



A. C. MACRIS CONSULTANTS

UPDATE

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HIGHLIGHTS

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UPDATE is published quarterly by A.C. Macris Consultants. UPDATE's charter is to provide interesting articles, on timely topics, authored by people in industry, academia, or business.
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Resources for Executive Leaders

New Demands – New Frameworks – New Thinking For leaders in a dynamic and volatile world

A. C. (Dean) Macris

Ozzie Paez

Introduction

Over the past five years, my colleague Ozzie Paez and I have been involved in a series of applied research projects with the objectives of defining new business models and competitive strategies in response to 9/11 and the flattening of the world, to paraphrase *The World Is Flat* – Thomas Friedman's latest book. These efforts bore fruit with the development of Compete-Protect-Perform, a business management and leadership framework particularly suited to today's highly dynamic competitive environment. Along the way, we worked together and separately on a series of studies, which resulted in the publishing eight papers, academic and practitioner, with additional ones in the pipeline. This issue of Update presents a synopsis of these writings, including the appropriate URL links. Our objective is to facilitate access to the documents and papers through a single point reference. We hope you enjoy this approach and trust that you will find these abstracts interesting enough to access the full articles.

Leadership, Business and Terrorism The Case for Understanding Your Risks and Vulnerability

A. C. Macris Update 2005 Volume 3 Issue 2

This article addresses what we believe to be the latest and perhaps the most compelling challenge to business leaders, managing risks from terrorism in the post 9/11 era. As the current events in the Middle East demonstrate, terrorism and conflict can affect business organizations that were not in the direct path of destruction. The first of three articles, this focuses on business leadership development so executives and leaders can effectively address the threat of terrorism to their organizations. It lays the foundation for future pieces that focus on specific contexts to illustrate the challenges which terrorism represents for the business community in general, and business leaders in particular. Specifically, we discuss how well business leaders:

1. Understand the risks and implications of terrorism,
2. Are trained to evaluate and manage the types of risks, direct and indirect, posed by terrorism,
3. Comprehend the legal and civil implications of their business' response to another terrorist attack,
4. Understand their personal responsibility in the event of a terrorist attack involving their employees and community.

The article presents a foundation for follow-up discussions on the Ripple Effects of Terrorism and how other events can cause business leaders to take their eyes off the terrorist threat, which unfortunately is destined to bridge multiple future generations.

Leadership, Business and Terrorism The Ripple Effect of Terrorism

A. C. Macris Update 2005 Volume 3 Issue 3

The second article in our Leadership, Business and Terrorism series focuses on the first test of business leadership in protecting the business from terrorism: *addressing terrorist threats to the organization and understanding the total threat picture, which includes direct and indirect threats*. We reinforce the point that no business can expect to address the risks of terrorism if its senior executives do not truly understand the nature, source and impact terrorism has on the business and the economy. While most business executives understand direct terror related risks (hijacking, bombs, etc.), many do not fully comprehend indirect risks, their potentially devastating impacts and much higher probability of occurrence.

The effects of this knowledge gap can result in inadequate protective measures and ineffective recovery strategies. The impacts of which would be magnified during a national or international crisis. Specifically, the exclusion of indirect risks will likely translate into inadequate risk analysis, incomplete business recovery plans, ineffective business continuity plans, and poor preparation for the effects of government initiated actions, as happened following the attacks on New York and the Pentagon.

We outline the roles of effective business leaders to protect their investments and those of their shareholders from the direct and indirect effects of terrorism. These include leading the organization into areas that, prior to 9/11, were traditionally handled further down the corporate structure, including ensuring that threats-risks are clearly defined and understood at the highest level of the organization, and that effective plans are developed and put in place to ensure sustainable operations following a major terrorist event.

Where have Terrorism, Iraq, Afghanistan and the War on Terror Gone?

A. C. Macris Update 2005 Volume 3 Issue 4

The events following Hurricane Katrina's drive into the Gulf States of Louisiana, Mississippi and Alabama suddenly shifted the national focus from the War on Terror to the power of nature and the horrors of its capricious temper. This article leverages lessons learned from Hurricane Katrina to illustrate the concepts and principles discussed in our previous two articles on Leadership, Business and Terrorism. Once again, Mother Nature made it clear that in comparison to man's seemingly limited ability to do mischief, she could bring devastation at will in spite of our efforts to prepare.

