

MARTIN BRUNKE

THE
READY
ENTERPRISE



**How Prepared Organizations
Move First When Everyone
Has the Same AI**

For Dad.

On my first day of football, in the third grade, you told me four things to remember:

Prepare. Practice. Play without fear. Never give up.

I was eight years old. I did not fully understand what you meant.

I spent thirty years finding out.

This book is the answer.

THE READY ENTERPRISE

How Prepared Organizations Move First When Everyone Has the Same AI

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Some organizational examples in this book have been anonymized or presented as composites to protect confidential information. No anonymized or composite example should be interpreted as identifying a particular organization. Named companies are referenced only where the information is drawn from publicly available sources.

The competitive displacement case study in this book reflects a pattern observed repeatedly across multiple financial services organizations over more than twenty years. It is not drawn from a single event or a single organization.

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CONTENTS

INTRODUCTION The Mobilization Tax	5
Part I: The Mobilization Gap	16
CHAPTER 1 Efficient at the Wrong Things	17
CHAPTER 2 Communication Creates Alignment	27
CHAPTER 3 Trust Is the Ultimate Deliverable	33
CHAPTER 4 From Managing Projects to Leading Organizations	37
CHAPTER 5 The Lifecycle of a Strategic Situation	39
Part II: The Preparation Architecture	49
CHAPTER 6 The Preparation Layer	50
CHAPTER 7 The Architecture and Operating Model of Enterprise Readiness	55
CHAPTER 8 The Seven Laws of Enterprise Readiness	64
CHAPTER 9 Making Readiness Measurable	68
CHAPTER 10 The Steward of Enterprise Readiness	77
CHAPTER 11 AI as the Accelerant	83
CHAPTER 12 The Adaptive Enterprise	91
Part III: Building the Ready Enterprise	95
CHAPTER 13 The First 100 Days	96
CHAPTER 14 A New Discipline of Management	102

CHAPTER 15 Maturity and Assessment	112
CHAPTER 16 A Taxonomy of Strategic Situations	124
CHAPTER 17 Governing Enterprise Readiness	131
CHAPTER 18 Readiness OS	142
CHAPTER 19 The Future of the PMO	155
CHAPTER 20 Building the Ready Enterprise	160
Part IV: The Organization That Remains Ready	166
CHAPTER 21 The Cognitive Enterprise	167
CHAPTER 22 A Discipline Must Be Proved in Practice	171
CHAPTER 23 Leadership as Preparation	176
CHAPTER 24 Organizational Sovereignty	179
CHAPTER 25 A Letter to the Reader	185
SOURCES AND FURTHER READING	195
APPENDIX A The Readiness Planning Crosswalk	204
APPENDIX B The Research Foundation	206
APPENDIX C The Nine Strategic Domains	221
A NOTE ON READINESS OS	223
ABOUT THE AUTHOR	225

The Mobilization Tax

It appears on no invoice. It is accepted as the unavoidable cost of complexity. It is not unavoidable.

When a significant Strategic Situation arrives in a traditionally managed organization, the first weeks do not go to executing a response. They go to assembling one: who owns it, who has authority, what the budget is, and in what order stakeholders must be engaged. In a prepared organization, authority, communications, and governance are staged in advance, and each response sharpens them for the next one. Assembly shrinks to a short adaptation step, and execution begins in hours.

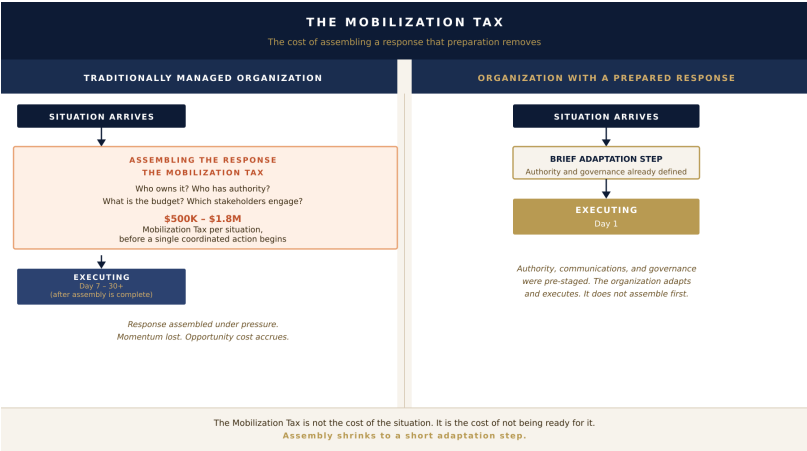


Figure 1.I: *The Mobilization Tax: the combined cost of assembling what preparation would have made ready. Includes senior leadership time, governance overhead, stakeholder sequencing, and the opportunity cost of the closing window.*

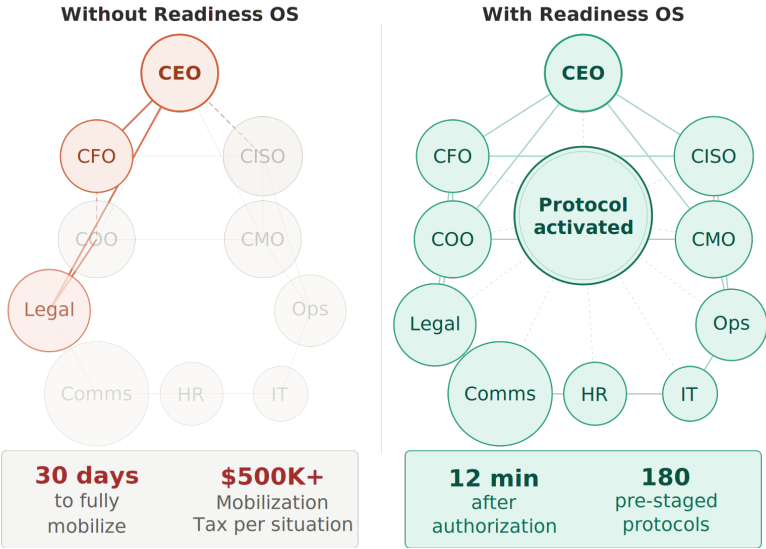


Figure A: *The network does not get simpler. It gets ready.*

The Agile Practice Guide, Second Edition describes the consequence plainly: “Without preparation, adoption lags and value is delayed” (Project Management Institute and Agile Alliance, 2026, p. 86). That line frames the Mobilization Tax well, though it does not validate the Enterprise Readiness model. The point reaches beyond agile delivery. Preparation can preserve an organization's ability to use a window before it closes.

Why This Book Exists

I watched the same sequence play out more than once across financial services, in brokerage, banking, and wealth management. A competitor would stumble in public through a technology failure, a regulatory action, or a leadership crisis that made the news. The window would open. The opportunity was real. And the organization would often spend much of that window assembling the ability to respond.

The specifics varied, but in the cases I saw, the assembly pattern was strikingly consistent.

What follows is a composite drawn from several organizations, not one firm's record. Its days and outcomes illustrate the pattern rather than report a single event.

A competing brokerage announces a major technology failure on a Tuesday morning. Its trading platform is down, and retail clients cannot reach their accounts. The news moves fast, and phones at competing firms start ringing.

The window is open. Clients who trusted that firm with their financial futures are looking for alternatives. The question for every competitor is whether it can reach them before they decide on their own.

The first conversation that morning is not about clients. It is about who owns the response. Sales believes it does. Marketing believes the message must be approved before outreach begins. Legal wants to review what can be said about a competitor's trouble. The executive who can authorize the account acquisition campaign is not immediately reachable. Settling those questions takes three days.

Then comes the account list. Which of the competitor's clients fit the right profile? The data exists somewhere in the organization. Finding it, cleaning it, prioritizing it, and getting it to the people who can act on it takes another four days. Nobody built the list in advance, because nobody had prepared a response to this kind of situation.

Then the message. What can the firm say to a prospective client who is frustrated with a competitor? What language will be approved, and who signs off? The drafts go through revision and approval before anything goes out.

By Day 14 the campaign is ready. The list is built, the message approved, the authority settled, and the outreach coordinated.

But the competitor restored service on Day 4. By Day 7 it had issued a public statement, offered account credits, and

launched its own retention campaign. By Day 10 the most motivated clients had already decided. When the outreach finally arrives, some have moved to faster competitors and many have chosen to stay. The window was widest in the first three days, and the organization spent them assembling the ability to respond.

When the window closes, it does not reopen. The competitor steadies its story and its clients recommit. The organization finishes assembling its response and finds there is nothing left to respond to.

I watched versions of this across financial services, manufacturing, gaming and hospitality, technology, and defense. The situations differed, but the assembly often looked similar, and the response often arrived after the most valuable part of the window had narrowed.

I did not have language for this pattern then. I have spent twenty years building it.

Now it has names: the preparation gap and the Mobilization Tax. This book lays out the discipline built to close that gap.

That assembly costs more than senior leadership time. Governance overhead builds as approvals route through several functions at once, and stakeholders must be sequenced before coordinated action can begin. The communication is built under pressure, the account list is assembled from scratch, and legal review runs alongside everything else. Then there is the

opportunity cost of every account that decided before the response was ready.

McKinsey reported in 2025 that 59 percent of change-initiative value is lost between the initial idea and execution. That finding covers change initiatives broadly, not the Mobilization Tax, and it does not validate the estimates below. It does show that substantial value can disappear before execution delivers the intended result.

I watched this pattern repeat over twenty years. In those organizations, the full Mobilization Tax for a significant situation ran from \$500,000 to \$1.8 million before a single coordinated action began. The low end reflects leaner senior teams and faster existing governance. The high end reflects sustained C-suite involvement across a full two-week assembly. These are modeled estimates drawn from observed patterns, not audited figures. Chapter 9 shows you how to calculate the number for your own organization.

For an illustrative annual calculation, suppose an enterprise faces 15 to 20 more significant situations in a year, each carrying that \$500,000 to \$1.8 million Mobilization Tax. Multiplying the endpoints gives \$7.5 million to \$36 million for that subset. The 15-to-20 count is a modeling input, not an observed annual frequency or a benchmark, and it is far from every situation an enterprise faces. Routine, planned, and less visible situations sit outside this calculation.

McKinsey's September 2026 analysis of a disguised manufacturer workflow offers a useful comparison. It made the hidden work visible, including coordination labor, working capital held up by delays, underused capacity, and revenue missed while decisions waited to move between functions. Less than 7 percent of the cost showed up in the workflow's reported activity. The other 93 percent sat in latency and opportunity cost. The method resembles the Mobilization Tax, because both follow the cost of work across interfaces instead of counting only the work performed. McKinsey did not validate this book's model, and its figures are not a benchmark for the estimates above.

A Strategic Situation is a specific kind of organizational demand, and it is not managed like a project. A project organizes approved work with a defined scope, an assigned owner, and a set budget. A Strategic Situation organizes the coordinated cross-functional response needed to pursue the intended outcome of approved work, an emerging threat, or an unanticipated opportunity. Some situations are planned far in advance: an acquisition closes, a transformation launches, or a regulatory deadline arrives. Others are expected, though their timing is uncertain. Some are rare and high-consequence, and some are genuinely unprecedented. In the enterprises where I worked, I saw roughly one or two truly strategic situations in a month, sometimes more. Alongside them ran a much larger flow of routine and less visible ones. That observation is separate from the 15-to-20 input in the calculation above, which does not

estimate the full volume. Strategic Situations demand cross-functional responses, though the functions involved and the time available vary. Enterprise Readiness covers the full spectrum: not only crises and surprises, but the routine and expected situations of everyday organizational life.

In my experience, AI and faster information are increasing the number of changes that call for cross-functional judgment while shortening the time leaders have to respond. More signals do not automatically mean more Strategic Situations; leaders still decide what matters. But preparing only for the small subset in the cost estimate would leave much of the enterprise's work uncovered, including situations that call for adapting rather than following a prewritten protocol.

Strategic Situations span four useful preparation postures: Planned, Anticipated, Infrequent/high-consequence, and Unprecedented. Planned means the work and much of its timing are known. Anticipated means a class of situation is expected, but its timing or exact form is uncertain. Infrequent/high-consequence covers events that are uncommon but would seriously affect the enterprise. Unprecedented covers situations that no prepared pattern fully fits. These postures describe how an organization relates to a situation, not four mutually exclusive departments or a forecast of which event will occur. A single situation can move between them as signals develop. The taxonomy helps leaders prepare for what is known, watch what is changing, and keep room to adapt when reality does not match the preparation. The chapters that follow

examine what this architecture requires, and what it may cost when assembly begins only after the window opens.

What This Book Is Really About

The clearest example of preparation finished before pressure did not come from a management study. It came from a football field.

In major college football, most plays run inside a 40-second play clock, and some situations allow less. Teams make it work not because the players think faster than the situation demands, but because the team prepared all week for the situations the game was likely to bring. Authority was settled and the sequences were built before anyone took the field. The 40 seconds is not when preparation happens. It is when preparation becomes visible.

I coached at Stanford. A typical game runs sixty to eighty snaps across offense, defense, and special teams, and for each one the team relied on prepared positions and practiced assignments. Every response was activated, not assembled, while the clock ran. When I returned to enterprise leadership, the contrast gave me a question to test. What if organizations prepared their authority, communication, and response structures before their own windows opened?

We still had to read what was happening on the field. We still had to make good decisions under pressure. But we had prepared the ability to act together.

That distinction stayed with me. We did not simply perform well under pressure. The coordination, the authority, and the communication were in place before the pressure arrived. Game day tested that preparation. It did not create it.

Football is not proof that Enterprise Readiness transfers to the enterprise. It shows something narrower: with a defined clock and recurring situations, preparation lets a team act together before execution begins. Enterprise situations differ in their people, goals, authority, and time, so the transfer has to be tested, not assumed. The Preparation Layer is the space between recognizing a Strategic Situation and deploying a coordinated response.

The management tradition has explained execution, quality, strategy, and decision-making in depth. This book asks what must exist before execution begins: the Preparation Layer between strategic intent and coordinated action. The question is not whether capable people can execute. It is whether the organization has prepared the authority, shared understanding, communication, and response architecture that execution requires.

Enterprise Readiness is the discipline this book proposes. Organizations pursue strategy through many kinds of work, including coordinated responses to Strategic Situations. Between approved strategy and execution lies preparation, and leaders can shape it through their choices about governance, communication, and how responses are staged.

Delivery agility and organizational responsiveness are different capabilities. Enterprise Readiness addresses the second without diminishing the first. It complements iterative delivery by preparing the cross-functional authority, understanding, and response structures an organization needs when the work or its context changes.

The question this book asks you to carry forward is not whether you agree with the framework. It is whether your organization is prepared for the Strategic Situations that will define its future, before they arrive to test it. Answered honestly, that question will change how you lead.

The Mobilization Gap

Chapters 1 through 5. The problem, Strategic Situations, communication, trust, and why execution is not the complete answer.

Efficient at the Wrong Things

“Readiness is the only work that never feels due until the day it can't be done.”

Alison Geskin, PCC

The meeting had been running for forty minutes, and nothing about the organization's actual situation had come up.

The time went to status updates and milestone completions, with RAG ratings across eighteen active projects. Every report was accurate. Every project was being managed. And none of it touched what the leadership team actually needed to understand. A competitor had just announced a product move that changed three assumptions the current portfolio was built on. Nobody had named it yet, because it was not on the agenda.

Drucker identified this failure decades ago. Efficiency is doing things right. Effectiveness is doing the right things. One of the most dangerous failures I have seen in enterprise leadership is becoming highly efficient at the wrong things. The

efficiency hides the misalignment until the consequences are too large to ignore.

The Readiness Gap belongs to the whole enterprise, not to any single function. But a gap is easier to see in one place than everywhere at once. The Project Management Office makes a useful running example because it often sits where strategic commitments turn into delivery. So Part I uses the PMO as a case study in miniature. If you have never worked near one, read it as a question about any function built to coordinate work: what preparation should exist before a coordinated response is required?

Before I tell you what I think the PMO can become, I want you to reconsider something you probably already believe: that the PMO exists to deliver projects. The belief is understandable. The PMO was designed to improve delivery. Many maturity models emphasize delivery capability, and many certifications validate delivery skills.

Across more than two decades of enterprise leadership, I saw PMOs judged on one main question: did they help the organization deliver more reliably than before? Usually the answer was yes. PMOs deliver, and that matters. But a different question stayed with me, one that delivery performance could not answer: why do organizations with highly mature PMOs still struggle to execute strategy?

The Project Management Institute's ongoing Pulse of the Profession research has documented that delivery maturity alone

does not guarantee that initiatives produce their intended strategic outcomes. This book locates one relevant gap upstream of delivery. The argument is not that project management is insufficient or that projects are unimportant; projects are often how organizations respond to strategic demands. In the organizations I worked in, the PMO improved delivery while the preparation for a cross-functional response got less attention.

In those organizations, the PMO was measured mainly on doing things right: on-time delivery, budget variance, and methodology compliance. Those measures did not always ask whether the work still fit the strategy. A PMO could report on-time delivery above ninety percent, budget variance under three percent, and strong compliance. At the same time, the organization could still struggle to produce the outcomes its portfolio was meant to deliver. The dashboards were impressive. The outcomes were not.

When I traced the pattern back to the executive team, it matched what I had seen many times before. The PMO was good at answering, "Are we delivering what we planned?" It had no shared way to ask, "Is what we planned still what we should be doing, given what has changed?" That is not a failure of project management. It is a question about what the function is expected to produce.

Roger Martin and A.G. Lafley describe strategy as a set of integrated choices about "where to play" and "how to win." A

function built entirely for delivery answers neither question while believing it is doing its most important work.

The reactive PMO defines success by delivery metrics. Those numbers tell leadership what is happening with the work. They say almost nothing about whether the organization is becoming more capable of executing the strategy it has committed to.

The ready PMO defines success by organizational capability. Does the executive team share an understanding of the Strategic Situations it is managing? Are the decisions only executives can make being made at the right time? Can a response deploy in hours instead of being assembled over weeks? Is each situation teaching the organization something that permanently improves its readiness? Those are different questions, and they require a different function. You cannot build it by adding rigor or governance to a delivery-focused PMO. It takes a fundamental change in what the PMO believes it exists to do.

The counterargument I hear most often: if the PMO stops focusing on delivery, who manages delivery? Delivery stays important. Projects still need managing, portfolios still need prioritizing, and governance still has to work. The question is whether delivery is the main measure of the function's value, or one activity serving a larger purpose.

Consider finance. Finance processes transactions and produces financial statements, but the CFO is not measured on

whether the accounts were reconciled on time. The CFO is measured on whether the enterprise's financial health is being actively managed, protected, and developed. The PMO should work the same way.

Project management is necessary. It is not the purpose. The purpose is larger: making sure understanding, alignment, preparation, and learning are built into the organization before any project begins.

I spent years inside organizations that could not make this shift. Their PMOs had defined their value entirely around delivery metrics, which left them exposed to the next delivery failure and unable to build the capability that would have prevented it. The PMOs I built that made a lasting difference measured themselves by different questions. Each was a version of Drucker's point about effectiveness: an organization can be extraordinarily efficient at work that does not produce what it needs.

The PMO that asks delivery questions will matter less as artificial intelligence takes over the administrative work project management has always required. The PMO that asks capability questions will matter more as the cost of poor preparation compounds. One is building toward a future that needs it. The other is defending a past that is being automated.

Alignment Is the Purpose

There is a question I began asking in every organization I was brought in to lead, usually in the first week. I asked PMO

leaders, executives who owned major initiatives, and the people doing the coordination work: why does this function exist?

The answers were almost always correct and almost always incomplete. They described what the function did, not what it was designed to produce. That gap is where most of the dysfunction I diagnosed over two decades lived.

It is the gap Drucker warned about. The first question to ask about any function is not what it does but what it is supposed to accomplish. What contribution does it make that no other function makes? Not which tasks would disappear if it vanished, but which organizational capability would.

When I asked that about PMOs, the answer kept coming back the same. Delivery capability lived in the project teams, the technical functions, and the business units. The PMO's distinctive contribution was something they could not produce for themselves: the integrated view across all of the organization's commitments. From there the PMO could see where those commitments conflicted or reinforced each other, and it could drive the leadership conversations those conflicts required. The PMO's purpose was alignment. Not agreement.

