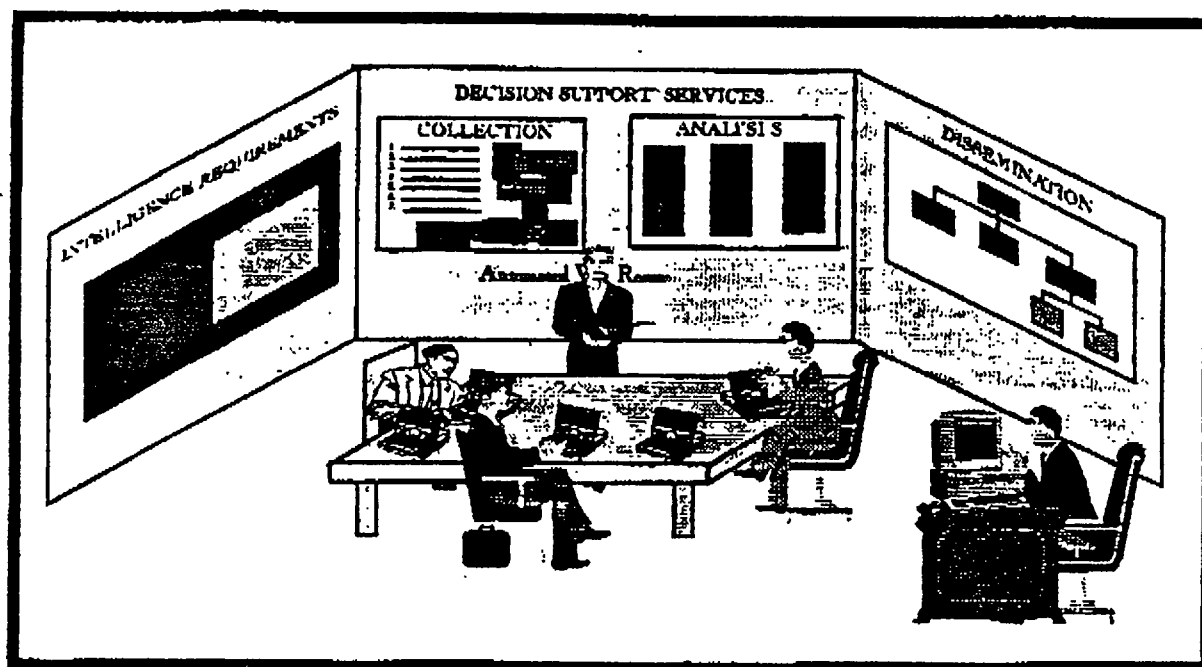# BEATING THE COMPETITION: FROM WAR ROOM TO BOARD ROOM

by Steven M. Shaker and Theodore L. Rice
Global Associates, Ltd.

A REVOLUTION IN APPLICATION

General Swartzkof had one when he planned and implemented an end run around the Iraqi front lines and routed Sadamn's prized Iraqi Republican Guards. James Carville had one when he mapped out Bill Clinton's strategy to win the Electoral College. Smart competitive intelligence professionals are getting them as they vie over market shares. What they had in common was the use of a "War Room" as a strategic planning and competitive intelligence tool.

POLITICAL WAR ROOMS

A successful presidential campaign and its subsequent depiction in the movie "The War Room" has popularized the use of war rooms. During the campaign the War Room was set up to gather as much intelligence as possible on the campaign, with an emphasis relating to "issues management". This involved trying to anticipate what stories reporters were working on, how to shape those which were positive and kill or dampen damaging stories. Brainstorming sessions on how to respond to stories which could not be curtailed or diluted occurred within the confines of the War Room.1

Following the election the War Room concept became institutionalized within the White House as a place where presidential aides could meet to work on achieving a single goal. War Rooms were implemented for health care reform, NAFTA and reinventing government.2 The respective War Rooms were staffed with representatives of every White House department, whose mission in part was to coordinate efforts to communicate with lobbyists, members of Congress, and the American public.

