Thank you very much for that introduction.

Winston Churchill once said that the three hardest things in the world to do are the following: to climb a wall that leans inward; to kiss delicately a lady who leans outward; and to give a good after-dinner speech. (Laughter). Still, I'm going to proceed. What I'd like to do is give you some thoughts and ideas relating to military strategy and how it may help you in your teaching and your research and understanding of issues relating to leadership.

The reason I suggested the title "Military Strategy and Global Leadership" for my speech is because about three or four years ago I was asked by Texas Instruments, by their senior leadership, to teach them military strategy. I enlisted a friend of mine named John Warden, who was the architect of the air campaign in the Persian Gulf War, and who understands strategy much better than I. We went down to Dallas and ran a number of seminars with their very top leadership, not to tell them how military strategy should apply to Texas Instruments - they wanted to do that transition themselves - but just to teach them military strategy. I didn't know whether this approach was going to lead to anything. I didn't know whether it would be a worthwhile endeavor at all. But it turned out to be a rather productive time. Texas Instruments is a very good company, filled with very bright people, but it was not doing particularly well. We brought up a number of insights about military strategy which they found very helpful. Let me highlight some of
them because there are things that military strategists think about and have written about the last couple of thousand years. These insights can, in fact, apply to leadership in many sectors - not just in corporate America but in universities and hospitals and the non-profits and a lot of other places.

One of the first things we raised with Texas Instruments is that the best generals most interested in winning not the war but the peace. If you read Sun Tzu, the great strategist from the Chinese tradition, he points out that the best way to deal with an enemy is to figure out some way to avoid engaging him in combat, through negotiations or other techniques and pressures. War is often the least desirable option. If you do happen to get engaged in war, you should keep your eye on the horizon to make sure that at the end of the war the peace that obtains is more attractive than the pre-war situation, by a long shot. There are a lot of people, including some pretty good military commanders, who've done a nice job of winning the war, but have not done well at winning the peace. In the case of Texas Instruments, it was seriously considering making a major attempt to compete with Intel in the microprocessor area. Some of the first things we said was, "Don't seek out enemies," and "You're going to get stomped by Intel if you try to take them on. They are much too powerful, much too quick and much better than you. Rather than choose an enemy to go take on, why don't you look at the periphery of what Intel is doing and figure out other areas where you can move forward?" I think that was helpful to the top leaders of Texas Instruments, because they decided not to take on Intel. They did not create an enemy, and they did not lose the war. It was a war that they could avoid and they did so.

The next issue we raised with them, which I think they found to be very powerful, was the importance of divestiture, of unloading the dogs. This is an area the United States military is constantly focusing on. How do you get rid of the old ideas, old doctrines, old weapons systems and old tactics to make sure that you're not living in the past not preparing to fight the last war rather than the next war? That was helpful to them because they looked at what they were doing and realized that many of Texas Instruments' products weren't bringing in enough profit. They were spending a lot of valuable management time on barely productive enterprises. Within the next year or two, they got rid of their notebook computers, they got rid of their defense business, and they focused on something that they were very good at: digital signal processing. And Texas Instruments has done very well as a result. They went with their strength and got rid of their weaknesses.

The reason I am such an advocate of divestiture is that I had the personal experience of watching my father's career die on Pearl Harbor Day. I was on the way to Sunday School that day; I was six years old. An Army truck had picked us up, my sister and me, and a bunch of other kids. We were stopped just before we got to the Post's Sunday School because the attack had commenced. Rather than putting us in a basement someplace until the attack was over, the Army captain at the front gate ordered the truck to turn around and to take us back home. Hence, we had a wild truck ride back to our homes around the
Honolulu area. It was a scary time. My father's military career died that day. On the seventh of December, 1941, he was in the Coast Artillery Corps. His job was to shoot large sixteen-inch cannons to protect Pearl Harbor from destroyers and battleships and cruisers. But these cannons became totally obsolete that day because they didn't take into account the airplane, the strategic bomber, and carrier aviation. The Army should have unloaded coast artillery in the 1930s when it was clear it was obsolescent.

They did not do that. All organizations need to look at themselves very carefully to make sure that divestiture candidates are identified and downloaded so they can focus on areas where the future may lead. Texas Instruments was really interested in that concept and immediately began a rigorous divestiture program.