Confusing the two has caused more organizational dysfunction than almost any management concept I know. Agreement is people sharing the same opinion before a decision is made. When a leadership team faces a hard strategic choice, unanimous agreement beforehand often means someone is not being honest, or the decision is not actually hard. Healthy

decision-making surfaces competing views and examines them before committing.

Alignment is what should exist after the decision. People who argued different positions commit to a shared direction and coordinate their actions toward it. You can have alignment without agreement, and the situations that need alignment most are the ones where genuine agreement is least likely: decisions that trade off legitimate competing interests.

I watched this failure get expensive in a transformation I led inside one large organization. The executive team made a controversial decision about a major technology implementation and left what looked like a productive meeting. Three months later the implementation had fragmented, because each function had mapped the same decision onto its own mental model. Chapter 2 looks at the communication failure behind this pattern through other organizations: a decision can be communicated without being interpreted together.

In one organization I led, the PMO was the only function working regularly with all five executive teams. It saw these conflicts before they reached executive governance; project managers were flagging issues weeks ahead. The function had real pattern recognition but no authority to act on what it saw. That experience points to one valuable PMO contribution: closing the distance between decision and execution. The PMO does that by helping leaders interpret the decision together, surfacing conflicts between functions, and building the shared

understanding execution requires. Its cross-functional view made it useful there, though another structure could provide the same view elsewhere.

I have also watched the success mode, and it looks nothing like better people. I have seen it hold in several organizations across different industries, and what made it work was never the specific decision. It was the architecture the organization had built before the decision was needed. These were leadership teams in real disagreement, with senior leaders holding positions on strategy, resources, or direction that no single decision could satisfy. Where those disagreements still produced coherent execution, the leaders were not better at compromise or more mature. The organization had designed for this.

Decision rights were explicit before the disagreement arrived. Everyone in the room knew who would make the call when consensus was not possible. Accountability was public: outcomes were tracked against the decision, and the decision was tracked against who made it. And information flowed honestly enough that the person making the call worked from an accurate picture, not a curated one.

When those conditions exist, disagreement changes. People argue more candidly because they know the argument has a defined endpoint. Commitment after the decision is real, not diplomatic, because quiet non-compliance becomes visible. The leader who made the call knows the outcome will be measured against it, which sharpens the decision. The leaders who

disagreed know they are accountable to the outcome, not to the agreement, which makes their commitment professional rather than personal.

Patrick Lencioni argues that organizational health, not raw intelligence, is the greatest untapped advantage. That is this chapter's point in other words: alignment is built into how a leadership team decides and commits, not into how clever its members are. What I saw in these organizations was not better people or a stronger culture, though both were present. It was better architecture. Disagreement, decision, and commitment each had a defined structure, and the people worked inside a system that made coherent execution more natural than fragmented execution.

Where I saw it fail, it almost always failed the same way. Decision rights were ambiguous, so the person who believed they had authority and the person who actually had it both moved after the meeting. Accountability was opaque, so non-compliance stayed invisible until it was expensive. Information was curated, so the decision was made against an incomplete picture.

Notice what this means for you as a leader. The split decision that held was not held together by the quality of the leaders. It was held together by the quality of the system they worked inside. Good systems make good leadership more consistent. Weak systems make good leadership more heroic, and more fragile. The decision held not because the leaders

agreed, but because the architecture was built before the disagreement arrived.

This changes what the PMO does in every meeting it runs. A steering committee designed to inform runs through status and adjourns with leaders informed and alignment no closer. A steering committee designed to align opens with a different question. "Since our last meeting, has the Strategic Situation we are responding to changed in any way that requires us to reconsider our approach?" Then it organizes around what the organization is learning. Its job is not to report. It is to make misalignment visible before execution reveals it.

Drucker also argued that a purpose must be simple enough to state in a sentence and specific enough to act on; otherwise it is only an aspiration. Stated that way, the PMO's purpose is to create the conditions under which the organization can turn strategic decisions into coordinated action.

Governance that builds shared understanding before important decisions serves that purpose. Governance that enforces methodology compliance serves another. A PMO can carry both, but its capacity is finite, so its priorities matter. In PMOs I led, people sometimes described the purpose as "deliver projects more reliably." I wanted more than that: an organization that could think together, decide together, and move as one. The gap between those two answers is what made the larger preparation question visible. A PMO's cross-functional view makes it a useful lens for that work, though not the only place it can live.

Communication Creates Alignment

A 30-minute check for shared meaning can surface different interpretations before they turn into weeks of corrective execution.

Communication creates alignment when the people who must act test what they heard against what was meant. Information alone does not become coordinated action. The progression runs from Information to Shared Meaning to Alignment to Coordinated Action.

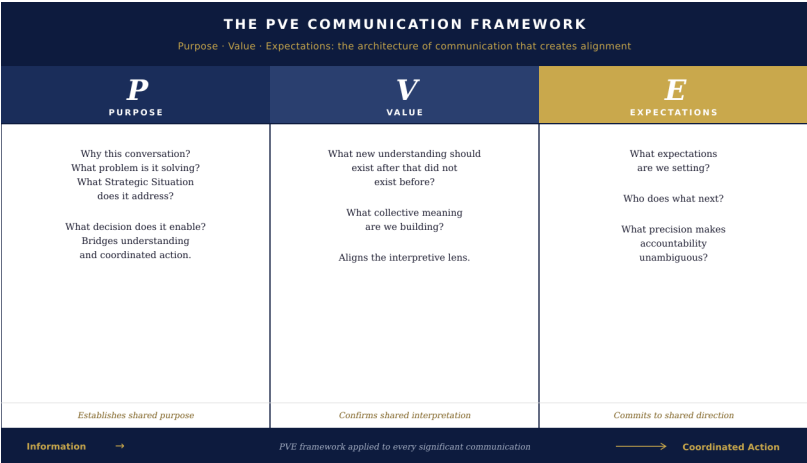


Figure 2.1: *The PVE Framework: Purpose, Value, and Expectations as the architecture of communication that creates alignment.*

Two people can sit in the same meeting, hear the same words, and leave with different understandings of what was decided, without either being careless. Each processes the discussion through a different framework and a different sense of what matters.

Herbert Simon's work on bounded rationality helps explain why people often decide without weighing all the information available. They settle on what seems sufficient from where they stand and within what they can process. People receiving the same information can build different meanings from their experience and responsibilities. In the organizations I worked in, dashboards, reporting, and town halls sometimes added information without testing interpretation.

A transformation failure I diagnosed inside one large organization shows the difference. The executive team clearly presented a decision to restructure its program management function. Ninety days later, implementation had drifted far from what leaders intended. Four divisions had interpreted the decision as methodology standardization, governance consolidation, talent development, or cost reduction. Each reading had a basis in the original communication. Together they produced four initiatives where leaders expected one. The decision had been communicated; its meaning had never been tested with the people who had to act on it.

Chip and Dan Heath documented why the same message can land differently in different minds. I developed PVE (Purpose, Value, Expectations) so leaders could test shared meaning in a significant conversation, not just transmit more information.

Purpose: Why are we having this conversation? What problem or Strategic Situation does it address, and what decision does it enable? Without a shared purpose, one person can hear cost reduction while another hears capability development.

Value: What new understanding should exist when the conversation ends? If everyone leaves with the same information but different meanings, there is no alignment yet.

Expectations: Who will do what next, and whose interpretation of the decision governs the work? I have watched leadership teams reach shared understanding in a meeting and

still take different actions because no one settled that last question.

Before that restructuring meeting adjourned, someone could have asked: "Tell me what you heard, rather than what was presented. What do you understand we decided, and what will you do because of it?" That is the meaning check, one of the most useful habits I developed in more than two decades. "Are there any questions?" tests whether people need more information. Asking what they heard tests whether they are working from the same meaning.

In that case, a 30-minute meaning check might have exposed the four interpretations while everyone was still in the room. The possible eight-week saving in corrective execution is an illustrative estimate, not a measured result. This case cannot show that a check would have prevented the divergence or shortened the rework. It does show one communicated decision becoming four courses of action. Finding that earlier would have given leaders a chance to address it.

The cost of untested meaning was even clearer when one group sat outside the organization. A financial services organization I worked with began a complex, 18-month technology transformation with an external development partner, backed by a substantial business case. After a strong two-day alignment session, both teams left confident they understood what was being built and why.

Fourteen months later the partner delivered a technically strong product that worked as specified, but it was not what the organization needed. The internal team had understood it as a customer relationship tool, designed to recognize and respond to individual needs across a complex portfolio. To the partner, it was a transaction-processing tool designed to reduce friction. Both readings fit the same features, and nobody had lied or ignored the specifications. Two capable teams had agreed on every word and built different meanings from it.

The delivered product created measurable value and was counted as a partial success. But another team and partner rebuilt the intended capability over the following two years at significant additional cost. The original sponsor had left the role by the time the second effort finished. A longer specification would have described the features more precisely without settling what the product was for.

A meaning check at the partner kickoff could have asked each team the same thing. "Tell me what you heard, what you understand we agreed to build, and what problem you believe it is designed to solve." It might have exposed the different interpretations before work began. There is no basis to claim it would have prevented the mismatch. The observed cost of the unresolved ambiguity was a second project and two years of work. That is not a measured saving attributable to PVE, but it is a reason to test what an important decision means while people can still act on what they learn.

Bounded rationality is a feature of human cognition, not a defect to be eliminated. Organizations can work with it by checking interpretations at kickoff, across functions during delivery, and after consequential decisions. The Mobilization Tax is the cost of assembling a response after the window opens. Meaning drift can add a different cost as execution continues. A meeting is finished not when its message is sent but when the people responsible can explain the purpose, the decision, and what they will do next.

Trust Is the Ultimate Deliverable

Quality cannot be inspected into a product after it is made. Inspection can find defects without changing the process that created them. Deming argued for redesigning the system instead, so that quality became a structural concern rather than something checked at the end.

Trust is not product quality, but the analogy raises a useful question: what systems and behaviors support trust inside an organization? Individual leadership behavior matters. Communication architecture, governance processes, and decision patterns may also shape whether trust outlasts particular leaders.

At a financial services organization I led through a significant transformation, I inherited a PMO built around one leader's exceptional capability. Her judgment, relationships, and communication were strong, and the organization moved when she was present. When she left for another division, the PMO's performance declined within six months. Her replacement was not incapable. The trust and context had never been transferred into the system. One case does not prove that trust is entirely

structural, but it shows how a capability can stay tied to one person when practices are never made explicit.

The three conditions below are dimensions of trust that can support specific organizational capabilities.

Stephen M.R. Covey framed trust as an economic force rather than a soft virtue. High trust can make coordination faster and cheaper, while low trust adds verification time to transactions and initiatives.

Trust in Communication helps information move fast enough to support coordinated action. When people doubt that information is accurate, complete, or timely, they verify it before acting, and in a fast-moving Strategic Situation that delay can matter. Consider a hypothetical supply-chain disruption. The COO receives an accurate but incomplete report because the operations team is reluctant to surface negative context before it has a solution. Decisions made on that partial picture create commitments that constrain later options. That would point to a Trust in Communication problem: the system does not make it safe to raise difficult information before solutions are ready. A stronger communication architecture can make it easier to share uncertainty and possible severity early. It cannot guarantee that a response window stays open.

Trust in the System shapes whether people follow established processes or work around them. When governance reverses decisions without explanation, escalation paths produce inconsistent outcomes, or informal prioritization undercuts

resource commitments, people lose confidence and look for informal routes. Workarounds create local optimization and divergence across the enterprise. An organization that leans heavily on informal relationships can stall when those relationships are unavailable.

Trust in Leadership supports commitment before all the answers are clear, and Strategic Situations often require some action before information is complete. In my experience, organizations mobilize better under incomplete information when people trust the direction they are given. They need to believe it reflects an honest reading of the situation, commitment to the organization's interests, and accountability for outcomes. That is less about confidence in a leader's intelligence than confidence that the leader will be candid when the news is uncomfortable.

I have spent long stretches rebuilding Trust in Leadership in organizations where leaders had presented reactive decisions as strategic. They had also projected confidence when the leadership team was uncertain. The damage went beyond individual reputations to the organizational architecture that needed Trust in Leadership to function. Teams that should have been moving waited to see how things developed. Resources that should have been committed were held back in case of another reversal.

In the case I observed, the Mobilization Tax on later initiatives was estimated to have doubled. People added

verification time that stronger trust might have made unnecessary. Rebuilding trust took eighteen months of consistent behavior: transparent decisions, commitments honored or explicitly renegotiated, and honest acknowledgment of uncertainty. The path will vary, but rebuilding trust often takes repeated experience.

Leaders can do more than encourage individual transparency. They can build communication architecture that supports accurate information, governance processes people can rely on, and accountability structures that make outcomes visible. Daniel Coyle's study of high-performing groups describes practices designed into how groups operate. Such practices can help a capability outlast any one person. In the organizations I led where trust was strong, consistent systems and leader behavior both mattered. A trustworthy leader is important, but systems that support trust can help it survive leadership transitions.

From Managing Projects to Leading Organizations

In 1938, Chester Barnard, then president of New Jersey Bell Telephone, examined organizations as cooperative systems. He asked what enables people to accomplish together what they cannot accomplish alone. Project management answers part of that question by organizing approved work: deliverables, owners, dates, and dependencies. Enterprise Readiness asks an earlier question. When a Strategic Situation demands coordinated action, have the people, authority, communication, and response sequence been prepared?

That question belongs to the enterprise, not only to its PMO. A PMO can see across investments and host the conversation. But it cannot stand in for a chief executive's judgment, a financial authorization, legal clearance, or the operating leader who must carry the response. A leadership team can run a well-governed project portfolio and still spend the first days of a new situation deciding who can act. And preparing for a situation does not remove the need to manage the projects that follow.

I saw the difference when two adjacent divisions of one organization faced the same regulatory change. One spent weeks establishing ownership and authority. The other had prepared a response for that class of situation and acted within days. This practitioner observation, explored in Chapter 12, does not show that the same preparation will work everywhere. It shows what to examine: when each division identified the situation, who could authorize the response, and what had been agreed before work began.

Stanley McChrystal's account of changing an organization for speed offers a related example of shared understanding and distributed authority set in advance. It does not validate this book's model, but it clarifies the management question. Leadership can build the conditions for cooperation before a particular demand arrives. The PMO can contribute its cross-functional view where it has one. Another organization may place that stewardship elsewhere. The aim is to make preparation an enterprise capability, not one more task for a delivery function to absorb.

A project creates value through the work it delivers. Preparation can also leave something behind: clearer decision rights, a tested communication sequence, and learning the next response can use. Chapter 5 follows one Strategic Situation through the points where that preparation could make a difference.

The Lifecycle of a Strategic Situation

The window for recognizing an emerging situation is often widest before its consequences are certain. As evidence accumulates, the organization gains confidence while some of its options narrow. Early signals can preserve options; late certainty can remove them.

One useful way to examine a Strategic Situation is to trace its lifecycle. Signals become patterns, and patterns shape recognition. Recognition informs executive judgment, judgment authorizes a response, and outcomes generate learning that can be encoded for next time. Real sequences may overlap or diverge.

Two points in this lifecycle are worth examining. At the signal stage, there may still be time to act. By the judgment stage, once a situation is undeniable, the response may have to be assembled under pressure. The gap between them can decide whether an organization captures a window or watches it close. In the cases described here, the obstacle was not an absence of all relevant capability but entering the response process after options had narrowed.

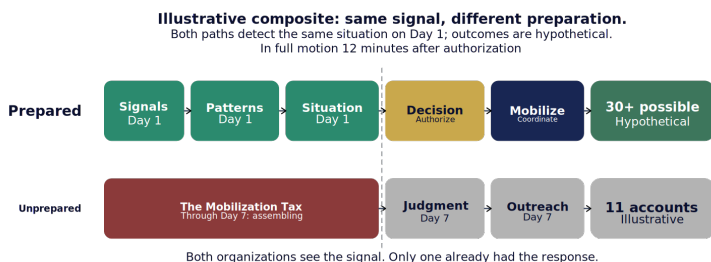


Figure 5.1: *The Strategic Situation Lifecycle. Illustrative reconstruction informed by practitioner observations across organizations, not one documented event. The prepared path shows a controlled-condition target: mobilization and coordination in full motion 12 minutes after authorization. The Day 1 and Day 7 paths and 11 versus 30-plus accounts are hypothetical comparisons, not measured outcomes or a forecast.*

The Introduction's competitive opening took two weeks in its illustrative reconstruction. To examine the lifecycle, use a shorter, hypothetical variant of that cross-organization pattern, not a second account of the same firm or an observed client event. Suppose roughly forty accounts are potential prospects when a competitor's technology failure opens a window. Sales capability exists, but the authority and outreach sequence have not been staged. Watch what happens between the first signal and the first coordinated move.

In the reconstructed sequence, the first forty-eight hours go to settling ownership, budget, and the legal implications of targeting a competitor's accounts. The same hours go to deciding who has authority to redirect sales resources and what governance a reallocation of this size requires. Two days go to assembly instead of outreach.

Account prioritization and approvals run past those first two days, and the first coordinated outreach reaches the market on Day 7. By then the competitor has restored service and steadied its narrative, and the window has contracted. The organization captures eleven of roughly forty potential accounts; outcomes for the others fall outside this illustration. Capturing thirty or more on an earlier-response path is a hypothetical comparison, not an observed counterfactual, benchmark, or forecast. The illustration isolates one possible effect of unprepared mobilization and does not establish that preparation alone would have changed the account outcome.

The illustrative direct cost is roughly \$800,000 in assembly and related costs before the sales team was activated. It covers senior leadership time, governance overhead, the account list built under pressure, and legal review. No component breakdown is available for that figure. The organization had the capacity to compete, but its late response illustrates how time spent assembling a response can narrow the options available.

Opportunity loss is modeled separately and is not included in the \$800,000. How much of it comes from mobilization delay depends on account accessibility, competition, timing, and the preparation state of a comparable timely response. This reconstruction does not establish a defensible monetary amount.

Enterprise Readiness cannot guarantee that a better-prepared organization will win an account, avoid a loss, or choose the right response. Readiness does not decide which

option to take. It aims to keep more viable options open long enough for leadership to decide. The test is not simply whether the organization succeeded or failed. A sharper question is whether it lost options while assembling capabilities that could have existed beforehand: authority, stakeholder sequence, communication, resources, and legal clearance.

I saw versions of this pattern in financial services, gaming and hospitality, manufacturing, and technology. The situation types differed, but the assembly sequence often looked similar, and the response sometimes arrived after the most valuable part of the window had narrowed.

This situation arrived from outside the organization with no clear charter, sponsor, pre-approved budget, or defined scope. Other Strategic Situations may be planned and have owners, budgets, and defined work. Project management remains essential for organizing approved delivery. A Strategic Situation is a demand, planned or emerging, that may require cross-functional coordination to support its intended outcome. This book proposes it as an organizing object that can connect the work of projects and other management disciplines.

Michael Porter's work offers an influential framework for choosing where to compete. That choice still leaves an operating question: how will the organization recognize and respond to the situations that test it?

Across more than two decades of enterprise leadership, I watched portfolio-review agendas give way to situations: a

major customer lost, a competitor changing the market, a regulation shifting overnight. The environment changes between strategy cycles, and leadership lives in that space. Strategy tells you where you intend to win. Situations test whether the organization is ready to act on that choice.

A Strategic Situation is worth recognizing because it can have a distinctive pattern, and it can matter at the level of strategy as well as operations. The competitor's crisis put market position in play, not only a quarterly number. Some situations arrive on an uncertain schedule and require coordination across functions. The competitive displacement situation described here involved sales, legal, finance, and governance.

Some Strategic Situations also have a time-bounded lifecycle. In the competitive displacement example, the opportunity opened before it was widely recognized and narrowed as the competitor stabilized. Planned or ongoing situations may follow different timing. Where a response window exists, the organization can lose options before it fully recognizes what is happening.

