



How the Powell Doctrine Put Business Principles Into National Defense

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The passing of former U.S. Secretary of State Colin Powell reminded us of a life well-lived and of life's basics – and the Doctrine which bears his name. The nation's first black Chairman of the Joint Chiefs of Staff will be remembered for emphasizing the key military precept of warfighting: the purpose of war is to win. His doctrine has wide applicability for both military management and civilian business leaders.

The origins of the Powell Doctrine were rooted in the indecisiveness that gave us the quagmire-debacle that was the Vietnam War, in which Powell served. More than a quarter-century after it was developed, General Powell's wisdom to be decisive about decision-making is as relevant as ever. It includes:

This decision tree can be used for armed conflict or economic competition – to ensure we know what victory is and what it will take to secure that victory.

Do we have a clear and attainable objective?

The late General Electric CEO Jack Welch famously directed his corporate division presidents to be number one or two in their market segment or don't bother to compete. Non-dominant businesses were sold off. Welch was using a civilian adjunct to the Powell military Doctrine: if you compete, or if you go to war, then win. In combat or commerce, there is no substitute for victory, which is why the best businesses are those which are clear on what they want to do and how to succeed.

What does success look like? The business owner or CEO who engages in commerce combat without an exit strategy is likely to have no idea when they've succeeded, failed, or should pivot to new angles of attack and retreat. The same was true of U.S. military efforts in Korea 70 years ago, Vietnam 60 years ago, and Iraq and Afghanistan in this century.

Any company that mixes its objectives – by having too many products and services, too many target markets, or too many goals that diffuse focus and success – is destined to fail as badly as the U.S. did with our confusing goals in Iraq and Afghanistan.

Have the risks and costs been fully and frankly analyzed?

In the early 2000s, Andy Puzder took over as the CEO of CKE Restaurants. He knew risks had to be taken to return to profitability – not by adding things to the pot but by reducing what was in the pot. Puzder has said: “Hardee’s 50-item menu ... was a mess of complexity... and stocking all that stuff was a supply-chain nightmare.” Puzder told me that he “took 40 items off the menu, added a few new ones, and ended up with a simple menu of about 20 items.”

The changes were dramatic, but so were the results. “Following the menu reduction, our average unit volumes increased every year for over 10 years – after 10 years of declines. We boosted

profit margins by reducing waste and operational complexity, and our Average Unit Volume went from \$715,000 to \$1.25 million,” said Puzder.

Puzder assessed risks and turned his company around by reducing costs. Powell likewise assessed risks and costs in the Gulf War he led 30 years ago, and he brought the U.S. a resounding victory. Puzder and Powell used everything they needed to win, including – in Powell’s case – overwhelming force through the use of superior technology. Yes, the upfront costs were high in the 1991 conflict – but victory came fast, and it came cheap in terms of lives lost and treasure spent. That’s a stark contrast to the second Iraq War.

Discipline is critical to the Powell Doctrine

Today, military leaders and business owners are often influenced to make decisions in response to outside pressures. For business owners, this can be attacks on social media or from celebrities. For military leaders, this may be political pressure applied by Congress. Discipline is required to ignore these outside pressures, most of which are harmful to accomplishing the mission.

Consider, for example, an ongoing conflict over the procurement process for airborne refueling tankers. Congress is deciding between two competitors, the Boeing Company and Airbus, which have been vying for contracts for air refueling tankers since the early 1990s. Airbus has political support from pro-military Republicans in Alabama who stand with the French-owned company because tanker construction would bring jobs to their state.

But getting the right tanker is essential because in-flight refueling is critical to modern military operations. As noted by a Cato Institute analyst in 2008 – the U.S. engages in “far-off wars and [doesn’t] want to ask permission for overseas basing rights.” These tankers are designed to save

U.S. resources and be able to pivot as needs change. The better tanker option to refuel U.S. military aircraft in flight is Boeing's tanker, which is smaller, lighter, and less costly to taxpayers. It also has the benefit of having been in service for a decade, meaning that the Air Force is already familiar with its flaws, intricacies, and strengths.

The Secretary and his influence will be missed. But his legacy will continue with business applications of the Powell Doctrine.