

Hypercompetition and Wartime Project Management¹

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Abstract

In the study of competitive business strategies, hypercompetition has emerged as the result of business innovation, scarce competition, and industries' wars. The study of hypercompetition has attracted significant interest from both economists and managers however, few scholars have studied this topic from a project management approach. The aim of this study is to present an overview of how firms immersed in hypercompetition can adopt a Wartime Project Management approach to gain a competitive advantage. The paper will outline the various principles of Wartime Project Management dynamic. Finally, the paper aims to facilitate a broader understanding of this particular managerial approach that can advance the knowledge on hypercompetition-related projects and give suggestions for future research.

Key Words: Hypercompetition; Wartime Project Management;

1. Introduction

Many scholars and practitioners have argued that due to scarce competition both the business industry and its related environment have been transformed and moved towards "hypercompetition". Indeed, the intensification of such a trend is due to many factors which include globalization, the internet, information and communications technology, etc. (Harvey & Griffith, 2007). Such elements have regrouped industries in one much larger-global market, making it harder for industries to hold their market position(s) both locally and internationally. The result is the rising level of a draining rivalry – a phenomena now known as hypercompetition (Schumpeter, 1950; D'Aveni, 1999; Wiggins & Ruefli, 2002; Andrevski & Ferrier, 2019).

A lot of research was developed in order to explain this phenomena:

- **Fundamental Research** helped explain why we have this phenomena (reasons and factors), its theoretical implications, its various paradigms and paradoxes, etc.
- **Applied research** heavily insisted on innovation principles, change management frameworks, etc. (Shumpeter, 1950; D'Aveni, 1999).

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However, very few researchers tried to elaborate on the project management implications and requirements now that the business world is considered in a state of rivalry very much similar to a state of war (Andrevski & Ferrier, 2019).

In this paper we review available literature and try to interpret it to get a better understanding of the linkage between Hypercompetition and Wartime Project Management. In order to do so we will:

1. Work to decrypt the phenomena of hypercompetition;
2. Study the difference between peacetime and wartime activities;
3. Elaborate on the many elements of military science and how we can apply them in business-related project management;
4. Explain the Wartime room concept.

2. The Phenomena of Hypercompetition

2.1. Context

Scholars have argued that the nature of competition has indeed changed over the last few decades and more specifically since the 1980s (Lindskov et al., 2020). The business world is now living in a state of “hypercompetition” – a state of intense industry rivalry, making it almost impossible to sustain a competitive advantage or maintain a marketplace (D’Aveni, 1994; Ilinitch et al., 1996; Wiggins & Ruefli, 2005; Andrevski & Ferrier, 2019). In this hostile environment, businesses are consumed, have diminishing business returns, higher business mortality, etc. (McNamar et al., 2003; Vaaler & McNamara, 2010).