In this case, the lack of an agreed charter and owner made it hard to route the response through existing processes. Treating the response only as a new project set off a plan, a budget request, and a staffing exercise. That happened during the forty-eight hours when the window was narrowing. Crisis-management procedures may be right for an acute emergency, but they are not the only way to prepare for

cross-functional demands. A Strategic Situation may be planned, anticipated, infrequent/high-consequence, or unprecedented, and it can draw on project, risk, continuity, or crisis-management processes as appropriate.

Project management organizes approved work. Portfolio management helps govern investments, and risk management addresses uncertainty and threats. Enterprise Readiness proposes the Strategic Situation as an object around which the relevant parts of those disciplines can coordinate. When management systems focus mainly on projects, an organization can still meet emerging situations with plans that have not kept pace with changing conditions.

Now compare a prepared path within the same hypothetical variant. The situation type, a major competitor facing a public crisis, was in the Strategic Situation Portfolio: anticipated but not scheduled.

When the announcement breaks on this prepared path, outreach authority has been staged for executive authorization and the customer communication sequence is ready to adapt. Legal review was completed for the category ahead of time rather than under pressure, and account prioritization was built from CRM data the previous quarter. The first calls go out on Day 1, with the same situation and the same sales team as the unprepared path. Only the preparation differs.

The gap between eleven accounts and thirty or more, both hypothetical, illustrates how an earlier response might preserve an opportunity window.

Readiness is not built in the window; it is spent in the window.

Donald Sull and Kathleen Eisenhardt's work on simple rules in fast-moving environments offers a useful comparison: some decisions can be clarified in advance without scripting every action. A Prepared Response applies that principle to a class of Strategic Situations. Their work does not establish that this particular model produces a given outcome.

Take your three most significant anticipated situations and ask whether each could be met on Day 1 or would cost you a Day 7. Where the honest answer is Day 7, you have found where your next investment should go.

Some parts of a response can be prepared before a situation arrives; other choices have to be made or revised as leaders learn more.

Seeing Before Acting

Across more than two decades of postmortems, I learned that organizations do not simply observe the world and decide how to respond. They build an interpretation together, often after separate functions have already given the same signals different meanings. Karl Weick gave this process its clearest name: sensemaking. His work shows that organizational understanding is social, retrospective, and ongoing.

Organizations do not experience reality directly. They experience the meaning their members collectively make of what they encounter.

That has a costly implication for Strategic Situations. If the collective interpretation is incomplete, distorted, or fragmented across functions, the response deploys against the wrong situation. That happens not because people are incompetent but because the sensemaking process failed.

There is a phrase I heard in almost every postmortem, regardless of industry, size, or whether the situation was a crisis or a missed opportunity.

"We saw the warning signs." Not "we had no information," and not "nobody knew this was coming." The customer complaints were trending up for six months. The turnover data was telling us something.

Competitor moves pointed in a direction we recognized only in retrospect. Some signals were present, but no one connected what they might mean together. That suggests a sensemaking problem as well as an information problem. Weick and Sutcliffe's study of high-reliability organizations describes practices such as attending to small anomalies and integrating what specialists observe. One risk is sensemaking fragmentation: functions interpret signals in their own domains without examining what the interpretations mean together. Technology may assess a system vulnerability while Finance models

exposure, Legal identifies regulatory implications, and Operations maps service impact.

When those assessments are not integrated, an organization can miss that several functional issues form one Strategic Situation. I saw a version of this at a financial services organization, where symptoms accumulated across functions while teams addressed them separately. When an earlier strategic bet failed, leaders had to unwind several improvement initiatives, with an estimated \$10 million to \$15 million in misallocated effort and delayed response. That is a practitioner estimate, not an audited measure. The example shows how information can exist without a process for interpreting it jointly. It does not establish that every organization will face the same pattern.

Gary Klein's field research on how experts recognize familiar situations offers one possible mechanism for faster response. It does not prove that an organizational taxonomy will produce the same effect.

The distinction I eventually drew is between signals and situations. A signal is a piece of information. A Strategic Situation is the pattern that emerges when multiple signals are interpreted together.

In the organizations I observed, earlier recognition was associated with collective interpretation, not only with data. One PMO where I worked had broad visibility across several functions and set up weekly signal reviews instead of relying

solely on status updates. Within three months, the team surfaced two developing situations earlier than the existing governance process had. In one case, early recognition gave the organization time to prepare, and the estimated mobilization effort was measured in hours rather than weeks. That was a practitioner observation, not an audited result.

The PMO is not the only suitable steward. Another function may have the access and relationships to connect the relevant observations. Organizations may also enter the lifecycle at different points, anywhere from signals and patterns to recognition, executive judgment, response, and learning. The question that matters is who integrates observations across functions into shared understanding. The answer will depend on the organization's design.

The Preparation Architecture

Chapters 6 through 12. The Preparation Layer, operating model, seven laws, measurement, stewardship, and AI as the accelerant.

The Preparation Layer

Between strategy and execution lies preparation that several management disciplines address in different ways. This book proposes the Preparation Layer as a way to make that work visible. It is organized around three dimensions: Capability, Alignment, and Decision Quality.



Figure 6.1: *The Preparation Layer connects approved strategy to coordinated execution before pressure arrives.*

Some of the most consequential failures I saw were slow deteriorations an organization adapted to without ever naming. In several cases, projects needed more executive intervention than anyone expected. Peter Senge's work in *The Fifth Discipline* offers one explanation for why such patterns persist. Systems encourage the behavior their structures make natural. Leaders can respond to poor outcomes by adding effort inside a structure instead of examining it.

Departments may drift out of alignment, decisions take longer than expected, and the organization feels busier without proportionate results. These can be early signs of a widening Readiness Gap: the distance between what the organization faces and what it is prepared to handle. The gap may not show up on standard measurements until the consequences reach revenue, margin, delivery, or engagement.

Organizations invest in execution through project management, portfolio governance, resource management, and delivery metrics. These matter, but they do not always make preparation across the enterprise visible. Where leaders have not prepared authority, shared understanding, or response architecture, a significant situation can demand more assembly than they expect.

Nassim Taleb distinguishes between systems that merely survive shocks and those strengthened by them. That distinction helped me ask whether organizations learn from disruption or simply absorb its cost. I saw the Readiness Gap develop in global

operations. A large initiative could open with a strong kickoff while cross-functional risks piled up beneath the reported status.

I worked with a global organization that had invested heavily in a well-designed, unified project management method, with clear governance and consistent reporting. Yet a regional office reported green on a workstream the central team was starting to worry about.

The regional lead was not misrepresenting anything. In her cultural and professional frame, green meant the work was on track as her team understood the plan. Signals from adjacent workstreams and vendors had not reached her, because surfacing incomplete concerns did not fit local professional norms. By the time the dependency risk became visible, it had delayed the program by months and required significant rework and additional resources.

Every report showed green. The organization had the information but no way to read what green meant in each local context. One governance structure can produce different behavior in different cultural frames. So instead of imposing one cultural model more rigorously, leaders can open several paths for signals to surface. They can also watch for cross-cultural misalignment.

Capability is the first preparation dimension: whether the organization has the knowledge, skills, systems, and processes to respond to the situations it faces. Alignment, the second, does not come from org charts or job descriptions alone. Deliberate

communication architecture and governance design help build it.

Decision Quality is the third. An organization with strong capability and alignment can still move in the wrong direction when decision-making is poor. Decision Quality is more than individual intelligence. It is whether the organization surfaces relevant information, brings in the right perspectives, and supports collective judgment.

In the competitive-displacement situation described earlier, the organization had the capability to compete and an open window. What it had not settled was who owned the response. Two days passed before coordinated action began. The case illustrates how a gap in one dimension can constrain the others, though how the three interact will vary by context.

Building PMOs and transformation functions, I found that looking at Capability, Alignment, and Decision Quality together helped explain a recurring problem. Some organizations struggled to turn strong individual capabilities into coordinated work. Resource allocation models that treat preparation as optional overhead can widen the Readiness Gap and raise the Mobilization Tax.

These symptoms can have other causes, and the Readiness Gap is not simply a talent, commitment, or execution problem. Sometimes missing preparation forces the enterprise to assemble parts of a response from scratch. Where it does, building a

Preparation Layer is one way to address it. Its effect should be judged in practice.

The Architecture and Operating Model of Enterprise Readiness

I watched a familiar pattern repeat across the organizations I led. A problem surfaced, the organization worked harder on it, and sooner or later the same problem came back. The instinct was to fix what everyone could see. The lasting answer was to redesign the system that kept producing it.

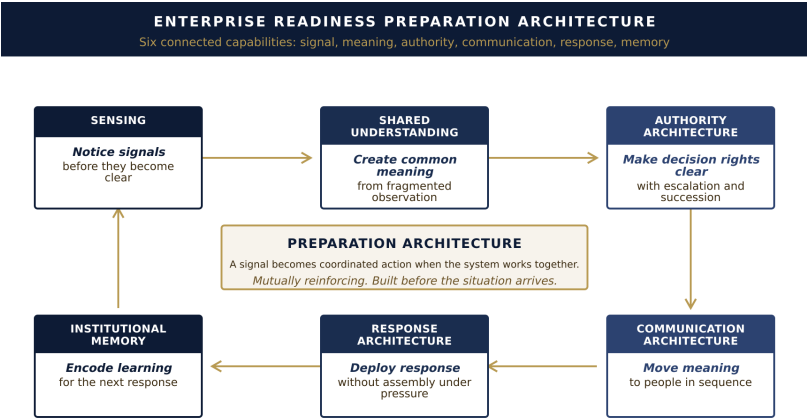


Figure 7.1: *The Enterprise Readiness preparation architecture: six connected capabilities that turn signals into coordinated response and institutional learning.*

That distinction separates preparation architecture from preparation effort. More effort inside a poorly functioning system can improve the immediate response without touching the conditions behind the problem. A change in architecture can change the patterns themselves. Russell Ackoff's systems thinking makes a related point: persistent organizational problems may not yield to treating each visible symptom as an isolated event.

The six capabilities in this preparation architecture grew out of more than two decades of enterprise leadership. They did not arrive as six separate ideas. I saw that strength in one capability did not always make up for a break in how the system worked together. The value may come from the relationships among them, not from any one capability on its own.

Sensing is the capability to notice meaningful signals before they accumulate into undeniable situations. It is easy to confuse with monitoring, which asks whether predefined metrics remain within acceptable ranges. Sensing asks whether something important is emerging that those metrics were not designed to detect.

A manufacturing organization where I led transformation work had extensive monitoring: real-time dashboards, exception reporting, and operational metrics tracked to the hour. When a supply-chain vulnerability developed, the metrics stayed within tolerance, because the vulnerability was building outside the ranges they tracked. The organization found out when a key supplier announced bankruptcy with thirty days of notice, not thirty days of preparation.

Monitoring did its job: the dashboard answered the questions it was designed to answer. But no one read the signals relevant to the vulnerability together. A sensing review could also ask whether vendor, operational, financial, and external information changes the reading of the supplier's condition. Those are possible review inputs. They are not claims about which signals were present in this case, or proof that an earlier warning would have been reliable.

Shared Understanding is the capability to turn fragmented observation into a common interpretation of what a situation means and what it requires. Different functions can each understand part of a situation while no one brings the pieces

together. Shared Understanding can be built through deliberate sensemaking; it cannot be assumed just because everyone received the same information. Without it, the response can be miscalibrated to the situation.

Authority Architecture is the capability to make decision rights, accountability, escalation, and succession explicit before pressure arrives. A succession and delegation map shows who steps in, what responsibility transfers, and how work continues if a decision-maker becomes unavailable. An Authority Map names a primary decision-maker and a delegate. It sets which decisions each level can make and which thresholds trigger escalation. The map also spells out how temporary authority works if a leader cannot be reached. Those arrangements need review against the organization's actual governance and legal requirements. The Authority Map makes these relationships visible before a situation consumes the response window.

Communication Architecture is the capability to move the right meaning to the right people in the sequence a response requires. This is more than distribution. It sets purpose, value, expectations, audience, channel, and timing, so communication creates coordinated action instead of parallel interpretations. The PVE discipline belongs here.

Response Architecture is the capability to turn preparation into a deployable, authorized response. A Prepared Response stages the relevant participants, resources, governance, decisions, and first actions, ready to activate when a situation is

recognized. Even so, the organization still has to adapt to what is new. The aim is to shrink the basic coordination that has to be assembled while a window is closing. That may reduce the Mobilization Tax.

Institutional Memory is the capability to encode learning in the system so a future response can begin from an improved baseline. A retrospective alone may not be enough. Learning lasts longer when it reaches Prepared Responses, Authority Maps, communication sequences, sensing systems, or governance.

A useful feedback cycle compares what was expected with what occurred. It identifies decisions or handoffs that did not work as intended and assigns review of proposed changes. Approved changes then carry into the relevant protocol or practice. A later exercise or comparable activation can test whether those changes helped. The aim is to lower the Mobilization Tax on a comparable later situation by improving organizational capability, not only individual memory. Records and reviews do not ensure that result by themselves.

In the cases described, once a response was assembled, teams generally knew how to deliver the work. Many organizations also have established practices for execution. Enterprise Readiness does not improve execution directly. It is meant to improve the conditions execution starts from, so work begins with the relevant authority and shared understanding in place.

The final break appeared when the same organization paid to learn a similar lesson twice. Eric Ries popularized the idea that under uncertainty, validated learning can be more useful than completed plans. Institutional Memory is meant to carry learning into the system rather than leave it only with the people involved. Ackoff warned that data collection can be mistaken for learning. Post-project reviews can record what happened without changing the architecture, Prepared Responses, or governance a later response depends on.

After-action review practice in emergency management and military planning offers a useful comparison. Participants examine what was expected, what happened, and what should change before a later response. That does not establish that every organization improves simply by holding a review. For an enterprise, the test is whether an activation review changes a Prepared Response, an Authority Map, or a communication sequence in a way that improves a comparable later response. A review that records events but leaves the system unchanged risks becoming a completion ritual.

These capabilities form an interacting preparation architecture, not a scorecard or a sequence of departments. A signal without shared interpretation may not become useful knowledge, and authority without communication can fail to become coordinated action. A response without institutional memory risks repeating its assembly cost. The system reinforces itself when it works and erodes when it is neglected, so practices need review as conditions change.

The Readiness Gap may come less from one weak capability than from limited integration among all six. So the real question is whether they connect and reinforce each other, or remain isolated initiatives producing local value.

The Agile Practice Guide, Second Edition offers a related enterprise-level frame, though it does not supply this book's model. It defines enterprise agility as "the strategic capability to dynamically prioritize, reprioritize, or stop initiatives based on changing business conditions" (Project Management Institute and Agile Alliance, 2026, p. 95). The guide also describes enterprise agility as resting on structural enablers that make rapid, effective adaptation possible across many teams (pp. 103-104).

Those observations sharpen the design question. The six capabilities are the preparation architecture that lets an enterprise sense change, interpret it together, authorize a response, and learn from it. Enterprise Readiness is not an agile extension but this book's proposed management discipline for preparing a coordinated enterprise response.

The same guide describes an executive-level enablement function, an xMO, as a source of continuous sensing and feedback. It also describes portfolio conditions that can prompt leaders to pause or pivot (Project Management Institute and Agile Alliance, 2026, pp. 100-104). That function is adjacent to the steward described here; I am not claiming the roles are interchangeable. The shared principle is structural: signals must

reach the people able to change direction before the cost of waiting compounds.

The Durability Test

A process can be useful without yet being an institutional capability. Good consulting and advisory work can clarify a situation, establish decision rights, align stakeholders, design a response, and help an organization practice it. That work creates value. The durability question is whether the capability stays current and executable after the conditions and builders that supported it change.

The distinction shows up at three levels. A documented process means the organization knows what should happen. An engagement-supported process means it can perform with the people and routines currently assembled. An institutional capability means it can detect, authorize, execute, and improve the response after those people and routines change.

The first level creates a reference and the second a working arrangement; only the third creates enterprise readiness. Movement between them is not automatic. A document does not create shared understanding, and a successful engagement does not by itself create durable authority, communication, or response architecture. The organization has to keep the six capabilities connected, review them as conditions change, and encode what it learns in Institutional Memory.

The decisive test is simple. If the builders left, could the organization still detect the signal, interpret it together,

authorize the response, communicate action, deploy what was prepared, and improve afterward? If the answer depends on particular people or expired routines, the preparation is valuable but not durable. Durability is a design requirement, not an automatic outcome of rigor.

The Seven Laws of Enterprise Readiness

Inside a fixed play clock, the huddle is one way a team sets shared context and assignments before the next snap. That bounded example makes preparation visible, but it is not a model for the full range of enterprise uncertainty. The laws in this chapter describe principles an organization can prepare before pressure arrives.

These laws did not come from theory. I watched the same patterns hold across very different operating environments, and I saw what happened when leaders assumed those patterns did not apply to them. Over time the evidence became too consistent to treat as isolated observations. Call them principles if you prefer; the label matters less than what happens when an organization ignores them.

Deming had his fourteen points, Drucker his principles of management, and the Agile Manifesto its four values and twelve principles. The seven laws serve a similar organizing purpose. They are practitioner-derived propositions about patterns I observed in organizations preparing for Strategic Situations, not universal rules that predict the behavior of every organization. I

call them laws because, across more than two decades of enterprise leadership, the patterns seemed consistent enough to design around and test.

They are not established causal findings, and you should judge their effects in context. Charles Duhigg's work on organizational routines offers one explanation for why repeated patterns persist: good intentions alone do not always change established behavior.

Law One: Organizations respond to their understanding of reality, not reality itself. Two organizations can face similar conditions and respond differently because their leaders read the situation differently. The failure mode is fragmented sensemaking. Functions receive information but do not compare interpretations, so leaders act on an incomplete or inconsistent picture. Shared understanding is one place to prepare.

Law Two: Strategic Situations are an important object of leadership. Projects, portfolios, and finance remain essential, and leaders can also ask which situations create the demand for that work. One failure mode is letting delivery measures take up so much of the agenda that the executive team reviews activity more often than the conditions that may require its priorities or its response to change. Delivery deserves governance; the question is whether that governance also gives leaders a view of the Strategic Situations behind the work.

Law Three: Readiness is an enterprise capability, not solely an individual competency. Individual judgment and expertise

remain essential, but organizations can prepare roles, relationships, and responses so the work does not depend only on heroic effort. The failure mode is authority, relationships, and institutional knowledge concentrated in particular people. Then a departure or absence reveals that the organization had not made them transferable. Prepared Responses and succession arrangements are meant to make more of the work visible and available to others, not to remove the need for expertise.

Law Four: Decision Quality affects organizational velocity. Speed is no advantage if the decision points the wrong way. In cases I observed, organizations moved quickly toward outcomes they later had to correct. One failure mode is treating rapid action as proof of readiness while shared understanding, decision rights, or relevant evidence are still unsettled. Preparation can help leaders examine information and clarify authority before committing, but it cannot guarantee a sound decision. The test is both how quickly leaders make a decision and how it holds up against events.

Law Five: Alignment can constrain Capability. The three dimensions are not independent, and limited alignment can keep an organization from using otherwise strong capabilities. The failure mode is investing in skills, tools, or response capacity while functions still cannot coordinate around a shared decision. Sometimes more investment in alignment is worth more than additional capability, but leaders have to assess that in context. Alignment does not substitute for expertise or authority. It is one condition that lets capabilities work together.

Law Six: Learning should become organizational memory. In organizations I observed, some retrospectives did not change future practice. The failure mode is a review that records events but leaves Prepared Responses, governance, sensing, and decision rights unchanged. A later team then has to reconstruct the same lessons. Institutional Memory is meant to embed relevant learning in those practices instead of relying only on what individuals remember. After-action review, and lessons carried into future practice, offer related examples in other fields. The Mobilization Tax on a comparable situation can fall if the learning is captured, maintained, and applied. A record or retrospective alone does not ensure that result.