The concept spread to cabinet departments, with other agencies developing their own war room. Agriculture Secretary Mike Espy assembled a 10 person coordinating team working out of a War Room to develop an action plan for Mid-West flood recovery efforts during the summer of 1993.4 The Department of Defense has instituted the largest collection of war rooms. The Advanced Research Projects Agency has war rooms on Counter proliferation, Operations Other than War, and assistance to law enforcement. The Navy Department has a Mine Countermeasures and an Industrial Outreach Program war room. Several Navy labs and acquisition organizations have set up war rooms on finding new opportunities and dual use applications. Global Associates, Ltd. has been the major company involved in designing war rooms for many of these defense planning applications.

CORPORATE WAR ROOMS

Corporations have also begun to focus on competition related planning, business intelligence gathering, and program implementation efforts from War Rooms. In an "all-out" concerted effort to sell more Taurus automobiles, Ford set up a war room in the Renaissance Center office tower in Detroit. An intelligence, command and control effort was orchestrated from which Ford operators worked phone banks and computers in concert with dealerships around the country.. The result -over twice as many Taurus's were sold.5 During an intense deal making session forging a strategic alliance between telecommunications giants MCI and British Telecommunications PLC, MCI set up a war room in London to track negotiations and their legal ramifications.6

Situated behind bulletproof glass is the computerized war room of Gulf States Utility, in Beaumont, Texas. .The war room is used as the nerve center in which computer screens and monitor and display the costs that neighboring utilities are offering to sell electricity. When the price is right, the war room researchers alert management who make the purchases.7

One of the most impressive war rooms to date is that being operated by Public Storage

Inc. (PS) out of Glendale, CA. On initial look it appears to be simply a nicely furnished conference room. However, when the shades are drawn and lights dimmed, it is transformed into a war room resembling something out of a spy novel. The PS officials can access myriad databases about their competition and other market information, which is filtered into their strategic planning and decision-making. The war room is credited by company executives with aiding their rapid climb to become the nation's largest mini-storage warehouse firm, and with obtaining more than 2 billion dollars in assets. The fierce competition for a dwindling supply of potential business makes strategic planning and competitor intelligence of core importance for success. The War Room is an outgrowth of its aggressive management style of its President, B. Wayne Hughes and the imagination of Sheryl du Roy, its director of the research group, and war room coordinator. The war room enables Ms. du Roy's research staff to keep alert for: new sites for storage facilities, tracking the competitors in a particular locale, and linking potential investors with the storage facility opportunities.8

At the heart of the PS war room are two computer systems, which work in tandem. They produce a synergistic effect whose output is greater than the sum value of both systems. One system is the PC based demographics package called Infomark. It was created by the National Decision Systems (NDS) of Encinitas, CA. The hardware consists of an IBM PC AT with a high resolution Princeton monitor and a CD ROM laser disk drive by Research Technology. Extensive demographic data and elaborate maps are maintained and updated on the laser disks. With this system PS researchers are able to research any area in the country, get a good feel for socio-economics, residents of the area, types of businesses and their buying patterns and preferences. This information is correlated and projected on full colored maps. The second system is an extensive competitor database stored on an Altos 2086 microcomputer and accessed through Altos and Wyse 350 terminals.

What all of the war rooms have in common, be they for political campaigns, advocacy causes or competitor intelligence, is that they are associated with an intense, focused effort, in which a lot of people sift through data which impacts decision making and necessitates certain actions. What however, is missing is an overall framework, and disciplined approach to maximize the operation of the war room and the flow of information.

THE INFORMATION GLUT AND VISUALIZATION PROBLEM

Peter Drucker, the noted management guru and author, in his 1992 book "Managing for The Future: The 1990s and Beyond" describes an information based organizational model in which input and output are better defined by information than goods and services. Organizational success will be determined by how well we manage information.9

The old adage "knowledge is Power" has never been more true than in the so-called "information age" of today. Success for large and small companies alike is increasingly dependent on a timely awareness by key executives or rapidly changing events impacting their organization. Yet most companies are caught in a Catch-22. To raise their intelligence about foreign opportunities, they become so involved with gathering information that they're swamped by facts and figures. They have a hard time winnowing the important from the trivial.10

There is often an inability to display complex relationships and linkages associated with strategic planning and competitive intelligence. Serial display either through briefing books, view graphs, or even computer screens proves inadequate for comprehending the complex programs, relations and processes involving the collection, analysis and dissemination of business intelligence. The competitive intelligence professional often finds it difficult to easily articulate plans and generate support from upper management and colleagues in other departments.