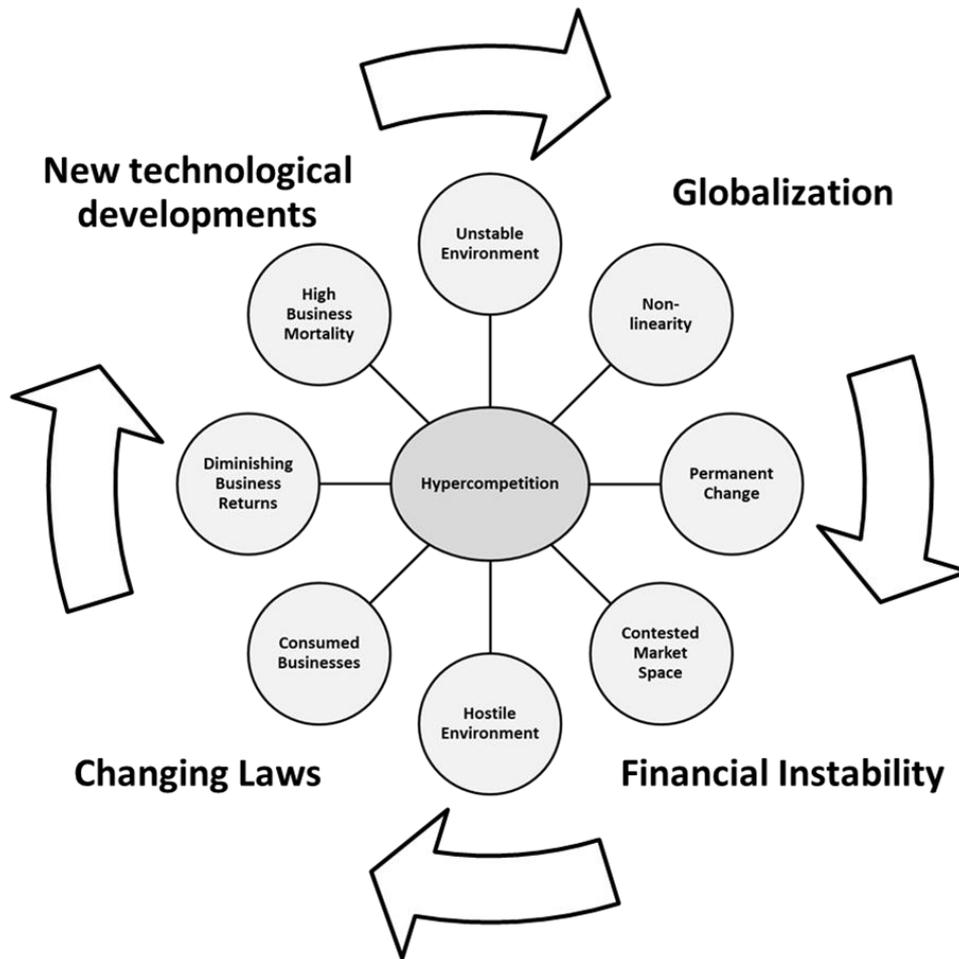


Figure 01. The Dynamic of Hypercompetition

There are many reasons that can explain the emergence and establishment of this new phenomena – which includes globalization, financial instability, new technological developments, etc. thus, challenging the very status quo of business (Ilinitch et al., 1996; Harvey & Griffith, 2007; Thomas & D’Aveni, 2009; D’Aveni & Dagnino, 2010; Hermelo & Vassolo, 2010).

2.2. Essential Business Elements

On another note, many researchers have tried to review the various essential business elements when it comes to hypercompetition:

- **Necessity to be more Agile:** Hypercompetition obliges firms to become more agile in order to stay in the market (Robert & Grover, 2012).
- **R&D and Performance Enhancement:** Firms need to invest more in their R&D activities in order to innovate – thus, enhancing productivity and performance (Hoisl et al., 2017).

- **Planning and Prospecting:** Firms will have to anticipate and stay vigilant by planning for various potential changes and scenarios (Godet & Durance, 2011).