Law Seven: Enterprise Readiness is not finished once implemented. Competitors, technology, customer expectations, and regulation change, and preparation has to change with them. The failure mode is treating readiness as a completed project and letting protocols, contact paths, or delegated authority go stale while the environment moves on. An organization can maintain capability through review and practice, but it should not assume that one investment will keep it suitable indefinitely.

Together, the seven laws give you a working framework and a common language for examining readiness. Treat their failure modes as questions to investigate, not conclusions to impose. The useful question is which laws matter most in your organization, and how you would test that.

Making Readiness Measurable

Across two decades of readiness assessments, I kept finding the same four gaps. They showed up in organizations of different sizes and industries, at very different levels of maturity. The circumstances changed; the underlying failures did not.

Signal Loss is the first. Relevant information exists somewhere in the organization but does not reach the people who could act before the window closes. Decision Rights is the second: nobody is certain who can authorize the response. Two days can disappear while leaders answer a question that should have been settled before the situation arrived.

Structural Barriers are the third: cross-functional dependencies that looked manageable in a plan and became walls under pressure. Psychological Safety is the fourth. Someone often saw the signal that would have changed the outcome, but the environment made speaking up cost more than staying quiet.

PMI's research on strategy execution maps to these same gaps. I use them as diagnostic labels, not as a PMI framework or endorsement.

A useful readiness record does more than tell leadership what changed. It records when the organization first had enough information to notice the change. Alongside that, it notes which signals were visible, who had the relevant expertise, where judgment occurred, and which assumptions still held. The distance between when the organization could have known and when it acted is where I have found the most expensive information. Without that context, looking back produces a chronology, not an honest diagnosis.

The same timing question applies across the enterprise. Suppose customer complaints, service incidents, or supplier indicators were visible in authorized records before leaders recognized a developing issue. A readiness record can then help establish when those signals appeared, who could interpret them, and when action became possible. The point is not whether the organization should have predicted the exact outcome. It is whether available evidence could have been noticed and connected earlier, and what architecture would help next time.

Jayashree Venkataraman, Leadership Systems Advisor and Co-Founder of LeadWell Lab

, offered a working construct she called Decision Holding Rate: the percentage of consequential decisions that remain supported at the intended level under pressure, excluding legitimate escalation.

Pair it with a measure of reinforcement required: the additional review, senior involvement, or coordination needed to sustain the decision. Together they give a two-direction reading of whether organizational capability is holding or quietly eroding.

Forward, the Decision Holding Rate shows the decisions still holding. Backward, the reinforcement measure shows what it cost to keep them holding. A high Decision Holding Rate alongside rising reinforcement may signal that governance is leaning on extra help while outcome measures look healthy. This is a proposed diagnostic reading, not a validated threshold. The scoreboard reads green. The film room tells a different story.

Two dimensions of reinforcement matter beyond quantity. The first is timing: when in the decision's life did reinforcement first appear? Reinforcement before the decision is tested sends a different signal from reinforcement under sustained pressure. Timing tells you whether the architecture held or was compensating all along.

The second is source. Was the reinforcement structural, coming from within the pre-staged architecture? Or was it compensatory, with senior leaders re-entering where the architecture was supposed to prevent it? The context record distinguishes both. The outcome record distinguishes neither.

Chapter 3 drew on Deming to argue that trust is a system property. His approach to quality raises another question for

readiness: what can leaders learn about the system before a defect appears? Deming emphasized improving the processes that produce outcomes rather than relying only on final inspection. Others studied production systems before him. This is an analogy, not a claim that he invented systems thinking or that quality and readiness are the same discipline.

In the organizations I observed, leaders often assessed readiness only after a Strategic Situation exposed a slow or costly response. By then the organization had already paid the Mobilization Tax. Lessons sometimes went into retrospective reports that never informed the next response. A readiness record invites examination upstream, while there is still time to improve preparation.

I have had this conversation dozens of times. An executive team sits down to discuss readiness. Within fifteen minutes, someone says "I feel like we are pretty well positioned for what is coming." Someone else says "I am not sure we are as ready as we think." Both are sincere, and neither can point to anything specific. Without a shared way to examine signals, authority, and response preparation, the conversation can become a negotiation between intuitions rather than evidence, and the question stays unresolved.

Enterprise Readiness is diagnosed through four gaps, and each works as a diagnostic question. Signal Loss asks whether relevant information reached the people who could act before the window closed. Decision Rights asks whether authority,

accountability, and escalation were clear when a decision was required. Structural Barriers asks which cross-functional dependencies became walls under pressure. Psychological Safety asks whether people could surface the signal, uncertainty, or disagreement the response required.

A readiness record locates each gap in time, identifies the visible signals, records who held relevant expertise, and shows where judgment occurred. It gives leadership an intervention record, not a single score. The Mobilization Tax remains a cost and timing model, not a diagnostic dimension.

The readiness record gives leaders evidence for what to strengthen before the next situation tests the same architecture.

The four gaps are read in behavior and evidence, not reduced to a composite index. Two organizations facing the same Strategic Situation can fail differently in information, authority, structure, or candor, and so need different interventions.

How to Calculate Your Own Mobilization Tax

The model below has four categories: direct assembly cost, incremental external cost, internal displacement cost, and the value placed at risk by delayed mobilization. Separating them minimizes double-counting. Use your own organization's data for each input. The form of value in the fourth category depends on the Strategic Situation; it is not one universal dollar amount.

Category 1: Assembly Labor Definition: The cost of senior and executive time spent establishing who owns the response,

what authority exists, and how stakeholders must be sequenced before coordinated action can begin. This is time consumed in assembly, not execution. Inputs needed: Participants by role, hours consumed before first coordinated action, loaded hourly cost by role. Formula: Sum of (hours x loaded rate) for each participant across the assembly period. Double-counting note: Include only time spent on assembly activities, not execution time. Confidence level: High. Observable and reconstructable from calendar records.

Category 2: Incremental External Cost Definition: External costs incurred specifically because the response was assembled under pressure rather than staged in advance. Examples include expedited legal review, outside counsel engaged without prior relationship context, and external communications support brought in mid-situation. Inputs needed: External invoices attributable to the assembly period and to gap-filling that preparation would have eliminated. Formula: Sum of incremental external costs directly attributable to the absence of preparation. Double-counting note: Do not include external costs that would have been incurred regardless of preparation state. Confidence level: High for direct external costs. Requires invoice review.

Category 3: Internal Displacement Cost Definition: The cost of initiatives, decisions, or responses delayed because leadership capacity was consumed by assembly. Inputs needed: Initiatives delayed, estimated delay duration, cost or value impact of each delay. Formula: Sum of delay costs across affected

initiatives during the assembly period. Double-counting note: Do not overlap with Category 4. Displacement cost is internal friction from diverted attention. Category 4 captures the situation-specific external or strategic consequence of a delayed response. Confidence level: Moderate. Requires judgment about what was delayed and by how much.

Category 4: Situation-Specific Opportunity and Threat Value Definition: The incremental value reasonably attributable to mobilization delay. Its form follows the situation the organization faced. In a competitive-displacement window, accessible market share can be at stake. A threat can increase risk exposure or reduce the value of timely containment. A positioning situation can erode competitive advantage. A strategic inflection can narrow or foreclose a valuable option. These are different forms of loss, not interchangeable dollar figures. Inputs needed: First, name the situation and its relevant form of value. Then establish what was accessible or at risk when the situation arrived, what actually happened, and what a plausible timely, prepared response would have looked like under comparable conditions. Consider competition, timing, account accessibility where relevant, and the organization's preparation state. Illustrative calculation: For a competitive window, compare the accounts or market share plausibly accessible to a prepared, timely response with what the actual response reached; do not assume every accessible account would have been won. With a threat, compare the risk exposure or containment achievable with timely preparation against the

actual exposure or containment. In a positioning situation, compare the competitive position that could plausibly have been preserved with the position actually retained. At an inflection, compare the options a timely response could have kept open with those still available after delay. In each case, use low and high assumptions for the same form of value and count only the difference reasonably attributable to mobilization delay. Monetize that difference only when case-level inputs support it. Double-counting note: Do not include internal costs already captured in Categories 1 through 3, or assign the entire outcome of the situation to delayed mobilization. Confidence level: Variable. Practitioner observation supports a directional comparison, from limited to substantial, within a particular situation. It does not supply a research-validated or universally transferable monetary range. State the assumptions and uncertainty beside each comparison.

When you report the result, keep direct costs (Categories 1 and 2) separate from modeled internal displacement (Category 3) and situation-specific incremental value (Category 4). For each situation, show the relevant form of value and the low/high timely-versus-actual assumptions. Sum non-overlapping categories only where their units and evidence permit a defensible monetary estimate. Otherwise, keep the cost and strategic value dimensions distinct.

In the Chapter 5 reconstruction, approximately \$800,000 is illustrative direct cost only. Earlier prepared outreach might have preserved access to more of the forty accounts than the

illustrated Day 7 outreach, but neither thirty wins nor a dollar value can be treated as observed.

A note on the range cited in this book: The \$500,000 to \$1.8 million range reflects modeled combined Mobilization Tax estimates from selected situations across my enterprise experience. It is indicative, not an industry benchmark or a universal range for lost opportunity. An organization's direct costs may be materially higher or lower, and its situation-specific opportunity or threat value must be examined on its own terms.

Deming's process focus and John Doerr's measurable objectives suggest a useful practice: revisit the four readiness gaps on a cadence suited to your organization. Ask which gap might delay the next response, and at what cost.

The Steward of Enterprise Readiness

An Authority Map makes decision rights visible before a situation arrives: who can authorize, who must be consulted, who executes, and where escalation occurs.

A succession and delegation map adds a second discipline: who acts when a primary decision-maker is unavailable or circumstances require a change in leadership. No one can usefully improvise that authority once a signal becomes a Strategic Situation. A Prepared Response should show who holds each decision right, who convenes, who can act if the primary leader is unavailable, and where escalation begins. Otherwise the organization may spend, under pressure, the time preparation was meant to save.

"Decision rights, authority, and accountability must be built before pressure tests them."

Jayashree Venkataraman, Leadership Systems Advisor and Co-Founder of LeadWell Lab

Her point is about timing. Decision rights defined during a crisis can be shaped by time pressure and incomplete information. Authority set while a situation is in motion can favor whoever is most available or most senior over a considered design. A preparation architecture can build the Authority Map before a relevant class of situation becomes acute. Decisions about ownership, thresholds, and delegated resources can then be considered in advance, not inside the response window.

James March spent decades studying how organizations make decisions. His work looks beyond the quality of decisions to how structure influences which decisions get made and which questions receive attention.

March's work suggests that attention is structured, not distributed by a problem's importance alone. What reaches executive agendas may reflect what the structure is designed to surface. Issues outside any function's defined responsibility can slip between accountabilities and get attention only once they become urgent. The preparation gap this book describes can be understood as one such structural problem.

The steward of Enterprise Readiness has to understand the relationships among functions without managing every function. That follows from the architecture: no single department can prepare a cross-functional response it does not understand. The steward needs enough working knowledge of finance, legal, operations, communications, and other relevant domains. With it, the steward can help make dependencies and

decision rights visible before those functions have to move together. How deep it goes depends on the organization's context, its situation portfolio, and the authority given to the steward.

Readiness does not fit inside any single function. It cuts across finance, technology, HR, project management, and others. In the organizations I observed, responsibility for cross-functional preparation was not always explicit. When no executive, budget, or governance process accounted for it, the work fell between functional boundaries. It got attention only after a situation exposed the gap.

The usual fix I saw was another governance layer or reporting system. It did not change the structure that had left preparation unassigned, so the next situation could expose the same delays. March's work offers one way to see this as a structural problem rather than a failure of individual leadership. The Project Management Institute's ongoing research points to a related question: whether delivery maturity alone is enough to produce the strategic outcomes initiatives were meant to achieve.

Changing the outcome may require changing the architecture. The steward of Enterprise Readiness is meant to help close that gap. Wendy Smith and Marianne Lewis have shown how organizations can hold consequential tensions rather than assume a single function can resolve them. A steward helps coordinate work across those tensions without taking over line functions.

Enterprise Readiness is an enterprise capability, not a case for PMO expansionism. Depending on the organization, stewardship could sit with the COO, the Chief of Staff, the Strategy function, a Transformation office, Enterprise Risk, or the PMO. The discipline matters more than the department running it. The PMO's broad view across commitments can make it a useful lens and a credible home where its mandate and relationships support the work, but it is not the only valid home. The steward coordinates preparation and makes cross-functional gaps visible, while line leaders keep ownership of their resources and decisions.

The mission is to improve the organization's ability to recognize, understand, prepare for, respond to, and learn from Strategic Situations. That does not mean abandoning project delivery, enforcing methodology, or producing reports for their own sake. It means helping ensure that relevant preparation exists before situations demand it.

The conversations can change too. Instead of "What is the status of our initiatives?" the steward can ask "What Strategic Situations are demanding executive attention that are not yet visible in the portfolio?" Where the old question was "Are projects on track?" the new one is "Where is our Readiness Gap expanding, and which class of situation would expose our current vulnerability most?" I led PMOs at several major organizations that began this transition.

In several, executive teams used to treating the PMO as the delivery function resisted. Expanding its mandate to readiness felt like scope creep into work belonging to Strategy, HR, or Risk. That resistance may reflect confusion about what stewardship means. Stewardship is not ownership. The steward does not own strategy, operations, technology, or finance, but can help maintain the relationships that support a coordinated response. Think of the steward as a connector, an integrator, and one possible venue for the cross-functional sensemaking Weick described. To outlast leadership change, that work needs a proper mandate and organizational support.

The structural problem calls for an accountable steward with enough access to see relevant Strategic Situations and the preparation profile for each. Whether that steward sits in the PMO, an Enterprise Readiness Office, or another function is secondary to the mandate, access, and relationships required.

What matters is whether someone is accountable, has the access to exercise the role, and can tell administrative coordination from strategic stewardship. March's work suggests that when no one is accountable for surfacing a concern, it may receive less attention. A structure tends to surface what it is designed to surface, and other issues can wait until a situation makes them urgent. The steward helps make readiness visible before a crisis.

A fair objection is that this diagnosis of coordination overhead seems to prescribe a new function to manage it. That is

not the proposal. The Mobilization Tax estimate of \$7.5 million to \$36 million annually assumes 15 to 20 more significant situations in the earlier illustration. It is not a measured annual total, a proven floor, or a cross-organization benchmark. Senior leader time spent assembling authority, ownership, stakeholder sequence, and governance is a cost an organization may already incur, though the size will vary. Stewardship is meant to make that work visible and reusable, not necessarily to add a department.

The question for your organization is whether that design exists. If the PMO is measured only on delivery, it may lack the mandate or measures to steward readiness. Another function could still provide that stewardship.

AI as the Accelerant

AI has not made the mobilization gap easier. It has made the window shorter, and the traditional way organizations respond now moves more slowly than disruption.

What AI Compresses

AI can compress parts of the time between signal and action. In some tasks it spots patterns faster than an analyst, pulls together large volumes of information, and offers recommendations quickly. McKinsey's 2025 workplace research described a gap between employee readiness to use AI and organizational readiness to deploy it. That matched what I saw in some organizations. Faster analysis inside one function did not, by itself, produce faster judgment across functions. An enterprise can see more clearly and still be unable to act before the window closes.

That speed may change what works as System One for the organization as a whole. AI can widen fast pattern recognition, surface signals, suggest possible responses, and give some functions more analytical capacity. What remains is the deliberate judgment required when signals converge into a

decision the organization must authorize and act on together. So capturing AI's value depends on more than detection. It also depends on whether the organization is prepared to act on what it detects. An enterprise can produce answers faster without getting better at deciding which answer deserves authority.

Is the organization capable of recognizing and acting within the window AI leaves available?

What AI Does Not Compress

Productivity measures miss this part of the system. AI can speed up analysis without shortening the time the organization needs to recognize what is happening. It can recommend an action without making clear who has authority to approve it. A surfaced signal also does not settle which functions must interpret it together, what risks they must examine, or how quickly to escalate. The strategic window closes at the speed of the environment, not at the speed of the organization.

The Agile Practice Guide, Second Edition makes the boundary explicit. In its words, “AI works best as a firewalled input step, providing relevant data for human decisions, not a replacement for established practices” (Project Management Institute and Agile Alliance, 2026, pp. 107-108). AI can strengthen sensing and analysis. Authority, shared interpretation, and coordinated judgment remain human and organizational responsibilities.

Consider an AI system in a customer analytics function. It spots early signs of switching behavior and recommends a targeted retention campaign. The pattern is real. But the system lacks the organizational context to tell whether it reflects dissatisfaction, a life event, or a change in customer circumstances. In the reactive enterprise, the recommendation becomes a dashboard alert. Marketing acts before Customer Experience, Finance, Legal, and Operations have interpreted the situation together. The campaign can speed up the very behavior it was meant to prevent. The AI was right about the pattern; the organization was not prepared to understand it before acting.

The ready enterprise receives the same signal. Here the recommendation enters a prepared Strategic Situation review. The right functions, the decision authority, and the questions to answer before action are already in place. Functions interpret the signal together inside the window, because the organization did not wait for the signal to design the response. This is the organizational System Two that Kahneman's distinction requires. Without it, AI industrializes fragmentation instead of eliminating it.

What Closes the Gap

Dr. Nadya Zhexembayeva's activation-gap framing names the work precisely: content expertise closes the knowledge gap; process expertise closes the activation gap. Much of the AI investment I have seen expands content expertise: more

information, stronger analysis, faster access to specialized knowledge. But knowledge does not assign authority, set escalation paths, align functions, or stage a coordinated response. Those are process capabilities. The activation gap is the distance between knowing what may need to happen and the organization being able to make it happen in time.

McKinsey's 2025 Global Survey on AI examined the same distinction. Twenty-eight percent of respondents whose organizations used AI reported that the CEO was responsible for overseeing AI governance. The survey identified CEO oversight as one of the elements most correlated with higher self-reported bottom-line impact. CEO oversight's strongest relationship was with EBIT attributable to generative AI at larger companies. Among the 25 attributes tested across organizations of all sizes, McKinsey reported the strongest relationship to EBIT impact for workflow redesign. These associations make authority, governance, and operating design worth examining alongside the technology. They do not show that any one of them caused higher value.

Deloitte's August 2026 research adds urgency. Seventy-four percent of senior leaders expect nearly half their business processes to be redesigned or rebuilt around AI agents within four years. Yet only five percent say their business processes are highly prepared for agents today. I read that as a gap in preparation architecture more than in technology readiness. The organizations best placed to capture value from that redesign

will likely be those that built the preparation architecture before any specific situation demanded a response.

McKinsey's September 2026 manufacturer workflow analysis offers a way to size the interface problem. For one workflow, the modeled cost ran from \$140 million to \$240 million. That figure counted coordination labor, working-capital latency, underused capacity, and missed revenue together. Processing was not the main delay; interface latency ran 9 to 36 times the processing time. That is the practical reason to inspect the handoffs between functions, not just the speed of the tools inside them. The estimate gives context for interface cost. It is not an outcome claim for the Readiness OS or a validation of this book's Mobilization Tax model.

McKinsey's August 2026 article, "The New Management Playbook for AI: How to Move Faster and Create More Value," was written by Alex Singla, Alexander Sukharevsky, Eric Lamarre, Kate Smaje, and Robert Levin. It examined twenty companies that had consistently created significant economic value from AI-enabled transformation. The authors concluded that the lasting advantage was not the technology itself but the organization's capability to apply it to important business problems at scale.

They identified six reinforcing capabilities: a C-suite that understands AI, tech-capable business leaders, an operating model built for speed, reusable enterprise platforms, data that is easy to consume, and adoption designed for scale. They also

found that the successful companies built AI systems rather than isolated point solutions. Those companies combined technology with data quality, changed work practices, and aligned incentives. Because the sample was selected for demonstrated success, its financial outcomes are not a universal benchmark. The durable finding is structural: capability compounds when leadership, operating design, platforms, information, and learning develop together.