A third area that military people tend to think a lot about that corporations do not is the use of reserves. If you look at any doctrine particularly related to ground warfare, there is always the idea of keeping a certain portion of your organization in reserve, so at the key point of the battle you can commit your reserves, overwhelm the enemy, and win the battle. Napoleon, for instance, was particularly good at that, at making sure that the reserves are at the right place, held back from the battle, and committed into battle at the right time. Many corporations and many organizations never think about reserves: reserve forces, reserve manpower, reserve intellects that are ready to be used at the right time.

My best example comes from my experience, at CNN, where during the 1991 Gulf War suddenly it had an enormous need for help, but CNN didn't really know where to go. Where CNN was really weak was in the area of graphics and animation. There were some good graphics and animation people available throughout the industry, but it took CNN quite a long time to figure out who and where they were. In the process, CNN didn't do a very good job of explaining the war in ways that could be really helpful to people who were watching it very carefully. For instance, CNN didn't get the telestrators, the so-called "John Madden machines," into the system for a couple of weeks. We should have had that within a day or two of the start of the war. So organizations, as they see problems, opportunities, and crises developing, should think in terms of support needed and should identify where the talent is. Then, when the time comes you can go out and say, "I need help. I need you. You're the best. Come on in and work for me now." There are a lot of entrepreneurs out there who are willing to do just that. The whole idea of reserves is something that a lot of organizations just don't think about. In most cases, they are available to you if you know how to find them, hire them, and put them to good use.

A fourth area relating to military strategy is a strategy called the indirect approach. It was best articulated after World War I by Basil Henry Liddell Hart in a book called Strategy (reprint, Meridian, 1991) which is still in print and is still selling very well. He argued that the best commanders in the history of the world have used the indirect approach. They hit from the flank: they use single envelopments from the left or right flank, double envelopments, and in more recent times, envelopments from air and space. Too many
people look at the competitive structure in corporations as some kind of football game where you want to go right after the enemy and attack. In many cases if you want to be competitive you can do better by looking at the fringes or the seams and by using the indirect approach. It is now called, in military jargon, "asymmetrical warfare," and it has great applicability in the corporate world.

There are a lot of good books which all of you who study and teach leadership can take a look at. I'm going to be terribly presumptuous and give you the names of some. By the way, I have brought some handouts here. I have an article I wrote on leadership, which is called "Learning to Lead." I wrote it for the January, 1997 issue of The Marine Corps Gazette. It is the most often requested article which I have written. I also have brought a book list which includes books for executives. On that list are four or five books relating to military strategy you might be interested in. And I also have included a list of books not to read. I hope very much that there's not an author in this audience who happened to have written one of them. (Laughter).

Of course, the military doesn't do well in all areas, but there are a few areas where it does do particularly well. One area where I think the military in general does a better job than the corporate world is in the area of strategic planning. The United States Air Force, for instance, is working very hard on its 2025 plan, reaching out twenty-five years in the future. It's very hard to find a business organization in this country that will reach out more than five or ten years. The beauty of reaching out a longer period of time is that there may be opportunities out there that are not available to you in ten years, but they may be available to you in twelve to twenty years. And it's very nice to start thinking and planning about that because that way you can take advantage in the early days. Strategic planning in the military is done well because they're willing to set long-term time horizons as well as make day-to-day decisions based on a strategic plan.

If I may, I'd like to tell one brief story about my experience with planning back in the early 1980s. For two years, I had the great joy of being the top Air Force strategic planner and policy planner. It was early in the Reagan presidency, so the military was getting robust financial support. In other words, we were getting adequate funding for the first time in quite a while. We decided to create a year 2000 plan, to look out twenty years into the future. Even though I had a lot of really smart people working for me, I decided I better reach out to some others. So I called into my office people like Alvin Toffler and other well-known futurists.

One of these strategic thinkers was Herman Kahn. Some of you remember Herman Kahn. He was a brilliant guy - his untimely death in 1983 was quite a blow to all of his friends and admirers. At the time I was talking to him, he was one of the premiere futurists in the world. I sat him down in my office and asked, "Herman, where is the world going to go in the next twenty years and what can the Air Force do to get ready?" He looked at me and said,
"General, that's not a very interesting question." (Laughter). Well, when you're talking to maybe the most brilliant guy you'll ever deal with in your life - his IQ was 250 or so - what do you do with that? (Laughter). So I said, "Well, Herman, why don't you give me a question to ask? I will ask it and then you can answer it." He laughed and then said, "Why don't you let me take you out fifty years?" I said, "I'm never going to get the Air Force to plan fifty years in the future. Just give me your twenty year predictions." I now regret that. I wish I had let him give me the fifty-year answer because the twenty years are gone and Herman Kahn is gone and I wish I knew where the next thirty years were going to go.