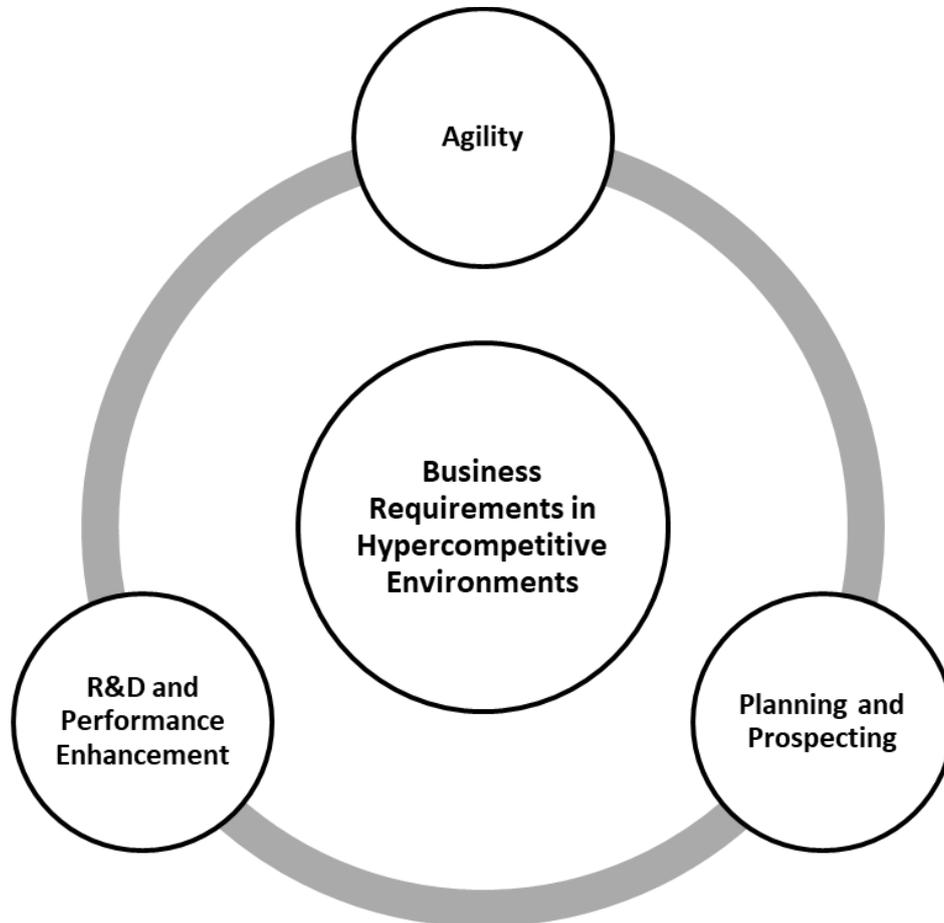


Figure 02. Essential Business elements in Hypercompetitive Environments

3. Peacetime & Wartime Projects

3.1. Context

Researchers have identified two business phases (Thomas & Perrin; 2020; Fan, 2024):

- A **peacetime business phase** refers to a period where the environment is more-or-less stable, and the company is prospering. During this period, companies tend to explore new opportunities in order to solidify their market share by improving their business processes and ensure customer satisfaction. In other words, teams will have the freedom to experiment and iterate without the immediate pressure of imminent threats.

- A **wartime business phase** is a period of crisis and instability where the company is threatened and must fight for its own survival. Its entire strategy must be reviewed, as well as both internal and external factors that can compromise either its activities or its very existence. In this situation, the main goal is to overcome obstacles and survival. On another note, during the same phase, quick and decisive decision-making is of paramount importance and clear roles must be outlined for efficient coordination and execution.

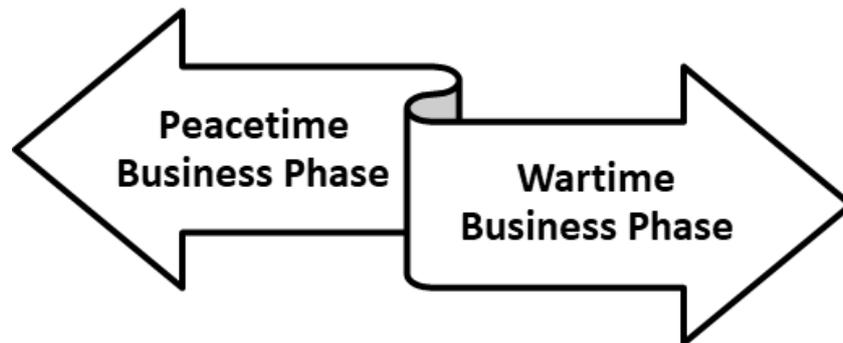


Figure 03. Peacetime Business Phase VS. Wartime Business Phase

3.2. Managing Wartime Business Projects

A project manager must be able to properly manage wartime business projects. That said, a project manager will need to act fast and appropriately to overcome obstacles and challenges. This requires following a detailed process:

- **Setting Priorities:** Managers must identify the most critical problems and allocate the necessary resources to solve them. Such activities may involve putting on hold non-urgent projects and focusing on what is crucial and vital for the company's survival (Wolfe & Swanberg, 1994; Sawyer, 1996; Peters, 2003; Spalek, 2006).
- **Implementing Communication Channels:** Managers must be very transparent with their team members when it comes to divulging the current wartime situation. On another note, clear-short-term goals need to be set and quick actions to be taken. Also, communication must remain transparent to maintain both motivation and cohesion during times of crisis. Finally, managers must establish quick communication channels to ensure the delivery of crucial data so that everyone is aligned to the working wartime plan (Wolfe & Swanberg, 1994; Peters, 2003; Spalek, 2006; Thomas & Perrin, 2020).
- **Making Tough Decisions:** In wartime, managers must be able to make tough and (sometimes) radical decisions which can impact the entire direction of the company and have an impact on its system, culture, mindset and behavior. Tough decisions are necessary for the company's long-term viability (Wolfe & Swanberg, 1994; Sawyer, 1996; Peters, 2003).