McKinsey's September 2026 research places this urgency in a longer pattern. Steam took roughly a century from commercialization to peak contribution to economic growth. Electricity took approximately forty years, and computers and the internet approximately twenty-five years. AI may move faster still, although McKinsey presents that shorter timeline as a possibility rather than an established fact. The report concludes that "the possibility adds urgency because businesses, workers, and governments may have less time to adjust." AI is the clearest current example of the compression, not the definition of the discipline. Enterprise Readiness predates this technology wave and must outlast it. (McKinsey Global Institute, September 2026.)

The same research draws a useful parallel with electrification. Some historical accounts describe productivity gains as requiring changes to factory design, not merely the installation of electric motors in existing arrangements. AI may also require changes in operating practices, though the analogy is not exact. Organizations adding AI to existing structures may

need to rethink how work and authority are arranged. The operating design can influence whether technical capability becomes coordinated enterprise value. (McKinsey Global Institute, September 2026.)

The preparation architecture in Chapter 7 is one proposed structural answer to the question this chapter keeps returning to:

Is the organization capable of recognizing and acting within the window AI leaves available?

Sensing helps the organization recognize signals, and Shared Understanding builds their meaning across functions. Authority Architecture clarifies decision rights, Communication Architecture supports sequenced communication, and Response Architecture stages a coordinated response. Institutional Memory informs what the organization recognizes and prepares next time. AI can speed up some inputs to this architecture, but it does not provide the roles and authority the framework describes.

Faster tools can raise individual productivity. Prepared authority and redesigned operating processes help organizations carry that gain across functions. Leaders expecting large-scale AI adoption can examine that preparation now, and plan for change rather than delay innovation. AI compresses parts of analysis and execution, but an organization's ability to coordinate may not change at the same rate. This chapter proposes that preparation can help close that gap. Faster answers alone may not create

lasting advantage; the organization also has to recognize, authorize, and act while an answer still matters.

The Adaptive Enterprise

A prepared protocol gives leaders options when conditions change, without scripting every response. It settles decision rights, shared terms, and thresholds before signals appear. Leaders can then adapt, and still depart from the protocol when the facts warrant it. Without that preparation, shared context and assignments get built while the window closes.

An adaptive enterprise tries to keep its capabilities suited to a changing environment. Fitness depends on context. What served well in one environment can become a liability in the next.

Darwin would recognize the principle, though "survival of the fittest" was Herbert Spencer's phrase before Darwin adopted it in the fifth edition of *On the Origin of Species*. The deeper insight is that survival does not necessarily belong to the strongest or fastest. It belongs to those whose traits fit the current environment, and whose capacity to change keeps that fit as conditions shift.

Kodak, Nokia, and Blockbuster are often discussed in connection with shifts in photography, mobile phones, and video rental. Those histories are more complex than any single

readiness explanation. Research on disruption, including Christensen's work, describes important parts of how industry change affects established firms. This book asks a related but distinct practitioner's question: what preparation helps leaders recognize relevant changes and coordinate a response?

Military planning and emergency management offer a useful comparison. Leaders set intent, roles, branches, and decision thresholds before an operation or incident, then adapt as the situation changes. That illustrates preparation. It is not evidence that military practice transfers directly to enterprise outcomes.

At one organization where I worked, two adjacent divisions faced the same regulatory shift with different preparation. The shift was visible six months before it took effect, in regulatory commentary, industry discussions, and peer moves. Leaders in the first division got those signals late. They spent eight weeks assembling ownership, budget, and communications. The estimated assembly cost exceeded \$1.5 million, including leadership time, governance overhead, stakeholder sequencing, and delay. That was a practitioner estimate, not an audited result.

The second division had a process for surfacing regulatory signals, and it staged a response that required adaptation. It mobilized in four days, at roughly one-ninth of that estimated cost. I saw this in one organization. It does not prove that readiness alone caused the difference or that the figures generalize.

Illustrative Scenario

This hypothetical scenario uses invented organizations, figures, and sequence. It shows how preparation architecture might affect the timing of a market response.

Picture a change in payment processing rules that affects three organizations in the same segment. The first has no sensing architecture. It discovers the opportunity when a competitor announces a product move already four months in development, and by then the window has narrowed. The second has signal monitoring. It surfaces the document four months earlier and evaluates it while the window is still wide. The third has the sensing architecture and the Prepared Response already built, so the response mobilizes in hours once the signal crosses the threshold.

The first organization is still assembling its response as others define the category standard. The preparation architecture did not create the opportunity. It created the ability to act on it while acting was still possible.

Martin Reeves and his colleagues argue that strategic choices depend on the environment. The broader point here is that leaders may need to adapt as conditions change. An organization can fit current conditions well and still be less prepared for emerging ones. Preparation can steady leaders while they decide how to adjust. It cannot ensure growth or preserve market position.

So ask which Strategic Situations in the next three years may require redirecting capability, not just executing current capability better. Then ask what preparation would help leaders recognize and respond to them. The answer will differ by organization. Enterprise Readiness offers no guarantee against disruption. What it proposes is a way to make a response more timely, less costly, or more coherent where preparation can help.

Building the Ready Enterprise

Chapters 13 through 20. The First 100 Days, discipline, maturity, taxonomy, governance, platform, PMO future, and building the Ready Enterprise.

The First 100 Days

The first hundred days of building Readiness capability can shape both momentum and resistance. Sequence matters, though it is not everything. Kotter's work on organizational change stresses establishing urgency, building a coalition, and showing short-term wins. That is a useful frame for early decisions. In Enterprise Readiness, the first change can be in the conversation rather than the structure.

Instead of opening with "What is the status of our initiatives?" leaders can ask, "What Strategic Situations are we currently managing, and how prepared are we for each?" At first, the conversation will probably drift back to familiar project status. Follow up by asking which portfolio items respond to a cross-functional situation, which situations lack a current project, and what is developing that could demand a response. In meetings I led, those questions sometimes moved the discussion from reporting to the situation. Kotter's later work describes the value of a network that operates alongside the hierarchy. New conversations and behaviors can start inside existing structures before anyone decides whether to reorganize.

The first thirty days can focus on vocabulary. Simon's work on bounded rationality suggests that people judge within the frames and information available to them. A shared vocabulary may help leaders discuss Strategic Situations, Readiness Gaps, the Preparation Layer, and the Mobilization Tax more precisely. Introduce the terms in real conversations rather than assuming a formal initiative is needed. When someone describes a situation, a leader might ask: "Is this a Strategic Situation that our current governance does not have a Readiness Protocol for?" The language becomes concrete once it touches real work.

The next thirty days can focus on diagnosis before recommendations. Map the significant Strategic Situations the organization is managing. Assess preparation across the nine domains, and look for where a Readiness Gap is widest. In the organizations I led through this exercise, leaders often found gaps larger than they expected; the result may differ elsewhere. A situation stress test can help make preparation visible. For two or three situations leaders consider significant, ask what the first days would look like: who would convene, what authority is delegated, what communications are needed, and how governance would work. The gaps give a forward-looking view of possible assembly costs, not a precise Mobilization Tax calculation.

In the third thirty days, begin developing Readiness Protocols for selected situations. They need not be comprehensive. Start with who convenes, who has authority,

what the first forty-eight hours require, and the order of communication.

In one organization, we chose a ransomware event because leaders saw an unstaged response as a liability. I convened five roles: the Chief Information Security Officer, the head of Legal, the Chief Operating Officer, the head of Communications, and the controller. Then I asked: if ransomware hit the primary operational system at six tomorrow morning, who makes the first call, and who do they call?

The CISO believed the first call was his and that he would call the COO. The COO believed the incident-response policy named Legal as the first notification because of regulatory implications. Legal believed the CEO had to be notified first. Communications believed it belonged on the first call, because the external-statement clock started when an executive was notified. Four people gave four different answers, each reflecting a legitimate concern: immediate operations, regulatory notification, CEO awareness, or external communications. Nobody had agreed how those decisions fit together.

We spent three meetings on the order of the first four phone calls, not on the technical response or the communications plan. The protocol clarified ownership. The CISO kept operational authority for the technical response, and Legal owned the regulatory notification sequence. Business-continuity decisions belonged to the COO. Communications had standing authorization to start drafting

external statements once the COO was notified, without waiting for approval of the draft. The controller was included in the financial and resource discussions.

Six months after the protocol was finalized, a tabletop exercise showed that the CISO and the head of Legal still described the same event and notification sequence differently. Both believed they were following the protocol. The document existed; the shared understanding had not fully formed. That taught me that a document alone is not preparation; the people involved have to work through scenarios together. This is one organization's experience, not evidence that the same protocol or sequence will fit another.

An initial protocol can give the organization something tangible, surface gaps in authority or resources, and create a basis for institutional learning. Still, it does not guarantee value or make each later situation cheaper. In the example I observed, participants judged that a proposed protocol could have helped in three of the five significant situations the organization had recently handled. That was a retrospective practitioner assessment, not a measured impact study. Likewise, a Prepared Response for competitive displacement may cut assembly time from weeks to days, when the situation is comparable and the response is current. That is a hypothesis to test, not a promised return.

The first hundred days need not involve a reorganization, a new committee, a platform, or a method. Kotter's work offers

reasons to establish urgency, coalitions, and visible early progress. Heath and Heath discuss shaping behavior and environments. In my experience, organizations that redesigned governance without changing the conversations inside it sometimes saw little change in behavior. Whether structural change is needed, and when, depends on what the diagnosis reveals. Look for evidence that the new questions, vocabulary, and early protocols are useful before building structures to sustain them. The period need not produce a complete transformation. A baseline, a pilot, and a basis for deciding what comes next can be enough.

The test is whether the first hundred days create the conditions for further work: urgency, shared vocabulary, evidence of early value, and leaders willing to continue. Start with a conversation in a meeting you lead, then decide what the evidence suggests should follow.

The operating prerequisites are deliberately concrete. Name an executive sponsor and a day-to-day steward. Select a few Strategic Situations already consuming leadership attention. Map the current authority chain and set safe integration targets. Record the baseline time and leadership effort to reach coordinated action. Review the evidence at thirty, sixty, and ninety days. The first hundred days should not be judged by how much software was configured. Judge them by whether the organization can show clearer authority, faster mobilization, stronger coordination, and a response that improves when tested again.

Days 91 through 100 can close the initial pilot with a bounded tabletop exercise for one of the first Readiness Protocols. Use a plausible, unrehearsed variation of the situation. Record the time from recognizing the situation to convening the people with authority to respond. Note where the communication sequence or handoffs remain unclear. The sponsor and steward can then compare those observations with the baseline. Together they decide what to continue, revise, or stop, and record why for the next cycle. A tabletop can reveal gaps and preserve what was learned, but it cannot establish how an actual situation would unfold.

A New Discipline of Management

Enterprise Readiness proposes a management discipline for the layer between strategy and execution. That layer is the preparation architecture that may help an organization get ready before a Strategic Situation demands a coordinated response. Its organizing object is the Strategic Situation. The practical work is building shared understanding, pre-staging authority, preparing response structures, and measuring the Mobilization Tax created when that work waits until the window is open. The founding claim is not that management lacks frameworks for strategy or execution. It is that many organizations may lack a shared operating discipline that connects those frameworks to the preparation required before execution is demanded. This book proposes an architecture for that work. It does not claim that no organization or framework already addresses parts of it.

That claim belongs inside the management tradition. Taylor taught organizations to optimize work, and Drucker gave executives a language for objectives and responsibility. Deming made quality a property of the system. Porter made Competitive Strategy a management discipline, while Christensen explained

why successful organizations miss disruptive change. Their frames shaped management. On their own, though, they do not provide the organizing object or integrated operating cycle proposed here for preparing across disciplines around a Strategic Situation. Enterprise Readiness seeks to connect that expertise; it does not suggest any of these thinkers overlooked the whole problem.

What Enterprise Readiness Is Not

Enterprise Readiness has an ancestry; it does not replace the disciplines that came before it. It draws on questions that strategy, risk, continuity, crisis response, scenario planning, agile delivery, and portfolio management each developed in their own settings. The table gives one primary question per discipline, for orientation only. It does not cover the full range of any profession's work. These disciplines overlap, evolve, and sometimes approach the same problem from different angles.

Existing Discipline	Primary Question
Strategy	Where will we compete, how will we create value, and what choices will guide us?
Risk Management	What uncertainties could affect our objectives, and how should we identify, assess, and treat them?
Scenario Planning	What plausible futures should inform our choices, and how might we prepare for them?
Business Continuity	How will we maintain or restore priority operations when disruption occurs?
Crisis Management	How will leaders coordinate decisions and communications during an acute crisis?

Existing Discipline	Primary Question
Agile	How can teams deliver value iteratively and adapt their work as they learn?
Portfolio Management	Which investments and initiatives should we select, balance, govern, or change?
Enterprise Readiness	What must already be prepared so the enterprise can mobilize around a Strategic Situation when its window opens?

Enterprise Readiness leaves strategic choice to strategy. It asks what must be in place to coordinate the organization once leaders choose. Risk identification and scenario planning keep their roles; readiness connects their signals and plausible situations to authority, communication, resources, and prepared responses. Continuity and crisis plans remain too. Readiness covers the broader preparation that can make cross-functional mobilization possible before a disruption. The decision to activate stays with accountable leaders. Delivery teams still plan, test, learn, and adapt within their own area, and portfolio management remains essential for investment and governance. Each brings its own knowledge, controls, and action to the response.

The difference is the organizing object. Most disciplines organize around a question within their own scope. Enterprise Readiness organizes preparation around the Strategic Situation: the named demand that brings those questions together, involves multiple functions, and creates a time-bounded choice. One situation can call on strategy, risk, operations, legal, finance, continuity, communications, and delivery at once. None of them gives up its professional standards or decision rights by joining.

The shared object shows how each function's work relates to the situation, so handoffs can be prepared before pressure makes them difficult.

This also keeps the discipline from being mistaken for a crisis program. A scheduled product launch is a Strategic Situation even when no emergency exists. Strategy defines the market choice, portfolio management aligns the investment, risk practitioners test dependencies, and delivery teams iterate. Continuity, communications, and legal practitioners prepare for whatever could disrupt the launch. Readiness connects that work to the situation, names the authorities and handoffs, and learns from the result. The same architecture can support an anticipated regulatory decision with an uncertain date, or an infrequent but consequential supplier failure. It can also support an unprecedented shift that no existing protocol fully covers. What changes is the preparation posture and the degree of adaptation required, not the legitimacy of preparing.

Nor is Enterprise Readiness a command center that takes authority from the people closest to the work. A shared record makes dependencies and options easier to examine; it does not settle disagreements or make the choice. Executives remain accountable for authorization, and domain leaders for their judgments. Delivery teams remain accountable for execution within the authority granted to them. Preparation supports an informed choice; it cannot guarantee the choice will succeed. Afterward, the organization can record what was proven or disproven and decide whether the response architecture should

change. The Strategic Situation then becomes a unit of learning as well as preparation.

The architecture connects those disciplines without absorbing them. Strategy still sets direction, risk practitioners assess exposure, continuity teams protect essential services, and crisis leaders coordinate acute response. Agile teams own iterative delivery, and portfolio leaders manage investments. Enterprise Readiness adds a cross-functional layer for preparation and learning. It asks which situations matter, what can be readied in advance, who holds authority, which signals deserve attention, and what each activation teaches. It is one discipline in a management tradition, built to help the others contribute coherently when a Strategic Situation crosses their boundaries. The right design respects existing disciplines and practitioners while making their coordination visible enough to prepare, test, and improve.

From Definition to Practice

One bounded operating example comes from elite college football and the NFL. There, teams coordinate again and again under a defined game clock and a known set of rules. Coaching at Stanford, I watched teams prepare for recurring kinds of situations, delegate roles, practice communication, and activate responses between plays. A game can hold dozens of those cycles in a few hours. That is real operating evidence of how preparation supports coordinated action in a stable, rule-bound

system. It is not a direct model of an enterprise, where people, objectives, authorities, and the situation itself can change. Football shows the value of preparing before a defined clock; whether that transfers is a hypothesis to test.

Adjacent disciplines contribute relevant concepts and practices. High-reliability organizing studies how teams manage risk and notice failure signals in hazardous systems. Organizational resilience examines how systems absorb disruption and recover. Adaptive leadership addresses challenges without ready-made answers, and incident command sets roles in emergency response. Mission command enables decentralized action within intent. Organizational ambidexterity explores how organizations balance current operations with adaptation. This book does not claim these fields are incomplete on their own terms. It asks whether their contributions can be connected around the Strategic Situation as a shared object of preparation.

Enterprise Readiness complements them but owns a different problem: preparing a portfolio of Strategic Situations before coordinated action is demanded. Its domain is the Preparation Layer, its economic measure the Mobilization Tax, and its operating mechanism the Prepared Response, improved through the Activation Record. It prepares the enterprise for threats, opportunities, transformations, and known commitments, not only crises.

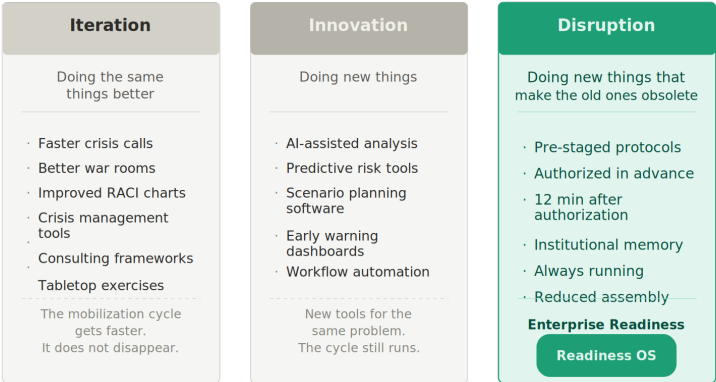


Figure B: Preparation reduces and accelerates mobilization; it does not eliminate it.

Figure B: *Enterprise Readiness reduces and accelerates the mobilization cycle; it does not eliminate the need for judgment and coordination.*

That is why the discipline is structural and not only behavioral. Leaders may know they should communicate better, collaborate, decide faster, and learn from experience. Yet they may have no shared process for preparing those conditions before a situation arrives. In the cases in this book, the open

questions were practical. Who convenes, and which functions interpret signals together? What authority can move without another approval cycle? Which legal and financial questions can be answered in advance? How will the Activation Record shape the next response? When those arrangements are missing, leaders often assemble them under pressure while the window narrows. That assembly is part of the Mobilization Tax.

The discipline makes that gap visible and testable. Take the last three significant Strategic Situations your organization faced. Count the days from recognition to a coherent, authorized response, and price the senior leadership time consumed. Then ask which decisions, relationships, authorities, and communication sequences could have been prepared in advance.

Suppose the next comparable situation mobilizes faster and at lower cost because those elements were built into the system and learned. Then the discipline is doing what it promises. If not, the framework or its implementation needs correcting. Like any discipline, it has to earn its place through outcomes rather than advocacy.

The contribution may be larger than cost reduction. If preparation shortens assembly, some leadership capacity comes back. Depending on how much is recovered and what else competes for attention, executives may take on more Strategic Situations with the same leadership pool. Resource allocation can become more deliberate and less like triage. Senior leaders may spend less time rebuilding coordination and more on

competitive positioning, acquisition decisions, talent, and growth. The intended benefit is a wider set of viable choices, not speed alone.

Consider one illustrative product-safety Readiness Protocol. Quality staff use its lot-trace map, escalation roles, and decision checklist to investigate routine supplier variances. Most close without a recall, but each use tests whether facts, owners, and authorities are current. If later testing establishes a serious contamination risk, accountable leaders can authorize the same protocol for a high-consequence recall. The prepared lot map supports scope decisions, and the same cross-functional contacts are available. The communication pathway supports notices subject to legal and regulatory review.

This is not a reported customer outcome, and preparation does not guarantee how a recall turns out. The economic case counts both uses. One preparation investment helps coordinate ordinary work and stays available when a consequential window narrows.

That potential capacity matters. A prepared enterprise may be able to stage a market entry, a competitive displacement, or an acquisition move before the window opens. With a fully configured protocol under controlled conditions, mobilization and coordination are in full motion 12 minutes after executive authorization, when protocols are pre-staged. It is a validation target, not a universal customer outcome. The architecture may also help leaders pursue Strategic Situations that competitors

have not prepared to answer. Enterprise Readiness is not only defensive; it is intended to expand the options an organization can consider.

