

- An advanced objective. Such an objective might be a new venture by a competing firm that is lightly supported in terms of its resourcing, and lacks presence in the marketplace as a result of minimal market penetration. It might also be peripheral to the firm's current core business and an attempt at diversification. As such it is highly vulnerable to an attack that is well resourced and seeks high market penetration.
- A medium objective. An objective of this nature may include an element of the competitor's portfolio that is supported by a reasonably strong resource base. The competitor is sufficiently invested in this venture to expend resources in its defence. This objective may be close to the firm's core business, or provide significant synergies to the firm overall. It might also have an established brand. As

such, an aggressor would need to carefully consider vulnerabilities and weigh advantages before committing to an attack.

- An objective in depth. This objective will be critical to the centre of gravity of the firm. It should by necessity be heavily defended, and have an established reputation in the market. The front of mind selling power of the product or service that makes up the objective may be brand and relationship based and as such will comprise the firm's core business. It may be a blue chip income generator. It would be expected that an attack on this objective will result in significant retaliation.

Under the manoeuvre paradigm the objectives of greatest interest will be those most lightly or most poorly defended. Yet it must be profitable to take them, both in relation to removing a competitor from the landscape and in capturing this rent generating territory. In following this paradigm the attacking firm spreads its portfolio and therefore risk, whilst compressing both the portfolio and increasing the risk (by narrowing the rent base) of the competitor it forces into retreat. The assessment and classification of these objectives is critical to the manoeuvre paradigm. The vital decisions made to engage the competitor and ultimately form the measure of success for the firm are the province of the strategic decision makers and will be discussed later in this paper.

Inevitably, where firms are similarly resourced, and operating within the same decision space and time, this kind of conflict will focus on areas of the business landscape where demand appears to be high and the segment ripe for ingress. Rivalry will occur, as a natural consequence between firms as they compete directly for market share, or at the competitive fringe of overlapping markets. This concept is not new and has been most clearly espoused by Porter. While Porter's model of inter-firm rivalry is ubiquitous in texts and journals, and the terminology of attack and response is commonly used, Pech and Durden (2003) see the risk of patterned attack and response by firms as analogous to prolonged and costly trench warfare. Under such circumstances the business with the deepest pockets, and the most patience, will often have the greatest advantage. Utilising the concept of manoeuvre, as it is applied to business, it becomes necessary for a firm to be able to read the business landscape and anticipate, or move within, the decision cycle of a rival

firm. A competitor's historical advantage and currently deployable assets are no longer predictors for success. Success now rests with the ability of the decision maker to out-think and out-manoeuvre an opponent whilst utilising speed and economy of effort as the driving decision-process factors.

Decision space and time

Movement within the decision cycle of a rival firm occurs in the two dimensions of space and time and relies directly on the factors of resource and capability held by all firms on the competitive landscape. A practical example of this may be seen in the fairly commonplace situation of a motor vehicle accident where one vehicle is rear-ended by another. Increasing the physical distance between the vehicles, thus increasing the decision space and time in which optimal decisions may be made, can reduce the risk of collision.

In order to achieve a manoeuvre paradigm a firm should possess decision makers with the capability to rapidly acquire information from the business landscape, and produce informed actions that are outside of the decision time and space of firms competing on the same competitive landscape, increasing a competitor's exposure to decision-making breakdown and loss of cohesion. Such decision makers must be sufficiently educated, devoid of bias, and suitably experienced in order to divine and deliver an effective outcome. Additionally, decision makers must be free to exercise these decisions rapidly after considering a variety of options, and they must have access to sufficient organisational machinery for these decisions to be implemented. In other words, these decision makers must have direct access to, and have influence over, their organisation's command and control (C²). For this reason, Chandler's (1962) statement that structure follows strategy becomes even more relevant in a turbulent environment. An inflexible and ponderous bureaucratic structure will hinder the organisation's ability to manoeuvre by increasing the length, pace, and cost of its decision cycle.

Pech and Durden (2003) describe the basis of manoeuvre as:

Manoeuvre warfare concentrates on the enemy's weaknesses, it creates multiple threats to throw the enemy off balance, and it constantly creates and shifts through new options more quickly than the enemy can respond. The battle is dictated by action as opposed to following carefully laid plans.