- **Acting with Speed & Agility:** During times of crisis and war, speed is of crucial importance. Hence, teams must be ready to quickly react and adapt their plans and activities to any changes that might occur. This is of great importance in terms of business “resiliency” as circumstances can change rapidly (Peters, 2003; Roberts & Grover, 2012).
- **Establishing Clear Roles and Responsibilities:** Managers must ensure that every team member is well aware of his tasks, functions, responsibilities and work spectrum – especially in terms of crisis. Ambiguity can lead to activity paralysis and can jeopardize any efforts of resiliency (Peters, 2003; Roberts & Grover, 2012).
- **Facilitating Business Processes for Efficiency:** Managers must ensure business facilities when it comes to their managerial processes in order to expedite business-responses during wartime period – and ensure iterative adaptation to changing priorities (Sawyer, 1996; Peters, 2003; Spalek, 2006; Thomas & Perrin, 2020).
- **Anticipating Crises and Building Scenarios:** It is important to anticipate potential events and changes in order to draw scenarios. That way, through specific contingency and business continuity plans, managers will be able to react faster and more effectively when difficulties do arise (Sawyer, 1996; Peters, 2003).
- **Learning from Experiences:** Every crisis is a learning opportunity to evaluate what is happening, why it is occurring and what was done (or should have done) to overcome the situation. Lessons will help strengthen the firm’s ability to cope with future challenges (Sawyer, 1996; Peters, 2003).

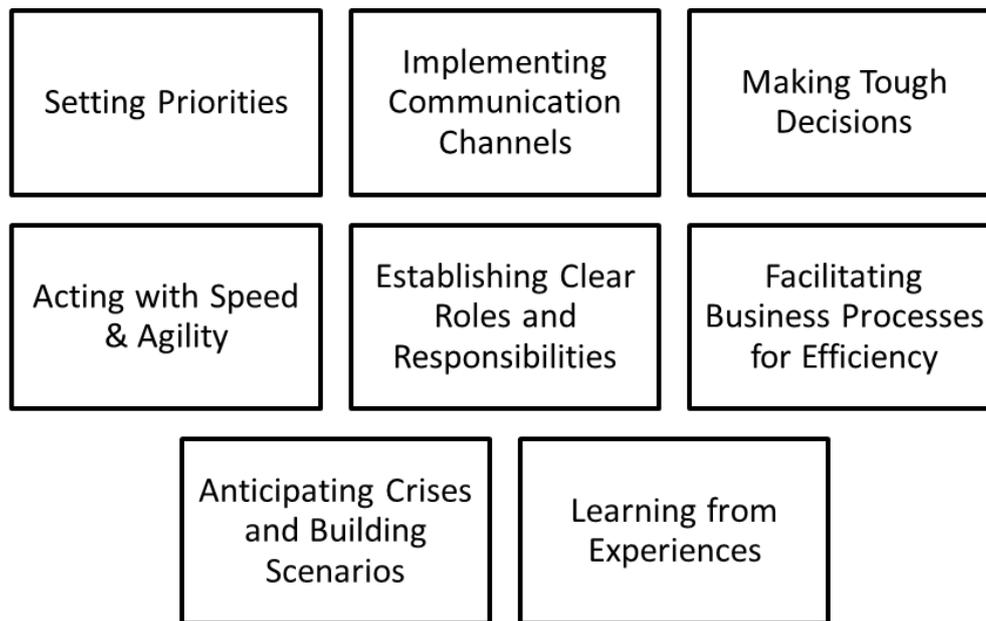


Figure 04. Wartime Business Project Management Process

4. Military Principles Applied to Wartime Business Project Management

4.1. The Principles of Wartime Business Projects

Researchers have seen how some of the very basic principles of military sciences can be applied to Business project management – especially in times of war. Wars provide valuable lessons for businesses as they demonstrate the value of planning, procurement, preparation, etc.