THE WAR ROOM SOLUTION

The war room provides a solution to this information glut and visualization problem. It can help break down complex business intelligence processes, approaches and planning into comprehensible parts. It can promote structured dialoguing and brainstorming. The most significant benefit of the war room is that the entire thought process of the intelligence process and specific efforts can be put in context. One possible model for laying out the war room involves:

- The identification of intelligence requirements.
- Targeting those (individuals, organizations and data bases) which can address these needs.
- Iidentifying internal and external sources who have access to these targets.
- Identifying the events, opportunities and actions to link the sources with the targets.
- Reporting the obtained intelligence; describing to who it is disseminated.
- Providing follow-up questions and actions.

The war room enables the competitive intelligence professional to "walk" the other senior managers through the war room and this process, facilitating their comprehension of the competitive intelligence program's "web" intricacies, and helping to quickly establish program concepts.

PHYSICAL LAYOUT

Choice of the war room location and its dimension is very important, since it impacts its accessibility and utility. Ideally, it should be co-located with the competitive intelligence professionals and/or strategic planners. It should be large enough to support the number of people who are normally working on it on a day by day basis. The room should be used for planning sessions, monitoring the status of the intelligence program and respective efforts, and to serve as an advocacy tool for selling the program to upper management. Therefor a conference table should be located in the room. The table is also needed in the room for staging the information intended on the walls. Sufficient space, must be provided for the competitive intelligence director/manager or V.P. for Strategic Planning to walk other managers around the room, explain certain facets, and gather their input. Locating the room on an inside wall has the advantage of not "wasting" display space to windows and also reduces the security threat that your intelligence and planning will be compromised to competitors.

The war room walls are organized into sections and panels. The panels are attached to the walls with Velcro snaps, enabling the war room or components to be relocated, if need be, such as to the CEO's boardroom for a special briefing. This also allows for the quick installation of multiple war rooms, simply by reversing the panels. It is possible to have a separate strategic planning war room and a separate marketing intelligence war room.

Each of the four walls serves as a major topic area. These can be can organized in different ways, but this author's preferred war room design involves the four walls being organized under these headings: Wall 1. REQUIREMENTS, Wall 2. COLLECTION; Wall 3. ANALYSIS; and the Wall. 4 DISSEMINATION. Each wall has a large title applied either through hot wax, or removable glue stick. Each wall is further broken down into sections or panels which are outlined using 3/8 inch black tape. For example, the REQUIREMENTS wall can be further delineated into panels based on: where they were generated (CEO, marketing, R&D, mergers and acquisitions, etc.); delineated by time sensitivity (urgent/immediate; near-term, mid-term, long-term); and a prioritized listing. The COLLECTION wall can be divided by: Targets (those who have the answers to the requirements); Sources (Those who have or can gain access to the target. These can be further broken down by- Internal (within the company) - External (Outside the Company); Collection events or activities (the planned or orchestrated approach for the source to gain the intelligence from the target. Often the requirement can not be addressed just by collecting intelligence, but also requires a degree of analysis. Therefor the ANALYSIS wall involves displaying the analytical approach and how certain judgments were derived that address the original requirement. These can vary greatly, depending on the nature of the business and requirements. There may be separate panels on a Bench marking, Strengths and Weaknesses, Competitive Stock Market Performance, Leader Profiles, Strategy Maps and Scenario Development, just to name a few. Finally, the DISSEMINATION wall would display current reporting (rarely larger than one page), who the reports are disseminated to, and any follow up questions of the recipients.

The walls, sections and panels are organized so that a briefer (intelligence director, V.P. Strategic Planning, V.P. Marketing, etc.) can, starting at a logical point, brief around the room using the information on the walls in sequence and present a clear and rational approach. If the flow is right, the briefing will be smooth and continuous. If the flow is wrong, it will be painfully clear, and may require reorganization. After the effort has been in process, often within two weeks from the original war room start up, executive management may want to start bringing in other people through the room and briefing both the process and findings to them. These can be senior managers within the organization, up through the CEO, or even trusted consultants from the outside. This serves two functions. First, it surfaces new ideas from different perspectives that may not have been considered previously. Second, walking through the room and briefing the material on the walls continuously checks the logic flow.