The requirement for a close knowledge of the strategies and behaviours of rival firms on the competitive landscape is critical. This informational symmetry, although often consisting of imperfect or limited data, changes the knowledge of likely reactions to anticipated actions and provides a solid decision-making platform from which to base subsequent attacks and responses. Although not rigidly planned, success in this activity relies upon thorough knowledge of the opponent, and changes potential guerrilla style action to thoughtful and discriminating attack in depth.

A recent example of business manoeuvre taking place resides in the lucrative and worldwide handheld computer and personal digital assistant (PDA) industries. The capabilities of PDA and handheld computing devices may be seen by the industry as discrete sets and therefore the target markets as essentially different. However, there is sufficient similarity in the customer preference, marketing and capabilities of both devices to promote a significant competitive fringe. Until November 2002 the single significant discriminator in these markets had been price, with customers able to purchase a medium level colour screen PDA for around A\$450, and a handheld for around A\$1,300. Obviously the way to destabilise these markets is to attack the competitive fringe, or that area where a customer is considering the purchase of a high end PDA, or a lower end handheld.

Starting at the 15 October 2002, and within six months of one another, the technological giants Toshiba, Dell, Hewlett Packard, Asus, Viewsonic and Acer had invaded the lucrative PDA market with handheld computers offered for between A\$500 and A\$800. This invasion of the market has more than halved the purchase fee on previous PDAs and has met the price tag of medium strata products such as the Palm M105. Stockists and manufacturers of rival products may have been outmanoeuvred by the aggressive pricing strategy used by Toshiba, Dell, Hewlett Packard, Asus, Viewsonic and Acer.

Most vulnerable to this assault is Palm who as a result of the robust PalmOS (operating system) and PalmPilot product range has been the dominant market player in the PDA segment. Yet "Palm remains the dominant vendor with 809,000 sales, representing a market share of 30.6 per cent, more than double its nearest rival Hewlett-Packard, whose 382,000 unit sales represented a 14.4 per cent market share" (Legard, 2002). Palm's immediate response to defend this market has been a multifaceted

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counter attack across three segments. The release of the Palm Zire at the low end of the market for around A\$230 pushes the established PalmOS and its hardware platform well below the competitive fringe of the handhelds. Palm has also launched direct attacks on the middle and upper end of the handheld market with the production of the colour screen Palm Zire 71 at A\$599, the Palm Tungsten T at around A\$799, and the Palm Tungsten W (incorporating mobile phone and PDA) at around A\$1099. Palm faces an immediate siege from this onslaught and, at the time of writing, the battle is yet to be played out. This will be the real test of Palm's ability to innovate and manoeuvre, as its competitors are using their marketing muscle and ability to cost-effectively and simultaneously assault the market with what initially appears to be a homogeneous suite of offerings.

To follow the previous argument, this attack on the lucrative PDA market has the earmarks of an assault on an objective in depth. In this industry, an inability to meet the pricing or product line offered by Toshiba, Dell, Hewlett Packard, Asus, Viewsonic, and Acer may see stockists and component manufacturers of up and downstream brands like Palm in serious difficulty. Of relevance to the manoeuvre argument is that handheld manufacturers could not conceivably have designed, ordered for production, produced, stored and released their products in total secrecy, particularly as they share the same upstream sources of critical component and operating system supply. It would seem, from Palm's action, and the post-release response from other players on this competitive landscape that there has been considerable awareness of the impending assault on the PDA and handheld markets. It even suggests an attempt to alter course to reduce the impact of, or stave off, this attack within the machinery of Palm, and the innovative step into the low end market combined with high end PDA/mobile technology is evidence of this. This level of manoeuvre, to be successful against Palm, must be based on a close knowledge of the competitor's strategies, capabilities, resources, presence in the market, and ability to react and respond. The assault upon the PDA market does not have the hallmarks of a trench war but of a significant attempt to rout players from the market. It may even be a potential pre-emptive launch against Palm's C², as the onslaught by the handheld manufacturers, by its sheer magnitude and frequency could reasonably be expected to infiltrate Palm's decision cycle.