The Evolutionary Argument. In some industries, slower competitive timelines once left room to assemble a response after an opportunity or threat appeared. Other settings have always had short windows. AI can compress parts of analysis and execution, and regulatory changes and market opportunities arrive on different timelines by sector. Where a window is short, organizations that cannot mobilize inside it may lose options before they act. The management tradition built disciplines for the conditions of its time. Enterprise Readiness proposes another architecture for recognizing, authorizing, and acting in time, to be tested where timing matters.

Maturity and Assessment

The Enterprise Readiness Maturity Model

Organizational readiness develops step by step. A team might start by making one recurring response explicit. Then it learns to recognize relevant signals, coordinate across functions, and improve its preparation as situations change. Maturity is the capability it accumulates to see more, coordinate more deliberately, and learn at each stage.

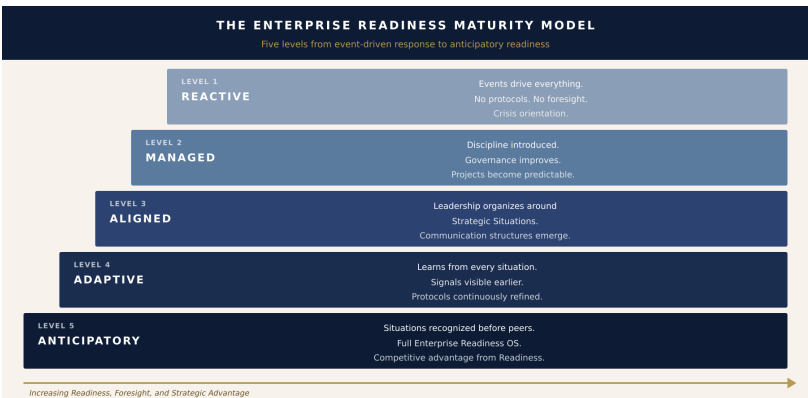


Figure 15.1: *The Enterprise Readiness Maturity Model: five levels from Reactive to Anticipatory.*

Many fields use maturity models to assess capability and find where to improve. Before leaders can close a gap, they need

a way to describe it. Enterprise Readiness does the same. Scores do not create readiness, but a common language helps an executive team compare different instincts about where the enterprise stands. The real question is not simply whether the enterprise is ready, but ready compared to what, and compared to where it was six months ago.

Readiness is a capability an organization builds, not a record of situations it managed to avoid. What matters is whether the organization becomes more capable of responding to what arrives, and whether that capability improves with use. Erik Hollnagel made a related distinction in resilience engineering. He defined safety as the capacity to succeed under varying conditions rather than merely the absence of failure. These levels are an organizing model drawn from patterns I observed over decades of leading transformations, not a validated universal scale.

Level One: Reactive. A reactive organization is driven by events. Projects start after problems surface, and information arrives too late to matter. The enterprise recognizes a Strategic Situation only once it has become hard to avoid. Departments work independently, each on its own version of a problem that has already spread across the organization. Success depends heavily on individuals, so capability is fragile when they leave. In organizations I observed, people sometimes said, "we did not see this coming," even when warning signs had been visible earlier. The organization had not developed a way to recognize and

interpret those signals together. The organization survives, but it rarely anticipates.

Level Two: Managed. Managed organizations introduce discipline. Projects become more predictable, governance improves, and standardized reporting gives leadership visibility across the enterprise. This is where many Project Management Offices create enormous value, and where many organizations I worked in began. By this point the PMO has usually set a method, made delivery more consistent, and built governance that reduces the chaos of Level One.

These are real achievements, but Readiness is still limited. The enterprise manages execution well. Yet it responds to Strategic Situations inconsistently, optimizing locally rather than collectively. A cybersecurity incident is handled by the security team. When an acquisition closes, integration goes to a project team formed from scratch. Success at Level Two depends on capable, disciplined management, not yet on enterprise adaptability. The organization performs when conditions are stable and struggles when they change faster than the system can absorb.

Level Three: Aligned. The first time I recognized a Level Three organization, I was not reading a governance document. I was in an executive meeting where someone asked whether the organization was ready for what was coming, before anyone had mentioned delivery. When that question is asked seriously and answered with evidence, the organization has learned to see situations before they become undeniable.

At Level Three, leadership starts organizing around Strategic Situations as well as projects. "Are we ready for this?" becomes a legitimate question in meetings that once revolved around delivery milestones. A common language develops. Readiness Protocols emerge for situations the organization faces often, and leaders recognize recurring patterns instead of treating each one as unprecedented. It also becomes easier to measure Readiness.

Amy Edmondson's research on psychological safety highlights one condition that helps people surface uncomfortable signals: the ability to speak without fear of punishment. In the organizations I watched move toward Level Three, the most visible change was not always in governance documents. It was often in the quality of executive meetings. Conversations became more honest and problems surfaced earlier. Decisions came faster because the shared understanding they required had been built before the meeting began.

Level Four: Adaptive. Adaptive organizations learn from each activation. Signals become visible earlier, and leaders can recognize a Strategic Situation while response options are still open. Readiness Protocols can shorten mobilization when they are relevant, current, and authorized. When a significant situation arrives, the organization adapts what it has prepared. It tests that preparation against the facts instead of starting from zero.

Atul Gawande showed how a checklist helps skilled professionals avoid skipping essential steps under pressure. A Readiness Protocol works in a similar way: it holds decisions that should not have to be reinvented in the moment. In the Stanford play-clock example, preparation made a coordinated response possible within a defined clock. Enterprise situations have different windows and cannot be reduced to the same constraint.

Artificial Intelligence can strengthen executive judgment at this level without replacing it. With clear authority and governance, teams can use AI for sensing and pattern recognition without confusing contribution with accountability. Learning becomes more institutional as departments practice coordinating. The organization looks less rushed. Uncertainty has not disappeared, but some of the relevant preparation is already in place.

The checklist analogy sets the frame; the measurable test starts at authorization. With a fully configured protocol under controlled conditions, mobilization and coordination are in full motion 12 minutes after executive authorization, when protocols are pre-staged. Detection and the authorization request come first, and the executive's decision time is not counted. It is a validation target, not a universal customer result.

Level Five: Anticipatory. In my experience, elements of this level are uncommon, though I lack a representative cross-industry sample to estimate how common they are.

Anticipatory enterprises try to shape their environment, not only respond to it. They work to recognize weak signals before markets shift and invest in capability before a situation demands it. Governance evolves without waiting for a crisis. Innovation may become more systematic rather than episodic.

Each activation can strengthen the organization's ability to handle a related situation, if the learning is captured and built into practice. That accumulated judgment may become an advantage. The effect varies with the quality of the learning, the relevance of the prior experience, and changes in the environment. A product is easier to copy than a deeply embedded organizational practice, though neither advantage is permanent.

Maturity Is Not Linear

Organizations rarely mature evenly. Technology capability might operate at Level Four while governance sits at Level Two and decision-making culture at Level Three. That is normal; capabilities grow where the organization has invested. The model works best as a diagnostic tool, not an overall grade, because it shows which of the four gaps needs deliberate investment. Leadership can then talk precisely about Signal Loss, Decision Rights, Structural Barriers, and Psychological Safety instead of generally about readiness.

The Journey Never Ends

A maturity model can suggest that its highest level means the work is done. Law Seven applies here as well.

Readiness is never permanently finished. An organization at Level Five today can lose capability if learning stops, governance hardens, or new leadership lets useful practices lapse. Maturity is behavioral as well as categorical: when uncertainty increases, does performance improve or get worse? The levels describe a progression from reactive patterns toward stronger coordination, learning, and anticipation. They are an aspiration of Enterprise Readiness, not a prediction about every organization. What Enterprise Readiness aims for is getting better at responding to uncertainty, not avoiding it.

The organizations that may benefit soonest from the preparation architecture are not necessarily the most sophisticated. Some see their maturity journey costing more than it delivers. Delays in building response capability can prolong the assembly costs illustrated by the Mobilization Tax. The architecture is meant to close a gap that a maturity journey alone may not address. In the first ninety days, an organization can establish an initial baseline and pilot, not complete the work.

The preparation architecture may be especially relevant to organizations that have been told they must mature before they can compete. Under the right conditions, a less mature organization can build a fit-for-purpose capability without inheriting every legacy process of a more mature competitor. Results depend on its starting point, governance, leadership, and the situations it needs to address. The preparation architecture is not a shortcut that guarantees success. It is a distinct capability to develop alongside the organization's other strengths.

The Enterprise Readiness Assessment

Diagnosis helps leaders choose the right intervention. Medicine begins with examination, not treatment. A physician who prescribes without an adequate diagnosis risks treating the wrong problem. Organizations sometimes begin transformation with the answer already chosen: "We need Agile," "We need AI," "We need a reorganization," or "We need new governance." Some may be right, but they are interventions, not diagnoses. Richard Rumelt argues that good strategy begins with an honest diagnosis of the challenge. He warns against leaping to goals and solutions first. Without understanding the current state, even a promising intervention can solve the wrong problem.

I learned this early in my career, during a transformation I led inside a large financial services organization. The executive team concluded that its execution problems stemmed from weak governance. We redesigned the governance architecture, added reporting layers, established steering committees, and created a portfolio oversight function. Execution did not improve. The organization got slower.

The real problem was fragmented decision-making, which no amount of documentation could fix. People at every level were making locally reasonable decisions that together produced incoherent outcomes. We needed to address Decision Quality at the executive level first, and a diagnosis before the prescription would have told us so.

What the Assessment Measures

The Enterprise Readiness Assessment does not measure project maturity, performance against benchmarks, or compliance. It examines an enterprise's capacity to sense Strategic Situations, build Shared Understanding, establish authority, communicate in the required sequence, deploy a Prepared Response, and encode Institutional Memory. Many other assessments ask something else.

An organization can be profitable and still have preparation gaps. Financial results can reflect prior advantages such as market position, a successful product cycle, or a loyal customer base. Disappointing results, on their own, do not mean an organization lacks adaptive capability either. Some choose to invest in readiness under financial pressure, though that investment cannot guarantee an advantage. Financial performance reflects outcomes; Enterprise Readiness focuses on capability. Both matter, and neither replaces the other.

The Four Diagnostic Gaps Applied

Chapter 9 introduced the four gaps of Enterprise Readiness as a diagnostic record. The assessment examines not only the current evidence for each gap but why it exists and what would change it.

Applied this way, each gap turns into a question: Signal Loss: Did relevant information reach the people who could act before the window closed? Decision Rights: Were authority, accountability, and escalation clear when a decision was required? Structural Barriers: Which cross-functional

dependencies became walls under pressure? Psychological Safety: Could people surface the signal, uncertainty, or disagreement the response required?

Building the Diagnostic Record

Rather than a single composite score, the assessment produces an evidence record organized around Signal Loss, Decision Rights, Structural Barriers, and Psychological Safety. Some organizations receive signals early but lose them before they reach the people who can act. Others understand the situation but spend the response window settling authority. Still others run into cross-functional dependencies or conditions that suppress necessary disagreement. Chapter 17 develops how evidence, trend, and intervention make these vulnerabilities visible. The goal is not a uniform score. It is to see which gap is delaying coordinated action, what evidence supports that conclusion, and what intervention should close it.

The Questions That Reveal the Most

Across dozens of Readiness assessments in different industries and organization sizes, I have found that some questions reveal more than others.

The Readiness Review asks different questions.

Instead of "How many Strategic Situations did we face last year?" ask "Which ones surprised us, and what prevented earlier recognition?" Rather than "Do we have Readiness Protocols?" ask "When did we last use one, and how did it change the

outcome?" Replace "Is executive alignment strong?" with "Describe the last time a significant decision was made and trace what happened to it as it moved through the organization." Trade "Does governance support Readiness?" for "What is the most recent example of governance slowing an important response? What would have needed to be different for it to accelerate instead?" And in place of "Is confidence high?" ask "Can people surface uncertainty or disagreement before a response requires it?"

None of these can be answered from documentation. They require honest conversation, and that takes a level of trust that itself reflects the organization's Readiness. Sometimes the willingness to engage openly with the assessment is the first indicator.

The Assessment as Operating Practice

The assessment should never become an annual compliance exercise: a questionnaire sent out in Q4, scored by November, filed in December, and forgotten by February.

Readiness shifts with markets, leadership, technology, and priorities. So the assessment belongs in the operating rhythm: quarterly conversations, executive retreats, major investment decisions, and post-situation reviews.

Philip Tetlock's research on forecasting suggests that judgment about an uncertain future can improve through disciplined updating and honest track records. A Readiness assessment can encourage that habit instead of a negotiation

between competing intuitions. Used this way, it is less an audit than a mirror. Leaders can ask not only "What score did we receive?" but "What does this reveal about how we are thinking?"

In assessments I have led, the most important outcome was sometimes not the record but the conversation it made possible. Leaders discovered they disagreed about the organization's most significant Strategic Situations. Executives who believed their decisions were consistently strong learned that the teams carrying out those decisions experienced something different. Boards that believed they were governing Readiness learned they were governing performance.

A capability is hard to improve when leaders cannot see how it works in practice. In the end, the assessment is an exercise in organizational self-awareness. That awareness can inform judgment, and judgment acted on over time can build capability.

A Taxonomy of Strategic Situations

Military planning offers a useful comparison for classifying under uncertainty. Mission analysis helps leaders identify the relevant features of an operating environment. It lets them weigh courses of action without assuming they can predict the exact next move. A Strategic Situation taxonomy does something similar: it helps an enterprise recognize a class of demand before treating it as unprecedented. Prior recognition of the class can help leaders select or adapt a prepared response, though the right choice depends on current facts.

The four situation types describe preparation posture: lead time, how familiar the response may be, and how much new judgment the situation requires. That matters, but it does not tell you what the situation is about.

Picture a competitor stumbling in public, a regulation changing the compliance landscape overnight, or a major customer shifting strategic direction without warning. Their timing may look similar, yet each demands a different preparation architecture. The situation domains describe what a

situation is about. They are neither preparation capabilities nor diagnostic measures.

A taxonomy of Strategic Situations can help leaders manage variety by sorting it into recognizable types. Medicine classifies diseases, biology organisms, finance assets, and cybersecurity threat vectors. Such classifications give practitioners a shared language without removing the need for judgment.

Without common terms, one executive sees a market disruption, another an innovation challenge, and a third a customer-experience issue. A shared vocabulary can cut the time spent negotiating what the organization faces. Leaders still have to test whether the label fits the facts. Enterprise Readiness proposes the taxonomy to organize complexity for coordinated response, not to predict every event. How an organization defines a Strategic Situation can shape how it responds. Like the checklists Atul Gawande studied, a taxonomy can work as a recognition aid. It can help keep important steps visible under pressure, though it cannot ensure they will always be followed.

The canonical hierarchy has three levels. Level 1 contains three strategic portfolios: Growth and Market Capture; Strategic Transformation; and Risk and Resilience. Level 2 contains nine operational domains. The first five are Competitive Positioning and Market Opportunity; Revenue and Client Growth; Innovation and Product Moves; Organizational Transformation and Change; and Leadership and Talent. Four more complete the set: Mergers, Acquisitions, and Partnerships; Regulatory and

Compliance; Operational and Supply Chain Risk; and Cybersecurity and Technology Risk. Level 3 contains four preparation postures: Planned, Anticipated, Infrequent and high-consequence, and Unprecedented. Appendix C maps the nine domains and example situation types.

Alongside risk and resilience, the nine domains cover growth and market capture opportunities, competitive positioning moves, innovation windows, transformation demands, leadership transitions, and regulatory requirements.

Enterprise Readiness is not a transformation framework. It is organizational infrastructure that operates before, during, and after any transformation.

Transformation readiness asks whether the organization can redesign itself to capture AI value. Enterprise Readiness asks whether it is prepared to act on strategically significant problems, challenges, or opportunities. That question holds whether the transformation is complete, under way, or not yet started.

The domains and postures are useful at different stages of a transformation. An organization that has completed an AI transformation still faces competitive moves, regulatory changes, planned initiatives entering execution, and unprecedented situations. Preparation is meant to raise the chance that relevant parts of a response are built before one arrives.

Transformation readiness can help an organization reach a destination, while preparation readiness asks what it needs in place to act once it gets there.

The domains that follow are entry points, not isolated containers. Strategic Situations can form networks. A situation may begin in one domain, set off demands in others, and change meaning as conditions develop. The taxonomy supports recognition; the Situation Network helps leaders consider what may need to be interpreted together.

Strategic Situations Are Rarely About One Thing

One lesson the taxonomy can help surface is that many significant Strategic Situations cross departments or categories. A cybersecurity breach may become a technology, legal, communications, customer, financial, Board, and reputation issue. An acquisition may begin as a financial transaction and develop into a culture, leadership, systems-integration, customer-retention, and workforce challenge. Organizations sometimes classify the demand too narrowly. Legal sees legal exposure, Technology a systems problem, and Finance financial risk. Each view is accurate within its domain without describing the whole.

Strategic Situations can cut across functional boundaries. Enterprise Readiness proposes them as the organizing object when a response must be integrated across domains.

Growth situations require the enterprise to expand capability faster than its operating model allows. Entering a new

market, completing a major acquisition, or accepting a contract that could triple annual revenue can test whether the organization is ready to absorb success.

Competitive situations change the enterprise's position relative to rivals. A competitor's public failure, a new cost structure, or a market opening can create a window. That window can close before an unprepared organization settles ownership and response.

Innovation situations change what the enterprise can make, offer, or learn. AI, an emerging technology, or a new business model may start as a weak signal that needs interpretation before the investment case is obvious.

Transformation situations change the enterprise's operating model, systems, or structure. Mergers, restructuring, major technology implementations, and workforce change require coordinated movement across functions, not a project plan alone.

Leadership situations change who sets direction or how the enterprise commits to it. Succession, executive disagreement, and changes in ownership expose whether authority, accountability, and institutional memory were prepared before the transition.

Regulatory situations change the obligations or constraints the enterprise operates under. A new rule, a compliance action, or a shifting regulatory landscape can compress the decision

window. The response may then need legal, operational, financial, and communications work at once.

Risk situations threaten the enterprise's ability to continue or to protect value. Supply interruption, technology outage, vendor instability, liquidity pressure, a data privacy incident, a product safety issue, or cultural fragmentation may begin in one function and become enterprise-wide. Geopolitical instability, natural disasters, pandemics, and macroeconomic shifts belong here when external conditions create enterprise risk.

Returning to the Situation Network

The dimensions make a situation recognizable; the network makes the response coherent. Consider AI, which may begin in the Innovation dimension as new technical capability emerges. It can quickly become a Transformation situation as operating models and skills shift. When authority between humans and systems needs clarifying, it can become a Leadership situation, and when rivals deploy it, a Competitive one. Developing obligations can make it a Regulatory situation, and growing questions of transparency, privacy, and accountability can make it a Risk situation.

Leaders need to understand these interdependencies before execution begins. A response built for Innovation alone is likely to miss the other dimensions. It solves part of the problem while the rest compounds. That is why the Strategic Situation Portfolio in Chapter 17 organizes leadership attention around the network of related situations being managed at once. The

relationships often matter more than any single situation on its own.

Governing Enterprise Readiness

Many organizations govern finance, risk, cybersecurity, and audit. Enterprise Readiness raises a related question: how can the organization oversee preparation for cross-functional situations before a gap becomes costly? This chapter is about what governance should examine, not an argument that existing arrangements are unimportant.

The Right Questions

Most executive meetings follow a familiar pattern, starting with financial performance.

Then come operations, project updates, risk reports, human resources, and technology. The meeting ends, and executives may leave believing governance has occurred. Often it has. Yet nobody may have asked whether the enterprise is becoming more prepared. That absence can reflect design rather than a lack of intelligence or commitment. Governance tends to surface what its processes are built to review. If readiness is not in the design, it may not reach the conversation. Amy Edmondson's research on psychological safety adds a second condition. Even a well-designed process can miss uncomfortable signals when

people do not feel safe raising them. Governance that punishes the messenger risks learning about important situations late.