THE AUTOMATED WAR ROOM

The information and intelligence displayed in the room can accurately represent the business intelligence program, and process. There typically are myriad amounts of detailed

information and intelligence in databases that requires access from a computer within the war room. "Data mining" (or as referred to by Global Associates, Ltd. researchers as "going through the wall") involves providing in-depth details and background information relating to certain segments of the wall. that are too voluminous to display on the wall. Global Associates, Ltd. has used various tools in its war rooms, such as the World Wide Web (WWW) on the Internet, NETMAP TM TM (trademark) (software developed by ALTA Analytics of Dublin, Ohio.) for information visualization, and Metamorph (software developed by Thunderstone TM Software, a component of Expansion Programs International Inc. of Cleveland, Ohio for text retrieval. The tools were used both independently and in conjunction with each other to better search databases, retrieve data, and visualize relationships. Metamorph has been used to automatically extract text and feed the NETMAP TM which in turn visually linked data, and mapped relationships within and across multiple databases.. Metamorph uses a proprietary technique called morpheme processing on sets of words to locate intersections of concepts in text. Metamorph also contains pattern matching algorithms and a 250,000+word thesaurus to locate any phrase, expression, variation, or other special pattern. NETMAP TM TM is a workstation level software system that lets the business intelligence analyst integrate and correlate data from many sources into a powerful, graphic environment. NETMAP TM helps decision-makers and analysts rapidly "see" connections and learn the dynamics within complex information. With NETMAP TM, analysts can examine critical links, interactions, networks, and enterprises. In addition, they can view the data in different combinations and from different perspectives to understand relationships and emerging patterns.

The hardware and software are currently serving as an adjunct to the war room, but Global Associates, Ltd. is making an revolutionary jump into an "Automated War Room" in which information technology is infused, integrated and embedded into the room's walls. Global's concept is of a room with four walls of back lighted ground glass screens onto which computer generated data is projected. The displays permit seeing all aspects of the business intelligence process simultaneously and in context of the whole. The automated war room system performs the display and access function to support the collection, analysis and the dissemination of the information needed by the key decision makers. When the V.P. for Strategic Planning or the Business Intelligence Director is in the "sell" mode the system provides the context visualization and presentation tool needed to get "buy-in" from key players. Open Source Intelligence is obtained from multiple sources by importing databases using Internet on-line or off-line using computer diskettes, CDs, tapes or other media. The data search structure helps determine the sources of intelligence and assists in focusing the text or information retrieval and datamining efforts. The intelligence retrieved is displayed for the analysts to access and determine its integration into finished intelligence reporting and dissemination. Global is also incorporating several other software packages in addition to Metamorph and NETMAP TM. These include: a modeling and simulation software which can simulate business scenarios; software for quality function deployment analysis; Groupsystem V enabling electronic meetings, "brainstorming" and consensus decision-making; and an investment analysis tool..

Global Associates, Ltd. has also introduced other variants for war rooms and automated war rooms including those for: Strategic Planning, Investment Decision-Making, Science and

Technology Planning and Re-Engineering/Re-Inventing Initiatives. These however, all incorporate some of the same facets of the Competitive Intelligence War Room.

CONCLUSION: The Automated War Room, The "Third Wave" Competitor Intelligence Tool

In the 1980s and 90s, corporations found it increasingly important to develop systematic processes to collect, analyze and disseminate competitive intelligence. As we enter the 21st Century, these processes will need to rely on information technology and approaches which maximize the flow and the understanding of competitive intelligence. The Automated War Room is one tool that will help prepare strategic planning and competitive intelligence professionals for the hazardous waters of the "Third Wave" environment.

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ABOUT THE AUTHOR

Steven M. Shaker is a Program Manager of the Decision Support Systems Division of Global Associates, Ltd. of Arlington, VA. He oversees the design of war rooms, and business intelligence support to Global and its clients. He is the author of numerous books, market studies and articles on future business, technology, travel and tourism and defense. He has taught a number of seminars and courses on business intelligence, is a frequent lecturer to professional symposiums, and has appeared as an expert on future technology on Good Morning America, Nightline, and CNN, among others.

Theodore L. Rice is Director of Global Associates, Ltd. Decision Support Systems Division. He is a former US. Navy Captain, and a pioneer in the use of war rooms for strategic planning and investment decision making.

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