The competitive landscape

Burgelman *et al.* (2001) emphasise that eventually firms will have exploited every avenue of their mainstream business and that, for survival as well as growth reasons, they must develop new capabilities of a radical rather than incremental nature, as demonstrated in the example above. The cultural acceptance and faithful reproduction of the bureaucratic risk-avoidance mindset will clash violently with any attempts at encouragement of an autonomous innovation process seeking radical shifts in products and markets (and require a new and different management mindset). Why are decision makers so reluctant to manoeuvre across the decision landscape and exploit alternative means of generating income? Why, for example, do so many airline decision makers see business improvement primarily occurring through the increase of efficiencies and the expansion of existing operations? Why do they ignore the option of clever manoeuvre and innovation designed to surprise competitors and exploit previously untapped potential?

Slywotzky *et al.* (1999, p. 215) describe an alternative approach to business strategy, arguing that numerous examples exist where products or services based on knowledge generate far more profit than the industry from which the information is derived. The authors use the examples of the *Official Airlines Guide* and *TV Guide*, which they claim generate more profits than the airlines and television networks themselves, and both *Guides* are provided by players outside their respective base industries. These players are profiteering from their "knowledge" and "knowledge manipulation" of the industry as opposed to their production power within the industry. Their success will eventually encourage others to copy and adopt a similar mindset, leaving the unprofitable production plants behind. By then it will be too late, there will be no more room to manoeuvre, and the attritional battlefield mentality will once again dominate this business mindscape.

Pech and Durden (2003) argue that an essential element of manoeuvre warfare is to realise a targeted objective, and rather than waste resources in securing that objective it is vital to immediately move to the next objective. In this way competitors never gain the opportunity to consolidate force but must consistently regroup, and fall-back or be routed between objectives. In the words of Sun Tzu (1998, p. 32):

If he strengthens his right his left will be vulnerable ... When he sends troops everywhere, he will be weak everywhere.

In behaving in this way, an aggressor following the manoeuvre paradigm is acting within the enemy's decision cycle, to the point where the opponent's ability to "take a turn" becomes a managed process directed by the manoeuvre practitioner. Indeed, opponents may find themselves "taking their turn" in withdrawal from the competitive landscape, or may become paralysed and unable to take strategic action, as decision makers become focused on the more easily faced targets of real-time, and therefore routine, or programmed activities. This can be seen amongst corporate decision-makers where trivial issues are debated at length while hungry competitors tear away increasingly larger chunks of a shrinking market.

Why are decision makers so eager to shape their options according to a predictable linear mould, and so reluctant to move out of their comfort zones by adopting a manoeuvre model that takes the battle to their opponents?

The influence of instinctual distracters

Pech and Durden (2003) attempt to explain how some decision makers have made massive and costly blunders by filtering out information that contradicts their established beliefs. The authors argue that this causes them to make a number of possible decision processing errors. These errors are largely promulgated through what can be termed as the instinctual cognitive acts of:

- repetition and the subsequent strengthening of old schemata (accessing of existing neural networks will continue to reinforce and strengthen mental representations);
- refinement and reinforcement of existing data/knowledge (focusing inward instead of generating alternative options and scenarios); and
- alienation and rejection of conflicting data and information (legitimising and confirming ones own values and speculations by eliminating and ignoring all contradictory data and findings).

The resulting effect of such mindsets may include a rigid adherence to traditional methods, overestimating ones own abilities, underestimating the abilities of opponents and competitors, limiting the available number of strategic and tactical options, and

grounding all future actions from a decision platform with underpinning values of a conservative and tradition-bound nature.

The above factors control decision processes by filtering crucial information while establishing and legitimising speculations, hopes, and wishes, transforming them into "facts" and "certainties" (see Sullivan and Harper, 1997). Pech and Durden (2003) argue that some organisations self-injuringly embrace such decision filters, and even after clear demonstrations that their decisions have been flawed, seem unable to comprehend where the errors occurred. Pech (2001) argues that it is possible that some decision-makers are stifled or mentally captured by a filter comprising decision rules that are inappropriate and which are inappropriately applied, or indeed organisationally enforced, perhaps due to normative influence. De Jong (1999, p. 2) views such issues from a political perspective:

The political agenda not only favours specific actors and policy-issues, but also the way they are addressed. Argumentative practices follow the bias built into these conceptual decision models and thereby determine the criteria on which policy-decisions are based.

Therefore managerial decision making may be obstructed and constricted not only by the perceptions of what is acceptable within the current and ruling precepts of the organisation, but by what is actually accepted by the influence holders and power givers and holders in the senior echelons of the organisation. If the concept has been generated outside of this complex circle of acceptance it may well be stillborn or confined to:

... arguments which are either not produced, which remain latent or which are discussed but ignored when it comes to decision making and which do not comply with the criteria defined by those "in power" in the institutional system. They are relegated to the "recessive complex", a discourse remaining mainly under the surface (de Jong, 1999, p. 2).