What he told me in 1981 that was very profound and very helpful, was, "Sometime in the next twenty years the Soviet Union will collapse, and when it does collapse America will emerge as the single and sole super power and will be in that position for many, many decades in to the future. It will have no peer competitor for maybe forty or fifty years." He said, "That's very good news for the United States; it's also good news for the world, because America is a benign super power, not paranoid, not interested in the use of aggressive power around the world. But," he went on, "it's going to cause you in the U. S. military a great problem because how in the world are you going to justify a large and robust military when there's no major military threat?" Of course he was absolutely right about that. He said, "There's going to be a need for the United States military around the world in many areas, but it's going to be harder to justify in the future than it has been in the past with this great Soviet threat." These insights were incredibly important to me because then I got my planners together and said, "What if Herman Kahn is right? What do we do about that?" We had planned for years and years that we'd only have one big threat and that was the Soviets.

In response, one of my really smart planners said to me, "Why don't we start doing alternative future planning?" I asked, "What's that?" He said, "Instead of planning for one future, you plan for three or four different futures so you don't get blind-sided if the future you think is going to happen doesn't happen." I said that sounded like a good idea. So we got into scenario planning and alternative future planning and that was really helpful. If you're not doing alternative future planning or scenario planning, I would encourage you to do so. It's a very powerful technique. The military does that pretty well.

Let me give you my favorite books on strategy and then I'm going to shift subjects and get into another area. If you were really serious and interested in reading about military strategy, and how it may apply to your lives in one way or another, I would recommend about three or four books. One I would recommend is by Sun Tzu. He wrote a book twenty-five hundred years ago or so which is probably the best single small volume on military strategy. It's called The Art of War. Another book I really like is The Makers of Modern Strategy: From Machiavelli to the Nuclear Age (Princeton, 1986) which outlines the key strategists over the course of the last five hundred years. It gives a sense of what key strategists have contributed to our thinking and how that can relate to you. If you want a more modern book, a book by John Warden called The Air Campaign (reprint, iUniverse.com, Inc., 1998) is well worthwhile. It deals with the modern use of Carl Von
Clausewitz’s centers of gravity. One of the prime reasons for the success of the air campaign in the Gulf War was that John Warden helped build an air campaign which combined excellent strategy, doctrine, tactics and technology. I also recommend Clausewitz's On War (1832). He wrote twelve pages in his chapter on genius which may be the best twelve pages I've ever read on leadership.

Let me also say a few words about the use of role models. My favorite role model of all time is George Marshall. If you look at George Marshall before World War II, during the war, and after the war, you have an exquisite example of a man who understood grand strategy and the relationship between grand strategy and military strategy. Immediately after World War II, I lived in Italy. Times were really desperate, and if it hadn't been for the Marshall Plan, I'm convinced the West would have lost Italy as well as probably France. What George Marshall, using a containment strategy, did was figure out a way to deal with the Russians without having to fight them. We had this incredible ideological difference. In most cases in the history of the world we would have gone to war with each other, but we never did do that. So the development of the grand strategy that took place over the 1940s and through the end of 1980s was really first-rate.

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On the third of June, 1998, I got a call from Jamie McIntyre, who was CNN’s military correspondent in the Pentagon. Those of you who watch CNN are familiar with Jamie, a tall, nice-looking fellow who is an absolutely first-rate journalist in my opinion. He called me up and said that CNN was about to run a story on Sunday, in four days, which is going to accuse the United States military of using lethal nerve gas against our own troops, defectors on the ground in Laos, in September 1970 during the Vietnam War. I said, "Jamie, I don’t think that ever happened. What do you think about it?" He said, "Perry, I don’t think it happened either." I said, "Well, nobody called me." And he said, "Well, nobody called me, either." So CNN had cut Perry Smith, its military analyst, and Jamie McIntyre, its military correspondent, out of this story. I did some really quick checking. I got on the Internet and reached out to my wonderful brain trust. I asked a lot of questions about whether we could possibly have dropped nerve gas during the Vietnam War, particularly in this period of September, 1970. By Sunday I had pretty well figured out - 99 per cent chance - that it had never happened.

