What can Business learn from Wargaming?

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Disclaimer

This presentation represents the personal view of the author and is in no way representative of official UK MOD policy.

The UK MOD is small, but still bigger than one man can know. I might have missed something.

The author is a full-time reservist serving beyond mandatory retirement age and is therefore possibly embittered and cynical after 40 years service... :-}
Why Wargame?

- In order to *test* plans and decision making.
- Against *opposition*.
- To *gain insights*.
Training

- Training is to make us better at what we already know.

- Training is about understanding ourselves and making ourselves better.

- Training is about practice.
Wargaming

- Wargaming is about shared understanding and imagination.
- Wargaming is about competition and adversarial thinking.
- Wargaming is about *understanding* victory and *learning* from defeat.
"The one thing you cannot do... is to make a list of things you never thought of."

Thomas C Schelling
The Class of 1927

- Participants in the wargame:

- Versailles Treaty.

https://de.wikipedia.org/wiki/Kriegsspiel_(Planspiel)
General Von Moltke

Process:

- Off-site.
- TEWT.
- Wargame.
- Validation.
- Records.

Group Think

- Homogeneity of opinion.
- Centralisation of decisions and a formal hierarchy.
- Divisions and compartmentalisation.
- Imitation based on previous decisions.
- Emotionality and peer pressure.

https://en.wikipedia.org/wiki/Groupthink
The Wisdom of Crowds

Groups can be better at estimation than individuals.

- Diversity of opinion.
- Decentralisation of expertise.
- Independence of thought.
- Aggregation of the result.

- Best predictions come from conflict or contest.
- Too much communication can make the group less intelligent.

https://en.wikipedia.org/wiki/The_Wisdom_of_Crowds
Role Play - Predicting the Outcome of Conflict

- The roles that people play affect their behaviour.
  - "Cost Analyst" vs "Market Analyst"

- When predicting outcomes in conflict it is necessary to make predictions in a chain.
  - "Action, reaction, counter-action, etc."

- Experts predict what *should* happen.
- Role Play predicts what *will* happen.
Prediction and Role-Play

"Forecasts based on the results of role-playing sessions can make accurate predictions of human responses to conflict or change."¹

- Random chance correct: 28%
- Single Expert correct: 31%
- Game Theory correct: 32%
- Role Play correct: 62%

¹: http://www.umsl.edu/~sauterv/DSS/green.pdf
Wargames cover a broad spectrum:

Red Team
- Matrix Game
- Seminar Wargame

COA Wargame
- Free Kreigsspiel
- Rigid Kreigsspiel

Computer-Assisted Analytical Wargame

Creativity, understanding and original thought

Rigor and analytical precision

https://connections.wargaming.files.wordpress.com/2015/06/1245-1330-php-pour-min-wargame-terminology.pptx
ALL YOUR SECRETS ARE BELONG TO US
Business Benefits from Wargaming

- Analysis of competitor, customer and supplier behavior.
- New product introductions, market entry scenarios, or development of new businesses.
- Impact of changes in market environment.
- Simulation of negotiations.

1: [https://www.risknet.de/themen/risknews/simulation-with-business-wargaming/1ea7016c3f103d87d322e5db69f1e283/](https://www.risknet.de/themen/risknews/simulation-with-business-wargaming/1ea7016c3f103d87d322e5db69f1e283/)
Wargames as hidden driver behind cheese market victories

http://www.professionalwargaming.co.uk/2018.html
New Wave of Business Gaming

EnTRUSTed Health Service Game
Paul Howarth: StoryLivingGames.com
Wargaming

Wargaming isn't about the "game".

- It is about practice.
- It is about an attitude of mind.
- It is about getting input from everyone.
- It is about exploring ways to make the other guy fail.
- An organisation that values innovation.
- A clear understanding of "what do we want to achieve?".
References

- Simulation with Business Wargaming: 
  https://www.risknet.de/themen/risknews/simulation-with-business-wargaming/1ea7016c3f103d87d322e5db69f1e283/

- Wargames as hidden driver behind cheese market victories: 
  http://www.professionalwargaming.co.uk/2018.html
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