Decision rules are sometimes framed as an "if, then" calculus, resulting in a turn-based response. "If competitors lower their prices, then we will respond in an appropriate manner", or "Our firm has dominated the market for five years, if there are no threats then we will focus our resources on growth and expansion". In the former instance, actions are dictated by the absence or presence of a competitor's behaviour, thus demanding nothing more than a reaction. In the latter instance, the pace and variety of possible actions are dictated by an internal focus. The risk may be the screening out of

events occurring at the periphery of the mindspace as dictated by the existing: ... mechanism for concepts ... the present institutional structure consist(ing) of existing political rules and argumentative practices that act as an information filter for incoming arguments and data (de Jong 1999, p. 2).

These are turn-based behaviours and are limited in the range of possible responses and the range of opportunities that can be exploited. One is also locked into the competitors' decision cycles and thereby subordinating all future activity not only to the actions of competitors, but to the institutional precepts in place in the organisation. In other words, the firm now struggles with its own bias and that of the collective mindset as well as the individual's corporate mental detritus, such as a personal risk aversion, in addition to the need to respond to the actions of others on the competitive landscape. Grant (2003) highlights an example of such behaviour in the oil industry where his research has shown evidence of planning systems that foster adaptations and responsiveness, but showed limited innovation and analytical sophistication. It is conjectured that it would only require one innovative rogue competitor to upset the oil industry's current state of equilibrium and that although the ensuing adaptations and responses by the remaining players in the industry will be swift, they will rarely be described as innovative or pre-emptive.

Figure 1 describes two decision-making models, model R (reactive) at the top of the diagram relies upon tradition, historical analyses, and the luxury of careful planning and lengthy response and reaction times in order to attempt to shape the firm's future. Model R describes serial information processing and predictable decision making. Model P (proactive) relies on speed and the development and attainment of rolling objectives in order to influence and shape the future. Model P describes parallel processing of information as new objectives and downstream responses to actions are processed simultaneously and in parallel rather than in a serial manner. Both decision making models are limited by similar initial cues and inputs except that model R is governed by the reactive and turn-based "if-then" heuristic while model P employs a proactive manoeuvre heuristic. Decision processes are filtered and delayed in model R, while resources, time and process constraints, and feasibility and achievability are calculated. Under the constraints of this model a rushed means-ends analysis could at worst result in the incorrect means being applied to

an ill-conceived and inappropriate end. The decision residue are further sieved and shaped by personal and collective bias and other interpersonal, political, and extemporaneous noise. Decision processes in this context are time critical as they respond to a competitor's offensive strategic deployment. The more time that is allowed to elapse since a competitor's deployment, the greater the degree of informational asymmetry suffered by model R decision makers.

Model P describes a proactive decision process model driven by a manoeuvre heuristic. While decision makers employing model P must also wrestle with the implications of personal bias, traditions, and political interference, these are minimised due to the focus on design and deployment of objective 1. The action deployed subsequent to the planning decision process is already communicating feedback and thereby initiating further decision processes for follow-on actions, while competitors employing model R are still filtering incoming information concerning initial events that have taken place. Research by Wickens (1984) points out that the need for speed in responding to unexpected environmental events will increase the likelihood that the wrong response will be chosen. This decision process limitation is further compounded by Getty's (1983) finding that people generate only a small fraction of the feasible problem-solving actions that may be appropriate in a given situation. Wickens and Flach (1988) cited in Wiener and Nagel (1988) also suggest that responses to any given event may become increasingly difficult as response frequency and response complexity intensify. Model P decision makers recognise and take advantage of these weaknesses in the decision processes of their competitors. They exploit a competitor's state of disorientation, maximising the benefits inherent in the delays in reaction times and convoluted decision processes and the subsequently rushed, ill-informed, and asynchronous response activities. As Clark (1997, p. 220) points out, just because humans can do logic and science does not mean that the brain contains a full-blown logic engine. Increasing the need for a rapid response and decreasing a competitor's response timeframes will further exacerbate the inherent weaknesses within the individual as well as the organisation's decision processes.