Whenever I teach ethics I always say if you run into an ethical problem and the organization is about ready to do something really unethical, get to the big boss as fast as you can and be as brutally honest to make sure that he or she fully understands your concerns. I followed my own guidance and I called Tom Johnson, the number one guy at CNN and I said, "Tom,
nobody's cut me in on this story, but I understand you're going to run a special accusing the military of using lethal nerve gas to kill our own soldiers on the ground. Tom, I'm almost sure it did not happen." Then I said, "If you run the story you'll regret it for the rest of your life." I was as strong as I could be without using bad language. Johnson told me that he was worried about it too. He suggested that I check it with the producers.

So I talked to the producers on the telephone. The two producers spent an hour on the phone with me that afternoon. Remember the story was going to run that night at ten o'clock, so we didn't have a lot of time. The question I kept asking them was the question that I was asked when I was pursuing my Ph.D. at Columbia University. My mentor at Columbia University, a wonderful guy named Warner Schilling, when I was doing my dissertation, required me to set some very specific hypotheses which I had to test. Then he told me to spend at least a month during my research to disconfirm these hypotheses, to try to prove what you think is right is wrong. Hence, I kept asking the two CNN producers, "What did you do to try to disconfirm your hypothesis?" I suggested names of people who could have helped - most of these people they had not contacted. I asked them, "Why didn't you call me? I had fought in the war. I had flown over Laos just the year before. I was a weapons and tactics officer. I knew a lot about that war." They didn't give me satisfactory answers and my concern about this upcoming special increased.

After ending my phone conversation with these producers, I made a major mistake. I should have called Tom Johnson back before and said, "Okay, I talked to the producers and they have not convinced me. I urge you to pull the special and give Jamie McIntyre and me a couple of weeks to check it out." I didn't do that. There was so much momentum behind the story I didn't think I could have stopped it. I regret that. If I had tried one more time, Tom Johnson might have pulled it.

In any case, CNN ran the special that night at ten o'clock. It was called "The Valley of Death." The lead reporter was Peter Arnett. CNN accused the United State Air Force of using A-1 airplanes to drop lethal nerve gas on American defectors and also on our own troops in combat. I did additional research, got the munitions records, and figured out exactly what happened on that mission. I talked to the pilots and was absolutely convinced that it couldn't have happened. They did drop gas; it was tear gas to try to knock the enemy troops down long enough for some Marine Corps helicopters to get our troops out, which was exactly what they did. The two Air Force aircraft put down concentrated CS tear gas that made troops on both sides cough and vomit. The Marine helicopters got all the friendly troops out and it was a very successful operation.

So by Wednesday evening of that same week I was convinced none of the charges against the U.S. military was true. I called Tom Johnson and said, "Okay, Tom, now I guarantee it's not true. You must do a retraction and you've got to do it quick. You've got to apologize to a whole lot of people because you falsely accused some very heroic people of doing something that was really bad." Unfortunately, I was not able to get Johnson to retract after trying for three or four days with every argument I could come up with. On Sunday morning, one week after the show ran, and just before I went to church I called him and said, "Tom I'm out of here. I can't work for you any more. I can't stand the ethics." I didn't say I can't stay "your ethics" because I didn't know where Johnson was on the ethical issue. But I said I can't stand the ethics and I resigned. I then became a news story a day or two later when the media learned that I had quit in protest. Johnson finally brought in an outside group led by Floyd Abrams, one of the key First Amendment lawyers in the country, and Abrams quickly determined that CNN had made a major blunder. CNN then did a retraction on July 2, 1998.

The lessons from a leadership perspective are as follows. The first leadership lesson stems from forming a tiger team or a compartmentalized group to go out and do something. If you send them out on their own, make sure you give them adult supervision. (Laughter). Make
sure that when they bring the product to you that you ask the tough questions. Seriously look at it. The second thing is if you're going to do something really radical, then make sure you do the research well. Make sure that there has been a serious effort to disconfirm each hypothesis. That's very important. The third thing is in any organization, particularly organizations of size - CNN has 4,000 employees - make sure you have an ethics and leadership education program on a continuing basis. At the time, CNN was doing no ethics training; they were doing no leadership training. The fourth lesson is to make sure you have in your organization an ombudsman or an inspector general so if anyone has a problem of integrity he or she can go directly to that person for help. There was no ombudsman at CNN. The fifth insight, a very strong insight, a very critical insight, is as a leader do not allow yourself to be intimidated. The sad story of CNN is that the man who really pushed this program through was a man who worked for CNN, still works for CNN, six-foot-seven, 280 pounds, in your face, intimidating kind of fellow. He intimidated Tom Johnson to the point where Tom was not able to operate independently. And unfortunately this situation still pertains and Tom Johnson has lost a lot of respect in his own organization because many CNN employees know he's not an independent actor.

