

Michael Skapinker: What 9/11 can teach business

By Michael Skapinker

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Could the US have avoided the attacks of September 11 2001? Of course it could have. The evidence presented to the National Commission on Terrorist Attacks shows that all the components of the assault were known in advance: at least one Islamic extremist was learning to fly, al-Qaeda was planning hijackings in the US and it had been surveying buildings.

Neither the White House nor the Central Intelligence Agency nor the Federal Bureau of Investigation put all these warnings together. But I would not have done so either and neither, I suspect, would you.

The daily intelligence briefing to George W. Bush on August 6 2001, one of the most revealing documents to emerge, showed that the president had been told of "patterns of suspicious activity in [the US] consistent with preparations for hijackings or other types of attacks, including recent surveillance of federal buildings in New York". The briefing referred to earlier reports that Osama bin Laden wanted to hijack a US aircraft to gain the release of "Blind Sheikh" Omar Abdel Rahman, who had been convicted of planning to bomb New York landmarks.

Mr Bush said at a recent press conference that the briefing seemed to indicate that any hijacking would be an attempt to blackmail the government. "The truth of the matter is most in the country never felt that we'd be vulnerable to an attack such as the one that Osama bin Laden unleashed on us. We knew he had designs on us. We knew he hated us. But nobody in our government, at least, and I don't think the prior government, could envision flying airplanes into buildings on such a massive scale." If the administration had had an inkling that such a thing was about to happen, "we would have moved heaven and earth to save the country".

Whatever criticisms you may make of Mr Bush, on this or any other subject, these statements have the ring of truth to them. No one, apart from the wildest conspiracy peddlers, believes the Bush administration wanted the September 11 attacks to happen. Whatever incompetence or miscommunication the commission identifies at the White House, the CIA or the FBI, one fact remains incontrovertible: the principal reason the attacks succeeded was because they were unlike anything any of us had ever experienced.

Most people I spoke to on the day of the attacks were as puzzled as I was. Did the hijackers hold guns to the pilots' heads and, if so, why didn't the pilots simply refuse to follow instructions? If the hijackers had flown the aircraft themselves, how had they known what to do? Could an untrained person, just by looking, guess how the cockpit controls worked?

Hijacking was a crime we knew about. Security services had long-established routines for dealing with it. They directed the aircraft to designated areas of airports where experienced negotiators began talking to the hijackers, who usually wanted to emerge alive. But the idea of hijackers who had learnt to fly, who killed pilots and were ready to kill themselves and others by crashing into buildings was, until that day, too improbable to be guessed at.

As George Day and Paul Schoemaker of the Wharton business school say in the first of an illuminating series of papers: "Humans see what they expect to see rather than what is there."

The papers come from a conference held at Wharton last year on "peripheral vision", or the ability to identify previously unknown threats. Published in the April issue of the journal *Long Range Planning*, the papers are not directly concerned with the September 11 attacks, although they refer to them.

The papers address the ways in which we all - as individuals and organisations - attempt to fit what happens into what we already know. It is difficult for us to recognise new threats - from murderers or, more prosaically, from emerging technologies or new competitors.

In another of the papers, Sidney Winter, also a Wharton professor, refers to species of moth that can detect the sonar signals of the bats that prey on them. The moths evade the bats by diving. But they have no way of sensing the approach of a rolled-up newspaper wielded by a human being. The moths that have survived thus far have done so by avoiding bats. Rolled-up newspapers are a relatively new threat.

"Evolution is a notably efficient designer of sensors, but it is also notably focused on the problems of the past," Prof Winter says. "Like generals who are 'fighting the last war', these evolutionary adaptations may be mismatched with the current environment."

Organisations are no different. They initially succeed because of their ability to cope in a particular environment. "In organisations, there is internal competition for resources and the parts of the organisation that produce the highest returns receive the most investment," Prof Winter says.

As the organisation develops, it becomes skilled at dealing with its environment. It builds on its knowledge, develops procedures - and becomes set in its ways.

Newcomers or outsiders who suggest other ways of operating get short shrift. The organisation knows what it is doing; it has done it before. "Like the evolutionary adaptations of organisms, the past experiences of organisations tend to leave a legacy of inflexibility," Prof Winter says. This does not

matter much when the environment is stable. "But it may happen - especially in the fast-changing modern world - that the experience we've accumulated is a bad teacher, leaving us ill-prepared for the circumstances that follow."

Some can see the new threats. There were FBI agents who noticed that suspect people were turning up at flying schools. The agents might not have known precisely what it meant, but they knew it was worth worrying about. No one listened to them.

Organisations will always struggle to deal with the unknown. But there are ways to identify and deal with new threats and I will return to them next week.