A position of leadership can often only be determined by aggressive manoeuvre, rapidly exploiting a variety of options including innovation in products and processes, competitive pricing, expansion

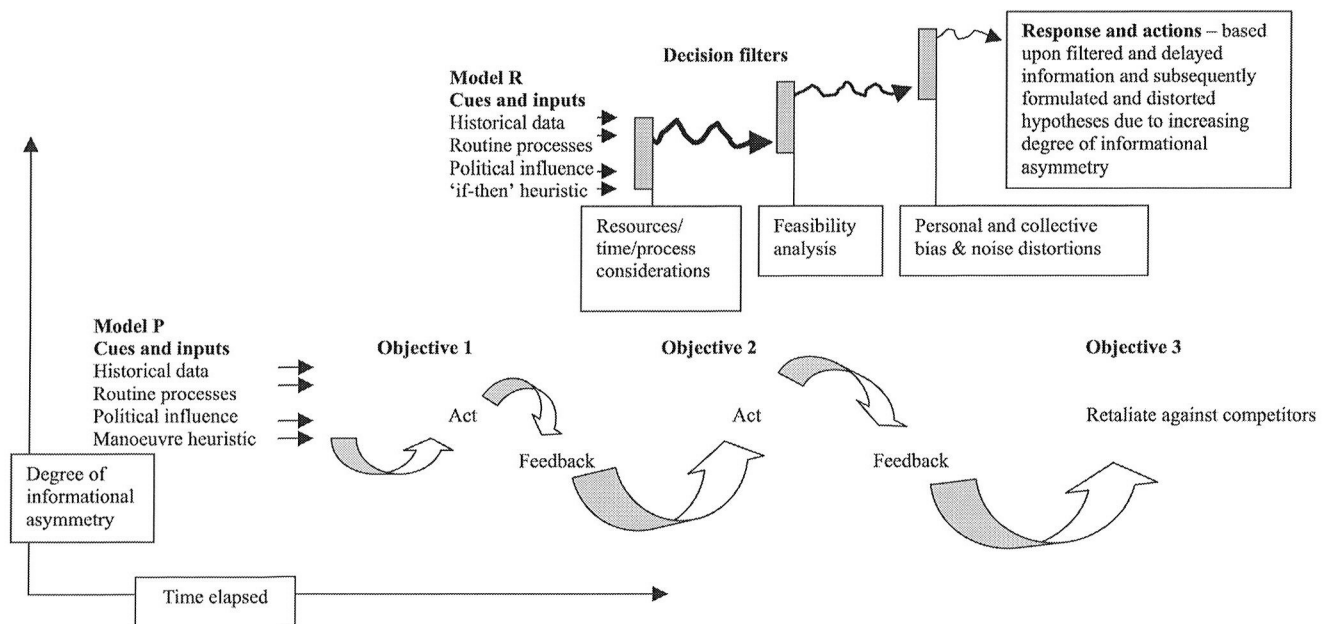
into new territory, establishing alliances, and striking competitors in their weakest points ... all of which require time to plan and initiate. It is therefore crucial to maintain a rapid pace throughout this cycle of events. Competitors will only just have realised that a particular tactic has been implemented and before they have time to adjust their business practices another tactic will already have been set in motion. The combination of surprise, coupled with the speed of the decisions being implemented, will throw competitors into a state of confusion, with the aim being to render a state from which they are no longer capable of delivering a decisive, cohesive, or coordinated response or possibly even conduct decision processes in a coherent manner, destabilising their C². Simply put, model P practitioners increase the degree of informational asymmetry with the speed, number and variety of stimuli they deploy against their competitors. This increase in informational asymmetry decreases a competitor's decision space/time. Weaknesses in a competitor's decision processes will be magnified and further exploited by model P practitioners until their opponent's capacity to cope with these increasingly disorientating effects render them ineffective, having deliberately undermined their C².

Conclusion and implications

Pech and Durden (2003) have argued that success is no longer limited to having the greatest degree of brand recognition, the widest distribution network, or the best quality products. They have argued that competitive advantage is achieved and sustained through the ability to rapidly devise, process, and enact an appropriate range of strategic and tactical options, and then to continue to act more quickly than the competition. This suggests a combination of the best elements of the planning approach with the best elements of the emergent approach in strategic management. This combination of approaches involves development of plans in order to maximise perceived opportunities with the development of an adaptive culture within the firm, rewarding opportunity exploitation. In order to minimise the occurrence of strategic drift (Johnson and Scholes, 1999), where decision makers become blinkered by traditions and assumptions that are no longer relevant, organisational learning must be embedded within the culture and the practices of the firm.