I thought after I left CNN I would do no more television. I was disgusted with the whole business, frankly. But, as many of you now know, I now work for a number of media organizations. When I sign up for media organizations now - CBS Radio, NBC-TV, MSNBC, and U.S. News & World Report - I ask about four or five ethics questions to make sure they understand where I'm coming from and make sure I understand what the ethical climate is in the organization. It's not a bad way to enter any organization - to try to find out what the ethical climate is and to make sure you're going to be comfortable with the values of the organization. In summary, the CNN debacle was a very interesting learning experience and maturing experience for me.

Before I close I want to hit two or three other points. I want to give you one or two thoughts relating to leadership as I teach it, mostly, as I mentioned, to middle managers and executives. There are a number of things which I emphasize. I'd like to just list them very quickly. One is leverage. I live in Augusta, Georgia. The reason I moved there, by the way, is that it was my wife's home. I never had a home. I moved forty times in my life, forty permanent moves. I now live in Augusta and to have a hometown is very special. I'm working real hard on a Southern accent. I'm not doing real well. (Laughter). I was giving blood at Shepherd Blood Center in downtown Augusta about five years ago and a woman came up to me and asked whether I would be willing to give platelets. I
said, "What are platelets and how do you give them?" She said, "Platelets are clotting agents and they're helpful for hemophiliacs and certain cancer and leukemia patients." I said, "Sure, I'd be happy to do that." So I came in to the blood center a few weeks later.

I don't know if you've ever given platelets. What they do is stick a big needle in one arm and they suck eight pints of your blood out of you, they run it through a kind of a Dracula machine - it's a centrifuge - they suck out the platelets, and they give the blood back to you in your other arm. It comes back in looking like weak Kool-Aid. (Laughter). It's not really that bad. But while the process is going on both your arms are tied down. You can't even scratch your nose. So for an hour and a half - and it takes an hour and a half to give eight pints of platelets - there's nothing to do but think. When was the last time you had an uninterrupted hour and a half to do nothing but think? Whenever I have periods like that I'm always trying to think strategically: what's the big picture? Suddenly it came to me: what I'm doing is leveraging my blood. I'm maximizing the blood that I have to help others. When I walk away I know I will help eight people rather than one person and it makes me feel especially good to have done that.

Then I started thinking about leadership and executives and leverage. The best executives I know are people who leverage things really well. One of the things I emphasize is how to leverage your friends. By developing a really powerful brain trust, really smart people across the board, you can call on them when you get stuck and need help. If you develop that brain trust carefully over time and keep it warm and robust, when you need help there are people out there that you know and feel good about, and they feel good about you and want to help. One of the people I called on during the CNN episode was Colin Powell. I don't call him very often, but he knew Tom Johnson well. Colin was really helpful with the advice he gave me on how to deal with the CNN problem. The other thing that I emphasize relating to leveraging friends is to have a separate ethics brain trust - people who have thought about ethics and dealt with some tough ethical problems, or who write about ethics. When I'm dealing with an ethics problem - I run into one about every two or three years - I have people I can go out to who can really help me think through the issue.

Another way to use leverage is by the creative use of technology. I'm a terrible typist. I didn't know how to type when I retired from the Air Force. So I got a fast computer and a spelling checker and that's all I have really needed.

A third area is the leveraging of your talents. I've been very lucky because I'm a speed-reader. When I was in graduate school my mentor said I had to read a thousand books that dealt with international relations before I'd be ready for my written and oral examinations. At the rate I was reading, I was going to have to read for ten more years. It was unlikely that the Air Force would sponsor me for a twelve-year Ph.D. program. So I learned how to speed-read. As a result, books soon became my friends. I think we in education should encourage people to make books our friends. One way to do that is get people into speed-reading programs so they can pick up

their speed.

Finally, and most important of all, I emphasize the need and importance of staying strategic and staying long-term. I have two books I will now recommend to you. They're on my reading list, but I want to highlight them now. One is a book by Peter Schwartz called The Long Boom (Perseus, 1999). It's a bit too optimistic, but it seems on target to me. Schwartz writes about the future of the world in the next twenty years. The other book is by Tom Friedman of The New York Times, titled The Lexus and the Olive Tree (Farrar, Straus & Giroux, 1999), about globalization and how to look at globalization in really a multi-faceted way. If you haven't read these books, I would encourage you to do so, because they're both new and they both have powerful things to say.

I hope some of this was helpful to you. Thank you