In our previous two issues, we discussed several timely topics: (1) direct and indirect effects of terrorism and (2) the use of integrated risk profiles (IRPs) as a means of protecting businesses from disasters, man-made and natural. These topics focused on the perspective of business leadership and the need to

engage management in decisions which are designed to ensure the survivability, recoverability and profitability of their business following a major jolt to their industry, clients and general economy. Here we highlight the universal and critical need for leadership to be prepared for the unexpected regardless of how and where it arrives. The interesting factor is the consequence is virtually the same.

In doing this, it is our hope that the business community will take time to reassess the role of preparedness thereby ensuring the long term well being of the enterprises in their charge.

Gaining and Sustaining a Competitive Advantage in the 21st Century The New Reality of Leadership and Business

A Framework that ensures an organization
remains a competitive leader

A. C. Macris Update 2006 Volume 4 Issue 2

The instability resulting from factors including Globalization, the emergence of China, deregulation, off shoring, E-Commerce, the dot-com boom and bust, traditional business cycles and the terrible events of September 11, 2001, then introduce the string of management philosophies and methodologies such as downsizing, up sizing, right sizing, thriving on this or that, and a myriad of other elixirs, and it often seemed like the business world was experiencing managerial and leadership fibrillation. All these factors and events triggered the search for new distinctions, which ultimately led to development of a novel approach to achieving and sustaining a competitive, secure, performance-based advantage in the marketplace.

We summarize the results of a three-year effort to define a contextual framework, which holds up even as internal and external changes, events and trends continue to challenge business leaders and the organizations in their charge.

Our research revealed that a long line of trends, development and events had shifted corporate attention in a circle that went through competition (think globalization), performance (IT revolution) and protection (security). We realized that while change and adaptation are necessary and can be very positive, change can be very disruptive to competitive vision, implementing strategies, effective planning and reasonably stable operations across industry domains.

This realization became the genesis of what we refer to as the Compete-Protect-Perform (C-P-P) contextual framework. C-P-P is a unique organizational leadership and management approach designed to deliver a stable framework for actualizing organizational vision during highly dynamic operational, market, economic and political conditions.

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Potential Implications from Arab Government Reaction to Israeli Attacks on Hezbollah and Lebanon – The Importance of Contextual Analysis

Released by Simplicity Data, July 2006

The Arab States’ muted criticism of Israel’s actions in Lebanon seems to have caught many in the US media and government by surprise. Surprise is often the root cause of poor thinking and this may be a representative case as many political, technical and editorial pundits were quick to portray Arab reaction as a watershed event in the history of the region. While the overt fashion in which Arab governments turned their back on Hezbollah was unusual, their motivations may well be based on self-interest, as opposed to any change in their views of Israel.

Many of our writings introduce the concept of contextual analysis and the importance of integrating context into the overall analysis. As the war on terrorism approaches the end of its fifth year, businesses need to better understand the direct and indirect effects of terrorism and related conflicts on their operating realities. Contextually, each industry in general, and business operation in particular, will have to grapple with the short and long term implications of terrorism and conflict in the Middle East and beyond, such as the deadly train attacks in Bombay, India. Businesses engaged in global trade need to understand context and then incorporate the effects of conflict and terrorism within an integrated risk management and competitive market strategy. This article provides an analysis of this unique conflict, the need to understand history and the consequential economic ramifications.

An exploratory Study of Local Emergency Manager’s Views of Military Assistance/ Defense Support to Civil Authorities (MACA/ DSCA)

Journal of Homeland Security and Emergency Management

Volume 3 (2006), Issue 1

This paper is based on an academic study sponsored by the U.S. Air Force and presented to US Northern Command (NORTHCOM). NORTHCOM has played a central role in the DSCA/MACA program as the military organization responsible for the defense of the Continental United States. The study focused on developing a better understanding of the challenges associated with civil authority – military collaboration, and was carried out in 2003/2004 through the Network Information and Space Security Center (NISSC) at the University of Colorado at Colorado Springs (UCCS). It involved a multi-state survey of Emergency Managers’ views and understanding of the MACA program. The NISSC research team consisted of Dr. John Milliman, Professor, UCCS School of Business, John Grosskopf, PE, Environmental Resources Engineering, and Ozzie Paez, SSE, Certified Information Systems Security Professional, Simplicity Data Systems.