It should be noted that wars are projects as they are unique undertakings with defined scopes:

- **Objectives and Deliverables:** The project manager must set clear operations towards a clearly defined, decisive, and attainable objectives. Indeed, it is of crucial importance to define, list and describe the objectives as well deliverables in order to work for the success of the project (Baker et al., 1983; Wolfe & Swanberg, 1994).
- **Resources:** The project manager must concentrate the project's resources at the decisive project spectrum (place) and defined operations' time (Peters, 2003; Spalek, 2006).
- **Economy of Forces:** The project manager must allocate a minimum of essential combat power to secondary efforts (Wolfe & Swanberg, 1994; Peters, 2003; Thomas & Perrin, 2020).
- **Business Offensive:** The project manager must seize, retain and exploit the initiative. In this context, should the initiative be retained by the project manager through offensive action – they will lead the rival to react rather than to act – hence, presenting a strategic disadvantage (Andrevski & Ferrier, 2019).

- **Review Details when Planning:** The project manager must pay critical and careful attention to plan details. The project planning must be focused on current and potential problems, resolving future issues rapidly, making timely decisions, etc. (Peters, 2003; Spalek, 2006).
- **Scheduling:** On another note, scheduling is of crucial importance as there is the urgency to meet deadlines, to finish work on time, to monitor and control activities, the deliverables as well as the budget (Sawyer, 1996; Peters, 2003).
- **Follow-up and Reporting:** The project manager will be responsible for following-up on the deliverables and quality criteria through specific reporting tools and measuring methods. It should be noted that each deliverable has its own action plan that can be used for progress reporting (Peters, 2003; Spalek, 2006).
- **Maneuver:** The project manager must place the rival in a position of disadvantage through combat power and working on its weak points (Andrevski & Ferrier, 2019).
- **Unity of Command:** The project manager must ensure that for every set objective, unity of operations under one responsible leadership must be ensured (Sawyer, 1996; Thomas & Perrin, 2020).
- **Security:** The project manager must ensure that the business rival will not be able to acquire an unexpected business advantage. In other words, security includes concealment, deception, etc. (Andrevski & Ferrier, 2019). Hence, anything that enables the company to deny enemy information about the company's strength, location, portfolio, etc. (Wolfe & Swanberg, 1994; Peters, 2003; Thomas & Perrin, 2020).
- **Risk Variation:** A project manager must ensure appropriate risk planning and reduce risk variations and make the project process more predictable and creditable. Risks are studied on all levels (e.g. planning, scheduling, estimating, controlling, etc.) in order to ensure their reduction, elimination, or mitigation. (Peters, 2003; Spalek, 2006; Thomas & Perrin, 2020).
- **Element of Surprise:** The project manager must launch the business offensive and strike the rival at a time or place, or in a manner, for which the enemy is unprepared. It should be noted that a project manager must also make sure that no surprise attack is launched from the enemy (Wolfe & Swanberg, 1994). Hence, surprise prevention is needed by being vigilant. Vigilance occurs by checking the project progress, budget, the expenses, time remaining, the resources, the portfolio, market study, etc. (Godet & Durance, 2011).
- **Simplicity:** The project manager must prepare clear and uncomplicated plans in an unstable environment and unpredictable environment to ensure thorough

understanding from the ensemble of the project’s team members (Sawyer, 1996; Spalek, 2006).