Economy of effort, rapid learning, the advantage of possessing a greater decision time frame, being the aggressor, and being action oriented, all facilitate decision process

Figure 1
Reactive (model R) versus proactive (model P) decision processes



Note: Decision processing is time-critical. Speed will reduce the generation of retaliatory options and increase the probability that the wrong response will be chosen by those who follow the model R decision process

effectiveness. A firm must extend its competitive aim beyond the goals of increasing profits and market share by focusing only on efficiency or production. These are naïve goals if pursued in isolation, and describe an insular and ultimately, vulnerable silo mentality. The emphasis espoused in this article is on action through manoeuvre, speed, and an external focus, rather than rewarding a mindset of managerialism that is consumed with maintenance of the status quo, careerism, and the construction of more complex and speed-reducing structures and the slowing of decision processes. The latter activities all too often drive management once success 'has been achieved'. According to findings by Cusumano *et al.* (1992), continued innovation as well as attack are critical to success. They describe the example of the triumph of VHS over Beta. Although Beta had the mythical first mover advantage, VHS was eventually victorious because of JVC's ability to form alliances for production and distribution, and by getting Matsushita involved as a powerful ally. They point out that being first mover in no way guarantees victory and that in many instances it is the rapid followers who succeed in the longer term.

The successful deployment of a model P asymmetric decision process is reliant upon an understanding of competitors' decision behaviours as well as formulating ongoing product/service initiatives. Strategic thrust is therefore aimed at the dual targets of the market and the competition's C^2 .

In order to arm managers with the necessary mindsets and abilities to practice manoeuvre within a business context, business schools must produce graduates who have the capacity to meet the parallel cognitive demands inherent in devising and sustaining a battle of wits with competitors while encouraging development and management of product innovations and flexible longer term planning.

It is argued that courses in competitive psychology would be of great benefit as part of the business curriculum. It is envisaged that such courses would include the study of decision processes and cognition, problem solving and innovation, and the conduct of psychological operations ("psyops") against competitors maximising conditions of time and resource constraints. This takes heed of the sentiments expressed by the nineteenth century Prussian military strategist Carl von Clausewitz when he warned that if you believe that your opponent will take one of three possible options, he will invariably take a fourth (Clausewitz, 1908).

Psychologists have long argued the case of

individual differences. Attempts at predicting behaviour will therefore always be fraught with danger. The success of manoeuvre is partially predicated upon the uncertain abilities to:

- anticipate the impact of one's action in order to meet the requirement for economy of effort with maximum effect; and to
- anticipate a competitor's reaction and response and act accordingly.

The above requirements present major risk elements for manoeuvre practitioners. These potential weaknesses offer several avenues for further research:

- The study of competitive behaviour in dynamic environments.
- The study of collective decision speeds and response times, and the potential for developing systems and structures that facilitate continuing improvements in decision making.
- The study of response error under conditions of threat and stress, and tactics for deliberately heightening such conditions for competitors.
- The study of appropriate attack and response tactics and mechanisms in a business context.

The successful introduction of manoeuvre warfare in business also has a number of implications for the practitioner:

- The organisational structure requires flexibility and must facilitate rapid decision making.
- Decision makers must have rapid access to the operational elements of the organisation and timely feedback on performance.
- Decision makers must have knowledge of their products and their markets, but importantly, they must have an understanding of their competitor's resources, their intent, their decision time and space, and their psychological character – both in its organisational complexity and in the individual decision and action components of their key players.
- The entire organisation must willingly make the strategic, philosophical, and operational shift from that of a landscape dweller to that of a landscape shaper.
- Nothing may be what it seems; your competitors may also be applying manoeuvre warfare against you.

The call for the study of complex decision processes within a competitive context is argued as an attempt to equip business students with the tools and processes for shaping the future through a combination of

innovative and flexible thinking, strategic planning, and ongoing rapid manoeuvre. For the business practitioner this is a warning, you are not alone on the business landscape, your successes will almost certainly make you a target, your inability to see competitors does not mean that they are not there, and tolerance of your firm's weaknesses and neglecting to act upon them may be your undoing.

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