At the governance level, Chapter 13's conversational move becomes a matter of design rather than facilitation. The standing questions change. "Are milestones being achieved?" becomes "Is the organization becoming more prepared for the situations most likely to define our future?" The new questions add to operational governance instead of replacing it. Operational questions make sure today's work is done well. Readiness questions ask whether that work is preparing the organization for tomorrow.

From Portfolio Governance to Situation Governance

Portfolio Management has served organizations well, helping leaders prioritize investments, allocate resources, and monitor execution. Enterprise Readiness does not replace portfolio governance. It organizes the portfolio around something more fundamental than project categories. Traditional portfolio governance reviews projects: perhaps fifty active initiatives, sorted by business unit, investment category, risk level, or delivery status. The conversation is about execution: which projects are healthy, which need intervention, and which should be accelerated or stopped.

Enterprise Readiness governance reviews the Strategic Situations those projects exist to address.

Instead of fifty initiatives, imagine starting with six Strategic Situations: Enterprise AI Transformation, Cyber

Resilience, Leadership Succession, Customer Experience Evolution, Supply Chain Resilience, and Regulatory Readiness. In this example, relevant initiatives could link to one or more of them, and the conversation might change character. Projects become evidence of the organization's response as well as subjects of oversight. Leadership can ask, "Is this still the right response to the situation it was designed to address, and is the situation still understood correctly?" That question can prompt decisions a routine status review would not.

The Board's Responsibility

Boards of Directors have historically overseen financial performance, executive succession, compliance, strategy, and risk. Those responsibilities stay the same. Enterprise Readiness adds a view of organizational capability. The Board should not manage readiness; that is management's job. It can seek assurance that management is examining whether the enterprise is prepared to execute its strategy in the Strategic Situations that matter. That needs no new committee, only new questions in existing processes. How has the Strategic Situation Portfolio changed since our last meeting? Where does evidence suggest readiness has improved or declined? Which assumptions underpinning our strategy are becoming less certain?

Where are Signal Loss, unclear Decision Rights, Structural Barriers, or weak Psychological Safety most likely to delay the situations that will define the next twelve months? Boards do not need to understand operational mechanics to ask these questions.

They need only exercise their fundamental responsibility: making sure the enterprise is prepared for its future.

The CEO as Chief Readiness Officer

Whether or not the title changes, the CEO keeps executive accountability for the enterprise's readiness. Parts of the work can be delegated, as technology and financial strategy are, while the CEO keeps responsibility for cross-functional integration. The core questions include these. What are we facing? Do we understand it correctly? Are we prepared to respond? Are we learning? None of this makes the CEO a readiness technician. It asks for executive attention to the conditions that make readiness a priority, and accountability for the capability the strategy requires.

Quarterly Readiness Reviews

Executive teams can hold a Readiness Review alongside their operating review while keeping the two conversations distinct. The operating review examines performance and current commitments. A Readiness Review looks at how the Strategic Situation landscape has changed and whether current responses still fit. It also asks where capability may be strengthening or weakening, and what the enterprise may need to do differently. Kaplan and Norton argued for a closed-loop system that connects strategy to operations and feeds learning back into both. Paired reviews are one way to apply that idea, with the Readiness Review adding a forward-looking perspective. The agenda could cover changes to the Situation

Portfolio and evidence on the four diagnostics. It could also cover the currency of Prepared Responses, capability investments, and lessons from situations handled during the quarter. Teams may set a time limit, such as 90 minutes, and check whether the meeting stays focused. Duration alone is not a readiness indicator, though repeated trouble agreeing on shared terms is worth examining.

Governing Decision Quality

Organizations often govern outcomes. They tend to pay less attention to decision quality.

Outcomes alone do not reveal decision quality. A sound decision can produce a disappointing outcome when circumstances change, and a poor one can be rescued by luck. Organizations that look only at outcomes risk rewarding luck or punishing circumstances instead of learning how decisions get made. Enterprise Readiness governance proposes reviewing decision quality alongside outcomes. Sidney Dekker's work on complex systems supports examining the conditions people faced, not only the result. Were alternatives considered, and were assumptions explicit? Did relevant expertise take part? Was uncertainty acknowledged? Looking back, leaders can judge both the outcome and the process, especially for decisions made under pressure.

The Stopping Rule for Executive Judgment

Readiness governance should push human judgment upstream only as far as the organization can still examine it. The

aim is not to engineer judgment out. Judgment belongs to leadership, especially when a situation crosses domains and needs authority only a senior executive holds. But moving upstream is not neutral. Each step concentrates authority in a smaller group and can hide the evidence for or against the judgment from everyone below.

The stopping rule is clear: stop pushing the dependency upward when the next step would hide the evidence from the governance level below. Dr. Kerry Huang, Forbes contributor and Fortune Global 50 advisor, gave this architecture its most precise formulation in our exchange: governance at the Activation Record level must preserve the right reader at each layer, with final authority held by the final reader rather than compressed into a single point of review. Everything behind the decision must stay available to people positioned to challenge the judgment responsibly. That includes the Activation Record, the protocol, the assumptions, the alternatives considered, the evidence behind the decision, and the outcome. If contradiction requires access only the senior reader has, the architecture has gone one level too far.

Imagine a multi-agency incident response. The incident commander holds final authority, while the operations, communications, and technical leads contribute evidence from their areas.

Before a decision, each lead adds observations to a shared record. Operations describes what is happening in the field. The

technical lead explains system conditions, and communications staff report what affected groups are saying.

The commander can choose a different course from a lead's recommendation, but the lead can point to evidence in the shared record. That evidence makes constructive disagreement possible and keeps the basis for the decision visible.

If the evidence is withheld and decisions are made in private, other leaders may have less ability to challenge the judgment or explain its basis. That is a sign authority may have been concentrated too far.

You stop pushing at the point where the people below can still contradict the judgment at the top with the evidence they have. Once they cannot, the architecture has failed before the pressure test arrives.

Governance chains rarely set out to silence contradiction. They can drift past the stopping rule through escalation, exceptions, and private briefings. The risk is that nobody notices when those below can no longer challenge a judgment above.

No system can compel attention. An architecture can make not looking costly by preserving the evidence, the decision trail, and the accountability for ignoring them. It cannot make looking unavoidable; that remains a human obligation. Good governance does not remove that obligation. It makes its exercise visible and its neglect accountable.

The Measure of Good Governance

How should leaders judge whether readiness governance is working? Meeting counts, reports, and dashboards are not enough on their own. The model proposes three outcomes to examine, using evidence suited to each setting.

Are important Strategic Situations recognized earlier? Do executive decisions become more consistent and coherent over time? Does the enterprise mobilize with more confidence and less friction when significant situations arrive? If the evidence shows no improvement, leaders can examine the governance structure and how it was put into practice. Governance should not become an end in itself. Its purpose is to support adaptive capability. If it produces more activity without more capability, its design or application may need revision.

The Enterprise Readiness Diagnostic Record

A governance record does two jobs, depending on which way you read it. Read forward, it shows commitment building: evidence accumulating through use, interventions compounding, and the moat deepening. Reading it backward shows whether that commitment is holding or quietly eroding. Both readings depend on the same visible record. That is why trend direction matters more than a good-looking number at a single point in time.

The Strategic Situation Portfolio as the Starting Point

Every Enterprise Readiness diagnostic record begins with the Strategic Situation Portfolio. Instead of organizing information by department, product line, or function, the record

organizes evidence by the situations shaping the organization's future.

The format is simple by design. Each significant Strategic Situation is listed with evidence, trend, and intervention columns for Signal Loss, Decision Rights, Structural Barriers, and Psychological Safety. The record names the executive sponsor responsible for the response and the judgment still to be made. Trend direction shows whether the organization is closing a gap or letting it widen. Executives who watch a score instead of the evidence and its direction misread their readiness position.

THE ENTERPRISE READINESS DIAGNOSTIC RECORD				
Strategic Situations, assessed through four readiness gaps				
STRATEGIC SITUATION	ASSESSMENT EVIDENCE		TREND	INTERVENTION
New market entry <i>Situation record 1</i>	SIGNAL LOSS	Regional demand reached leaders late.	Improving	NEXT INTERVENTION Name one response lead; review regional signals weekly.
	DECISION RIGHTS	Pricing ownership overlapped.	Uneven	
	STRUCTURAL BARRIERS	Teams used separate assumptions.	Needs focus	
	PSYCHOLOGICAL SAFETY	A regional lead raised delivery risk.	Improving	
New product safety requirement <i>Situation record 2</i>	SIGNAL LOSS	A field complaint reached review late.	Uneven	NEXT INTERVENTION Refresh the Authority Map; rehearse the brief; protect challenge.
	DECISION RIGHTS	The interim approver was not named.	Needs focus	
	STRUCTURAL BARRIERS	Functions used different timelines.	Stable	
	PSYCHOLOGICAL SAFETY	Frontline uncertainty was softened.	Needs focus	

Each situation record applies all four gaps to evidence, trend, and intervention.

Illustrative records

Figure 17.1: The Enterprise Readiness diagnostic record: situation evidence organized by four readiness gaps.

Reading the Diagnostic Record

An evidence record organized around Signal Loss, Decision Rights, Structural Barriers, and Psychological Safety replaces the scorecard. For each gap it shows evidence, trend, and intervention, not a composite index or confidence dimension. Philip Tetlock's research on forecasting shows that disciplined judgment about an uncertain future improves when it is tracked over time instead of left to intuition. Reading the record as a trend, not a verdict, makes that tracking possible.

Psychological Safety as Observable Evidence

Psychological Safety is observed through behavior, not treated as a confidence score. Can people surface signals early, name uncertainty, and disagree when the response requires it? The record shows those behaviors alongside the other three gaps and points intervention at the conditions that suppress them.

Governing with the Diagnostic Record

The diagnostic record belongs in the normal rhythm of executive leadership, not in a separate process competing with operational governance for attention. An existing review can make readiness evidence part of decisions leaders already make. A separate meeting may lose that connection. The record is what those standing reviews read from.

The Record Is Not the Discipline

The diagnostic record should not be mistaken for the discipline itself.

Leadership creates readiness; the record only makes it observable. Chapter 18 develops that distinction in full. What

matters here is simple. Observation is valuable only if it produces action, and action only if it produces real organizational development.

Executives who use the record well treat it as the start of a conversation, not a conclusion. Evidence of Signal Loss in Leadership Succession is not the answer. It is the prompt: what created the gap, and what will we commit to doing about it before our next Readiness Review? That commitment, made with candor and tracked, builds the adaptive capability the discipline describes. The record makes the gap visible, and leadership closes it.

Perhaps the ultimate measure of executive success should include a question most performance frameworks rarely ask. Is the organization more prepared today than a year ago? If the answer is yes in most quarters, financial performance is more likely to follow. If it is no in most quarters, strong financial results may simply be masking a vulnerability that the rearview mirror will not reveal until it is too late.

Readiness OS

A discipline can become easier to practice consistently at scale once it has shared standards and supporting infrastructure. That infrastructure need not be software. Accounting, for example, developed Generally Accepted Accounting Principles.

Deming set out his System of Profound Knowledge for quality, and PMI published the Guide to the Project Management Body of Knowledge. Each gave practitioners a framework for applying ideas consistently. Enterprise Readiness follows a similar path, except that its discipline and platform were codified in parallel. The Execute phase shows how the two relate: its common language, reporting cadence, and gap diagnostic came from organizational practice before they were built into software. This book describes the discipline, and Readiness OS is designed to put it into practice. Together they may make preparation work more persistent and executable at scale.

Until now I have avoided discussing technology. The discipline should guide the choice of technology, not the other way around. A tool built before the problem is understood tends to automate existing processes rather than enable better ones.

The principles, language, architecture, governance, maturity model, assessment, taxonomy, and operating philosophy are now in place. So the book turns to the platform built to support them.

Enterprise Readiness is the proposed management discipline. Strategic Situations are what an organization prepares to recognize and address. Readiness OS is a platform built to support that preparation. It does not replace existing enterprise systems, and the work can begin with the tools, governance, and leadership practices already in place. Whether the platform makes preparation easier to sustain is a separate question from whether the discipline matters. Software that behaves as designed does not, by itself, prove an organizational outcome.

The System of Record That Was Missing

Modern organizations have extraordinary technology infrastructure, and each system is the system of record for something. ERP holds financial transactions.

CRM holds customer relationships, HRIS holds employees, IT Service Management holds technology operations, SIEM holds security, and PPM holds projects. Knowledge also lives in collaboration and document systems. In the organizations I observed, none of them gave the enterprise a shared record of its Strategic Situations. They held the parts, such as budgets, talent, initiatives, customers, or security exposure. The situation connecting those parts was often scattered across presentations,

email, and individual memory. Readiness OS is designed to make the Strategic Situation a first-class enterprise object. That object has its own identity, history, attributes, links to relevant organizational information, and record of what was learned.

What the Platform Enables

One distinction defines how the technology relates to the discipline. Readiness OS does not make decisions, replace judgment, or create readiness. Readiness depends on leadership behavior, culture, governance architecture, and learning from Strategic Situations. The platform is designed to make parts of readiness observable and to give executive judgment information, history, and a view of the organization's preparation. It can support three capabilities that may be hard to sustain by hand at scale.

The first is organizational memory. When a Strategic Situation is recorded, the platform can keep its signals, recognition time, shared understanding, Prepared Responses, decisions, and consequences. The record helps only if leaders study what happened and carry the learning forward.

The second is Prepared Response management. A Prepared Response should be a capability, not a static document. Readiness OS supports developing responses, proposing refinements after activations, surfacing them when a new Strategic Situation matches a pattern, and reviewing them. Take the illustrative competitive-displacement case. A leader could see the convening sequence, delegated budget authority, and the

prior legal review with its refresh date. Communications owners and resources staged for release on authorization would be visible too. All of it can be prepared before the situation arrives.

The third is situational awareness at scale. An executive team usually cannot watch every relevant signal directly. Working with artificial intelligence, Readiness OS is designed to monitor authorized sources, connect signals across functions, and point leadership toward patterns worth reviewing. Examples include regulatory commentary, competitor hiring patterns, shifts in customer sentiment, and vendor or supply-chain health indicators. The division of labor is deliberate: AI monitors and executives authorize. The platform surfaces information for consideration but does not make or authorize the decision. As built today, Readiness OS organizes this capability as a library of Prepared Response protocols, called Readiness Protocols. They span the operational domains in which the enterprise prepares to act.

The Accountability Firewall

Readiness architecture enables coordination; it does not take decision authority from accountable leaders. The boundary is explicit:

Readiness Architecture Owns (Enablement)	Line Leadership Retains
Detection: organize relevant signals and surface patterns for review	Situation judgment: determine what signals mean in context

Readiness Architecture Owns (Enablement)	Line Leadership Retains
Signal aggregation: connect information across authorized sources and functions	Decisions: choose whether to act, adjust, select another response, or stand down
Protocol activation support: surface a relevant Prepared Response and coordinate an authorized activation workflow	Authorization and accountability: approve activation, set direction, and remain answerable for the decision
Prepared roles, dependencies, communications, and a governance record	Execution outcomes: direct work within granted authority and own its consequences

“Activation” describes the protocol workflow after an authorized leader decides. It does not mean the software, on its own, declares a Strategic Situation or starts consequential action. Detection and preparation belong to the architecture. Decisions, accountability, and execution outcomes remain with human leadership and the accountable line functions.

When a situation arrives, some mobilization work may already be staged. How much remains depends on how well the Prepared Response fits. The platform also offers a short Readiness Benchmark as a simple onramp to the assessment framework in Chapter 15. Onboarding follows the sequence proposed in Chapter 13: vocabulary first, diagnosis second, and initial Prepared Responses third. The platform is designed to put that sequence into practice, so an organization beginning the discipline and one opening the platform for the first time can follow the same general order of work.

The same architecture has to serve different people and kinds of value. Take a planned market entry. The chief executive weighs the choice, and finance sets spending authority. Marketing and revenue leaders prepare the outreach while legal reviews what may be said. Operations maps dependencies. The PMO or Chief of Staff can make cross-functional handoffs visible. A regulatory change may call on the same roles in a different order, with legal and risk judgment nearer the front. In either case, technology leaders must make sure the information and integrations in use are authorized and reliable. These examples show how role-specific preparation could be organized; they are not accounts of completed customer activations. The platform can stage the relevant roles and record an authorized decision, but it cannot decide for those leaders or guarantee the result.

The Architecture of the Platform

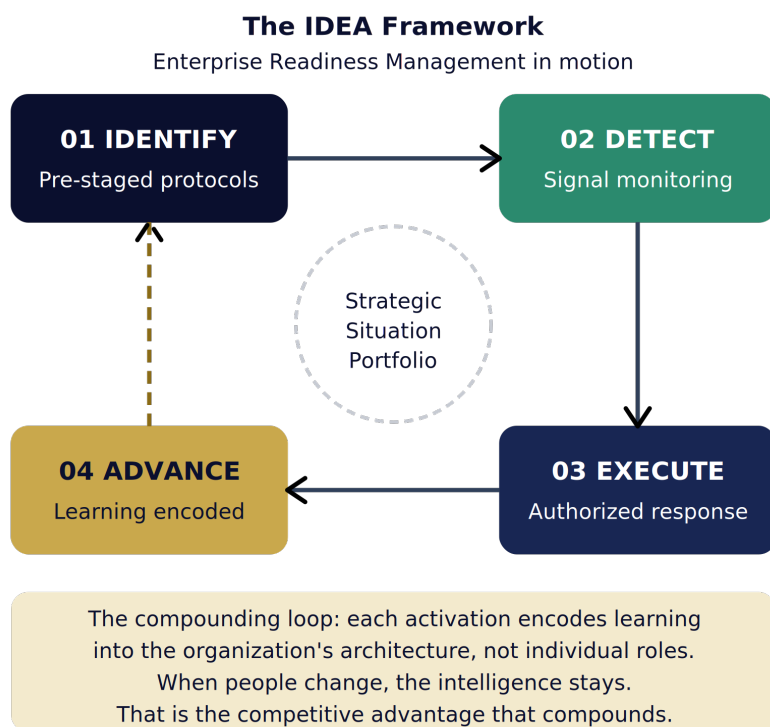


Figure C: *The IDEA Framework. Enterprise Readiness moves through IDENTIFY, DETECT, EXECUTE, and ADVANCE. EXECUTE is the operating phase inside one authorized protocol activation, not a separate module or parallel system of record. The Strategic Situation Portfolio and one authorized activation record sit at the center. The compounding loop encodes persisted execution evidence and learning into the organization's architecture after every activation, without rewriting history. When people change, the intelligence stays.*

The architecture of Readiness OS reflects the architecture of Enterprise Readiness itself through the IDEA Framework. IDENTIFY establishes the organization's Readiness Protocol

library, trigger definitions, ownership, authority, and preparation before a situation arrives. DETECT monitors relevant signals and recognizes an emerging situation while a response window remains open. EXECUTE turns executive authorization into coordinated action across stakeholders, resources, communications, dependencies, and Readiness Protocols. ADVANCE captures what was learned from the activation so the organization is more ready for the next situation.

Preparation gets the organization ready, and detection tells it when to move. Execution is where the response either holds together or falls apart.

In the dozen major transformations I observed, execution was often where the gains from preparation were hardest to keep. The trouble came not only in planning or activation but also in the execution window. That is when the situation was live and the organization could slide back into old habits. Email chains sometimes replaced structured communication. Status meetings could stand in for accountability, and information could lose fidelity as it moved through the layers of the organization.

Preparation is meant to reduce the assembly cost behind the Mobilization Tax, though it cannot remove every delay. A second cost can arise inside execution: misaligned work, ownership that dissolves at a handoff, or decisions that never reach the person who needs to make them. In the organizations I

observed, those problems could last through a long activation. I did not measure their cost separately from the Mobilization Tax. The Execute phase is designed to help address them.

EXECUTE is the operating phase inside an authorized protocol activation. It is not a separate module, a replacement for project management, or a parallel system of record. One authorized activation record is the source of truth from authorization through outcome and learning.

