

Estimate of the Situation

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The OODA Loop

At first glance, it may not seem that hospital management teams and fighter pilots have much in common. It turns out that they do.

Air Force Colonel John Boyd was a master tactician. He developed the OODA Loop after graduating from the Air Force's elite Flight Weapons School as a tool to improve decision-making in air combat. Success in today's health care environment also requires the ability to react quickly to changing conditions. That's exactly what the OODA Loop model does.

Success in business often comes from being one step ahead of the competition and, at the same time, being prepared to react to what they do. With real-time communication, ongoing rapid improvements in information technology, economic turbulence, and dramatic reimbursement and utilization changes, we all need to keep updating and revising our strategies to keep pace with a changing environment.

The model outlines a four-stage decision loop that supports quick, effective and proactive decision-making. The OODA Loop isn't meant to be a static, linear "do this, then this, then this" type model. It's called the OODA Loop because it is to be continually recycled.

Stage 1: Observe

At this stage, it is important to collect current information from as many sources as practically possible. Be on the look-out for new information, and be aware of unfolding circumstances. The more information you can take in here, the more accurate your perception will be. At this stage, ask questions such as:

- What's happening in the environment that directly affects me? Think outside of healthcare as well as inside.
- What's happening that indirectly affects me?
- What's happening that may have residual affects later on?
- Were my predictions accurate?
- Are there any areas where prediction and reality differ significantly?

Stage 2: (Orient)

Orientation is essentially how you interpret a situation. This then leads directly to your decision. One of the main problems with decision-making comes at this stage. Our perceptions are filtered through the lens of our own experiences and perceptions. Four factors affect performance in this area.

- Cultural traditions.
- The ability to analyze and synthesize.
- Previous experience. (Note: In a rapidly changing environment, previous experience may have limited value.)
- New information coming in.

Observing and orienting correctly are the keys to a successful decision. If these steps are flawed, they'll lead you to a flawed decision, and a flawed subsequent action. So while speed is important, so too is improving your analytical skills and being able to see what's really happening.

Stage 3 (Decide)

At this stage, a course of action is selected. Decisions are really best guesses, based on observations you've made and the orientation you're using. As such, they should be considered to be fluid works-in-progress. As you keep on cycling through the OODA Loop, and new suggestions keep arriving, these can trigger changes to your decisions and subsequent actions – essentially, you're learning as you continue to cycle through the steps. The results of your learning are brought in during the Orient phase, which in turn influences the rest of the decision making process.

Stage 4 (Act)

The Act stage is where you implement your decision. You then cycle back to the Observe stage, as you judge the effects of your action. This is where actions influence the rest of the cycle, and it's important to keep learning from what you, and your opponents, are doing.