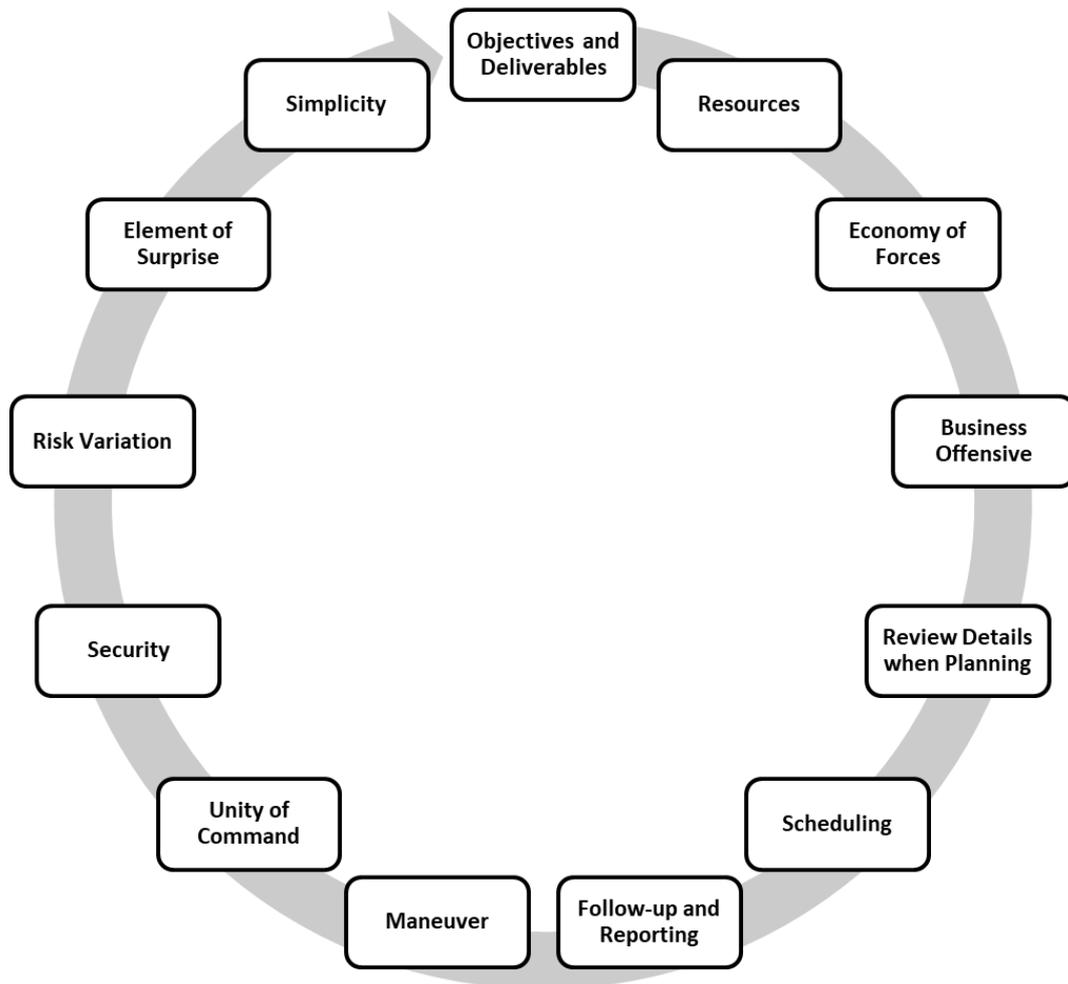


Figure 05. Scope Defining in Wartime Project Management

4.2. The Wartime Room Concept

The War Room is a specific space where project teams can strategize (re)organize and make informed decisions in difficult and aggressive situations. In other words, it is an environment that fosters collaboration, innovation, value, and timely decision-making.

By establishing a war room – project managers will gather vital information in one place and brainstorm it with all the implicated people on the project. In other words, it is a place where teams can facilitate collaboration, data analysis, ideation, decision-making, etc. On another note, it will serve as a hub for daily reporting, sprint planning, retrospective input, etc.

In other words, the war room will serve:

- **A Hub for Data Analysis:** They will allow teams to analyze project data, identify potential business trends, review and visualize critical insights. In turn, this will allow better and smoother information flow and faster decision-making for project success (Baker et al., 1983; Wolfe & Swanberg, 1994).
- **Collaboration and Communication:** They facilitate team collaboration and communication which encourages knowledge-sharing and thus, problem solving (Wolfe & Swanberg, 1994; Sawyer, 1996).
- **Decision-making and Problem-solving:** When necessary, primary and secondary data are retrieved, project teams can brainstorm and evaluate risks in order to reach solutions quickly and efficiently (Spalek, 2006).
- **Strategy Planning:** Based on what was built in the war room, the project team can plan strategies for proper implementation (Spalek, 2006; Thomas & Perrin, 2020).

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