The results were divided into two parts. The first assessed local EM knowledge of the MACA program, their views of how effective MACA would be in future emergencies and their perceptions of how well the military would work with EMs during a DSCA triggered response. The second on the effectiveness of existing

MACA outreach and education programs and recommendations for improvement.

Emergency Managers’ Views on Improving Defense Support/Military Assistance to Civil Authorities (DSCA/MACA) Education Programs

Journal of Homeland Security and Emergency Management

Volume 3 (2006), Issue 2

The second paper published as a result of a follow-up academic study sponsored by the U.S. Air Force and presented to US Northern Command (NORTHCOM). This follow-up study focuses on recommendations provided by local Emergency Managers (EMs) for improving DSCA/MACA through better outreach and training. The findings reported are particularly relevant in the aftermath of hurricane Katrina and the difficulties faced by emergency responders, local EMs and Federal authorities in effectively responding to a major disaster.

The underlying study was carried out in 2003/2004 through the Network Information and Space Security Center (NISSC) at the University of Colorado at Colorado Springs (UCCS) and involved a multi-state survey of Emergency Managers’ views and understanding of the DSCA/MACA program. The same publishing team as Issue 1 prepared this paper.

Radical Islamism and Its Implications for Muslim Communities and the War on Terrorism

Released by Simplicity Data Systems, July 2006

Four years of research is the basis for this paper which focuses on members of the radical Islamist movement and the various organizations to which they belong. It presents exploratory data and revelations on factors such as the role of education and exposure to democracy as barriers to membership in radical Islamist organizations. It concludes with an analysis of the findings’ implications for the war on terrorism and the future of Muslim communities in the West in general and Europe in particular. It is freely available from the Simplicity web site at www.simplicitydata.com/Published.html.

In the Pipeline

In addition to the abstracts above, there are a number of papers being prepared and others submitted for publication. These papers provide compelling value for executives in government and industry because, while they reflect lessons derived from basic and applied research, they focus on identifying organizational threats and providing recommended solutions. They will be particularly timely given the events of the last twelve months, including the attacks in London, foiled plots in Canada and Hezbollah threats against the US issued in response to current conflict in Lebanon. These papers focus on the following subjects:

- 1. Understanding the threat of terrorism from within and their implications for organizational leaders,

2. Understand and leveraging the decision making process of terrorists to define effective threat mitigating strategies,
3. Implementing effective security background investigations,
4. Applying C-P-P to cope and thrive in the midst of instability and change.

Other Published Papers

Responding to New and Environmental Threats: An Integrated Security, Environmental, Health and Safety Management System Approach, Milliman, Grosskopf, Paez, Environmental Quality Management, Spring 2004

Pilot Project Results of an Integrated Security Management System, Milliman, Grosskopf, Paez, Disaster Prevention and Management, Vol. 14 No. 1, 2005, pp. 20-31, Emerald Group Publishing Limited, UK

These papers reported on the applied research leading to and the piloting of integrated Security and EH&S programs intended to reduce programmatic duplication, reduce costs and consider risks from an integrated risk profile perspective. The project was sponsored by the US Air Force through the Network Information and Space Security Center (NISSC) at the University of Colorado at Colorado Springs. The results were delivered to NorthCom, State and local officials and were presented at a national security symposium (2003) and an emergency response conference (2004) held at the University of Texas at Dallas.

Available On-Line

The first four articles are available at www.acmacris.com/update. There is also a new article [Radical Islamism and Its Implications for Muslim Communities and the War on Terrorism](http://www.simplicitydata.com) available at www.simplicitydata.com. This paper focuses on the impact of radical Islamism on Muslim communities and the War on Terrorism released July 2006 by SDS. The study is based on four years of research focusing on members of the movement and the various organizations to which they belong.

Ongoing research and writings

We have ongoing research and studies that are exploring threat of internal terrorism to businesses and implications for their ability to compete and perform in today's challenging operational realities. Much of this work is of a sensitive nature but we will make every effort to make the essence of the work and the impact on leadership and business as well as how organizations can best Compete, Protect and Perform available to our readers. If more detailed information is desired please contact either my colleague Ozzie Paez at 303.336.5363 or ozzie@simplicitydata.com and/or A. C. Macris at 860.572.0043 or acmpc@acmacris.com.



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