Execution runs on a common language that every layer of the organization can read. The delivery team, the program layer, and the executive see the same work. Each sees it at the depth it needs, on a cadence matched to the decisions it must make. When something breaks, the structure names which part failed. The executive then knows what kind of decision will close the gap, instead of asking for more information.

In the organizations I worked in, many execution failures came down to an ownership gap at a shared handoff. The work had an owner on one side and no clear owner on the other. Teams did not always call it that. They called it a communication problem, a coordination issue, or a process breakdown. Naming the gap precisely can help leaders choose a more relevant intervention, though it may not close the gap right away.

This framework did not come from theory. I built it in organizations from startups to Fortune 100 companies, for transformation programs that could not afford to fail. Every PMO I built and every transformation I led ran on some version

of this common language and cadence. The diagnostic came from watching the same handoff break in the same place. I saw it in enough organizations to know the problem was structural, not a people problem. These are practitioner claims about work I led, not universal benchmarks.

The recorded execution evidence flows into ADVANCE, which learns from the difference between preparation and reality without rewriting history.

The platform formalizes parts of the method I used to run by hand. At its center, the Strategic Situation Portfolio can hold an inventory of the situations an organization chooses to monitor, understand, or address. When the portfolio is kept current, its records can include diagnostic evidence, trend direction, an executive sponsor, Prepared Responses, and decisions. Governance processes can be linked to the situations they address, which makes Readiness Reviews, Board updates, and decision records easier to find together. The diagnostic record described in Chapter 17 organizes evidence, trend, and possible intervention around Signal Loss, Decision Rights, Structural Barriers, and Psychological Safety.

Together, these elements are intended to support an operating system for readiness.

Illustrative Scenario

The scenario below shows how the Compounding Loop can change an organization's starting position when a similar situation returns. Its details and figures are hypothetical. They

are not drawn from a specific event or offered as measured results.

An organization activates a competitive displacement response for the first time and pays the full Mobilization Tax. Assembly takes eleven days. The team needs eight cross-functional alignment meetings before coordinated action begins. Authority is settled under pressure, and the account list is built from scratch.

Afterward, the team logs the activation and refines the recognition criteria. Leaders document and pre-delegate the authority structure, and the account list is updated every quarter.

Eighteen months later, imagine the same type of situation arrives. This time the response mobilizes in four hours. Authority is already in place, and the communication sequence needs adapting rather than inventing. In the scenario, the organization captures thirty-one accounts, compared with eleven during the first activation.

The Compounding Loop did not make the team smarter. It made the second activation start where the first one ended.

The Relationship Between Discipline and Platform

Practice helped make the proposed discipline explicit. The Seven Laws, the Architecture, the Operating Model, the Maturity Model, the Assessment Framework, and the governance approach can all be practiced without Readiness OS. Organizations managed Strategic Situations long before software existed to support them. A platform may help sustain

the work across many leaders, situations, and years, where manual processes and individual memory become harder to maintain.

The platform is not useful unless the discipline is understood. Without the platform, the discipline may run into administrative limits. Together they may provide what neither supplies alone. That is why the first seventeen chapters cover the discipline before this one turns to the platform. Readiness OS is one possible infrastructure for the discipline, not a prerequisite. Inside large organizations, I watched initiatives end and institutional knowledge disappear when teams moved on or organizations reorganized. That experience helped motivate the platform.

Once the diagnosis is clear, the hesitation is usually not disagreement. It is uncertainty about where to begin without creating another initiative that competes for the same attention and resources. Chapter 13 answers with a First 100 Days sequence: establish the vocabulary, make the diagnosis honest, and build the first Prepared Responses around situations already demanding attention. The organization does not need to wait for a perfect system. It needs to begin making the Preparation Layer visible.

The discipline needed infrastructure to make its value last. Readiness OS does not guarantee permanence. It does support scale, persistence, connection, and sustainability beyond what manual administration can reliably provide.

Persistence is not automatic learning. After an activation, a specific finding can inform a proposed revision to the prepared response. That revision is reviewed and approved before the updated protocol carries forward. This traceable chain makes learning possible and visible. It does not promise that every revision will make the response more accurate. The architecture supports improvement while preserving the evidence and decision that produced the change.

That infrastructure carries obligations equal to the sensitivity of the work. People must authorize every activation. Records must stay with the organization that owns them, and every integration must be approved and auditable. Public demonstrations are modeled, not customer operating records. Under controlled conditions and with protocols pre-staged, the 12-minute target begins at human authorization and ends when mobilization and coordination are in full motion. Like the Mobilization Tax, it remains a validation method until customer baselines and post-activation evidence establish an outcome.

The Future of the PMO

Some functions reach a moment when outside forces change the work they were built to do. The usual response is to argue that technology cannot replace professional context and judgment. Sometimes that holds, and sometimes it does not. The PMO faces this question now, as AI automates parts of its administrative work. What should the function become?

The PMO may be well positioned to adapt if its leaders handle this moment deliberately.

What AI Takes and What It Cannot. AI can automate or assist with some of the work that has long consumed PMO time. Project tools can generate status reports. Algorithms can support schedule analysis, communication monitoring, and forecasting by flagging potential risks. Meeting summaries, action tracking, and document management are candidates too.

That work creates value, and in some organizations it has defined how people see the PMO. As it changes, leaders face a choice. Cutting headcount only because tasks got cheaper can overlook what else the function could contribute. One path is to redeploy some PMO capacity toward broader coordination and

organizational learning. That can include Enterprise Readiness where it fits the mandate.

Thomas Davenport and Julia Kirby argue that what people add alongside automation often includes judgment and framing. Their view can inform a PMO's transition, though each organization's needs differ. Coaching taught me something similar. A coach's job reaches past keeping the stat sheet to building capability and coordination. For the PMO this is an opportunity, not a universal mandate or a guaranteed outcome.

What the Enterprise Readiness Professional Looks Like From the Executive's Side of the Table

For years, the people who ran your projects introduced themselves by their credentials and methods.

Those labels described how they worked, not the full value they could create. Systematic project methods are now widely practiced, though how much they matter varies by market and organization. The Enterprise Readiness Professional is one way the role could evolve. It is more than a new title for a project or portfolio manager. This practitioner's main commitment is helping the organization recognize, understand, respond to, and learn from Strategic Situations.

For the executive, expectations can change. Scope can reach past the project portfolio to situations on the roadmap, anticipated situations, and plausible what-if scenarios. Success can be measured by organizational preparation and Decision Quality alongside schedule, method, and reporting. Project

methods stay useful, joined by skill in organizational dynamics, executive communication, strategic thinking, decision science, and AI.

Making the Case for the Investment

The function that stewards Enterprise Readiness will face a budget conversation before an operational one. That conversation needs a financial model, not a framework presentation. The baseline is the organization's own Mobilization Tax across significant situations. It includes senior leadership time, governance overhead, stakeholder sequencing, and communication built under pressure. Delayed initiative value counts too, along with the opportunity cost of a window closing before the response was ready.

Preparation has a cost; calling it infrastructure does not erase the hours required to build and maintain it. Compare it with the organization's own repeated coordination work after a consequential situation arrives. A protocol earns its place when fewer handoffs and less assembly in actual use outweigh the effort of keeping its authority, owners, and first steps current. If the record does not support that exchange, simplify or retire the protocol rather than add another review layer.

Enterprise Readiness is meant to reduce avoidable assembly cost. That effect should be measured against the baseline, not assumed. The first Readiness Protocol built for a recurring situation type may cut assembly cost the next time that situation arrives.

Take a vendor-continuity protocol. In a normal quarter it could support the routine supplier review by keeping escalation contacts, dependency owners, and approved alternatives current. If that supplier later suffers a high-consequence outage, the team can adapt the protocol. Leadership can use the prepared authority map and review alternatives against current facts. Legal, operations, communications, and customer teams can coordinate without starting that assembly from scratch. The capability is useful in routine operations and available again when the stakes rise. Its value still has to be measured in the customer environment. A steward who builds the case with the organization's own numbers can judge payback against a cost the organization is already paying.

Where the PMO is absent, focused only on delivery, or short on enterprise trust, stewardship can sit elsewhere. It could sit with the COO, in Strategy or Transformation, in the Chief of Staff organization, in Enterprise Risk, or in a dedicated Readiness Office. The steward keeps the operating cadence and the record. Executives keep authorization, and Legal, Finance, Security, Communications, and other functions keep their domain decisions. Enterprise Readiness needs a stable steward, not a particular org chart.

Picture a weekly standing portfolio review. The Enterprise Readiness Professional asks the question the agenda never has: "Which of these initiatives exists because of a Strategic Situation we have not named?" Together, the executive team traces several initiatives back to the situations driving them. It finds one with

no explicit owner, authority, or response window. From there, the review shifts from reporting progress to deciding what that situation requires and what preparation must exist before the next meeting. Nothing new went on the calendar; the team redeployed the existing structure around the situation.

The Core Mission. Beneath changing methods, technology, and identity, a PMO can keep a valuable integrative role. Organizations can be fragmented. Functions see different parts of the work, and executives weigh different dimensions of performance. Geoffrey Moore describes how established enterprises must run a proven business while responding to disruption. That calls for integration as parts of the organization change at different speeds.

Some PMOs have supplied that integration through project or portfolio governance. They may contribute to Enterprise Readiness where access, expertise, and mandate support it. Elsewhere, one of the other homes named above, or another function, may fit better. Methods and homes can change while the value of cross-functional coordination stays. As AI changes administrative work, a PMO may be able to redeploy some capacity toward that broader contribution. That is each organization's decision, not an inevitable future for every PMO.

Building the Ready Enterprise

Organizational change is hard to describe from theory alone. I spent more than two decades in transformations across financial services, manufacturing, gaming, defense, automotive, and technology. In that time I rarely met an executive team that did not see a need for change. The harder part was getting people to move together.

An announcement does not prove a transformation; changed behavior and results over time are stronger evidence. Enterprise Readiness will matter only if leaders build it into the operating rhythm. It has to become a way of preparing and leading, not an initiative with a launch date and a finish line. The Ready Enterprise is built through repeated conversations, decisions, and situations.

How Transformation Actually Works. Organizations rarely transform because employees suddenly embrace a new idea; understanding is not action. I have watched organizations invest heavily in Enterprise Readiness education, workshops, keynotes, and training. They came away with nothing beyond a shared vocabulary. The vocabulary survived.

The behavior did not, because behavior change follows leader behavior, not leader communication.

People watch what leaders do far more closely than they listen to what leaders say. When the two match, trust develops and change becomes possible. Some leaders talk up readiness while still governing only by project metrics. Their teams correctly conclude that the stated priority is not the real one. The announced transformation then gets filed with every other one that changed nothing. Readiness begins with how leaders behave.

The Five Stages of Building the Ready Enterprise. The transformation moves through five stages.

Unlike project phases, they have no start and end dates. Each is a shift in capability that emerges as leadership behavior changes and the discipline takes root.

Awareness emerges first. The executive team sees the difference between execution and readiness. Leaders ask different questions and notice when governance dwells only on delivery. They recognize the Readiness Gap in recurring struggles instead of blaming individuals or bad luck. Awareness cannot be engineered; it grows out of honest conversation. The fastest way I have found to build it is to walk leaders back through a significant Strategic Situation the organization already faced. It might be an acquisition that struggled or a regulatory change that caught the organization unprepared. Look past what went wrong in execution to what preparation was missing

before it arrived. When leaders see that pattern in their own history, awareness follows.

Alignment develops second. Leaders build a shared understanding of what Enterprise Readiness means for this organization, in this industry, at this moment. Together they get clear about the Strategic Situations it faces, the Prepared Responses it has and lacks, and where the Readiness Gap is largest. This stage often exposes hidden disagreements. Executives who seemed aligned may find they read significant Strategic Situations differently. Surfacing those differences lets leaders work through them before execution instead of later.

Integration happens third, as the discipline moves out of the workshop and into operating practice. Strategic Situations appear on executive agendas, and portfolio reviews take on situation-level thinking. Teams build Prepared Responses for selected situations, and the Enterprise Readiness Diagnostic Record may enter the quarterly rhythm. Efforts can stall here, because existing processes already have owners and routines. Instead of adding competing processes, leaders can adjust existing ones: a question in a portfolio review, a section in a board report, a situation-level lens on an investment decision. Over time, such changes can shift how the organization thinks.

Capability develops fourth, as the organization invests in what readiness requires. Authority Architecture can improve as leaders build habits of surfacing assumptions, including other perspectives, and admitting uncertainty. Cross-functional

collaboration can strengthen as trust grows. Prepared Responses can become working tools rather than documentation. Learning can move beyond after-action reports into Institutional Memory that informs future decisions. Clear authority may support more honest signal-sharing and stronger Sensing. Shared Understanding can improve Prepared Responses, coordinated action, and the Institutional Memory that feeds back into them.

Adaptation marks the fifth stage, when readiness becomes part of the culture. The organization recognizes Strategic Situations sooner, and departments collaborate with less prompting. Prepared Responses are reviewed and improved after activation. Over time the organization can grow calmer in uncertainty. Uncertainty does not disappear, but relevant preparation is in place. This is the Level Four aspiration in the maturity model, not a guaranteed outcome.

The Three Leadership Commitments. Building a Ready Enterprise takes three commitments, shown in practice rather than stated.

The first is the Commitment to Reality. It means seeking a clearer picture even when it is uncomfortable, surfacing inconvenient signals, and examining assumptions instead of protecting them. Adam Grant has argued that the willingness to rethink is a skill, and this commitment applies it inside the organization. Uncomfortable truths can demand difficult responses and create accountability.

The second is the Commitment to Learning: using Strategic Situations to strengthen capability rather than just survive them. That means capturing lessons while they are fresh and deciding whether they belong in Prepared Responses. It also means examining what did not work without assigning blame. Amy Edmondson's work separates intelligent failures that support learning from preventable failures that should be reduced. This commitment treats each kind accordingly. Organizations that learn from situations are better placed to update their preparation.

The third is the Commitment to Adaptation: accepting that conditions may change and the organization may need to change with them. That is hard to sustain for leaders used to treating completion as the goal. Readiness is a capability to keep reviewing and developing, not a one-time project.

Carol Dweck's work on individual mindsets offers a useful comparison, though not a direct one. Beliefs about whether capability can be developed may shape how people respond to challenge. For organizations, that points to a hypothesis: leaders who treat capability as developable may be more willing to learn from situations. Adaptation is demanding, especially under reactive pressure. Preparation can help leaders meet some changes deliberately instead of scrambling to keep up.

What This Produces. When leaders sustain this work, Enterprise Readiness can become part of how they lead rather than a temporary initiative. Their questions, measures, and

rewarded behaviors change with the organization. None of this follows automatically from a framework or software deployment. It depends on leadership behavior, implementation, and continued learning. That practice can set a cultural baseline for future situations.

The Organization That Remains Ready

Chapters 21 through 25. The cognitive enterprise, discipline proved in practice, leadership, organizational sovereignty, and the letter to the reader.

The Cognitive Enterprise

The emerging era of management works to improve organizational cognition: how organizations think, not only what they can do. Artificial Intelligence expands what an organization can perceive, and human judgment decides what that perception means. Enterprise Readiness connects the two through Collective Intelligence.

Management has always asked how people with different roles, information, and priorities act together on what matters.

Standardized process and shared data answer parts of that question. Neither decides how an organization makes meaning from what it sees. Functions can look at the same data and leave the same meeting with different ideas of what it requires.

This book proposes an architecture meant to make collective judgment faster, more consistent, and more reliable under pressure. AI may support that work at organizational scale. Its contribution need not stop at speeding one person's analysis; it may also help teams direct attention and coordinate action around what the analysis shows.

What Organizational Cognition Means. Organizations have no brains or consciousness. Still, their people and systems

perform something like cognition at the collective level. They perceive signals, interpret them, decide, remember, and learn. Along the way they form assumptions about customers, competitors, technology, and markets that shape what they notice and do. These functions are spread across people and processes rather than held by one person. Learning is more likely to survive a leadership transition when it shapes organizational practice instead of staying with one leader.

The Limits of Individual Cognition. Some enterprises generate more signals than an executive team can absorb. Decisions can queue for senior attention, and observations from the middle of the organization may never reach anyone who can act on them. More reporting or another layer sometimes helps. Still, the bottleneck stays if interpretation depends on a small group. The problem can be structural as well as personal. Some organizations ask people to interpret more than their processes can support.

Artificial Intelligence may change the scale of perception, as Chapter 11 discussed. It can monitor selected signals, spot anomalies, and suggest connections across functions that people might miss. Its job is not to decide what those patterns mean for an enterprise, which trade-offs reflect its commitments, or which response deserves authority. Recognition is not judgment. The Cognitive Enterprise keeps the two apart and considers how machines might expand perception while people stay accountable for meaning, priority, and action.

Collective Intelligence as a Capability That Matters. As AI tools spread, one potential advantage is joining expanded perception with human judgment, institutional memory, shared understanding, and adaptive governance. That is what I mean by the Cognitive Enterprise. It is not one where AI makes the decisions, but one where human and machine capabilities may complement each other. Marketing's view of customers, Finance's of capital, Operations' of execution, and Legal's of consequence can be weighed alongside pattern recognition across functions. Amy Edmondson's work on teaming describes coordination across boundaries and on short notice. A Prepared Response aims to help people coordinate when they may not have worked together before. It does that by setting roles and processes in advance.

Enterprise Readiness is meant to support that integration. Without a shared approach, AI could amplify fragmented optimization: each function gets stronger analysis, but the enterprise-wide response gains nothing to match. With preparation, AI may strengthen organizational cognition. That requires a path for signals to become shared understanding, for judgment to receive authority, and for learning to flow back into the system.

Organizational Memory. Strategic Situations can produce useful knowledge, but organizations do not capture it automatically. In some settings the learning stays with the people who were there, in notes nobody revisits, or in reviews that describe events without changing later practice. A

Cognitive Enterprise seeks to make relevant learning last. It captures that learning in Prepared Responses, reflects it in governance, and makes it available when a new situation resembles an old one. The closing chapters look at how that memory might build over time. Collective cognition may benefit from memory that outlasts any one person's tenure and attention.

The Leadership Implication. The Cognitive Enterprise changes what leadership is for. Individual expertise still matters, but leadership becomes the work of improving how the organization perceives, interprets, decides, remembers, and learns. The leader becomes the architect of conditions that make the whole room smarter, rather than the smartest person in it. Instead of owning every decision, the leader designs a decision system that does not depend on any single person. That is Enterprise Readiness in the age of organizational cognition.

What remains is whether this architecture, once built, can survive the conditions that test it, and who is responsible for making sure it does.

A Discipline Must Be Proved in Practice

Some mechanisms in Enterprise Readiness have bounded operating examples in football and other practice settings, and related research spans emergency management, military mission command, high-reliability organizations, cognition, and organizational behavior. That work makes the framework plausible. It does not independently validate it.

What remains to be proved is whether the integrated discipline can be transferred, independently practiced, measured, and scaled without its creator in the room. That is a harder standard than proving the mechanisms work, and every management discipline must eventually meet it.

This book documents where the evidence has accumulated and names the transferability, measurement, and scale still to be demonstrated.

A discipline earns the name by surviving practitioners who were not there when it was built. Researchers can test whether the six-capability preparation architecture improves response quality and whether the four diagnostic gaps reliably identify what delays coordinated action. Educators can examine whether

the framework can be taught. Organizations can measure whether the time and effort to mobilize change as they practice and revise Prepared Responses. Practitioners can find the failure modes. A discipline grows through that testing, not advocacy alone.

Several disciplines in this tradition began with people who saw familiar problems differently. Taylor examined inefficiency in work, Deming treated quality as a property of the system, and Porter separated competitive strategy from operational effectiveness. Their work matured as others used and challenged it. That history does not validate this proposed discipline by association.

My vantage point was the Stanford sideline and a forty-second play clock. Then came the harder work of translating what I saw into enterprises with different clocks, authorities, and pressures. The game made preparation before a defined constraint visible, without establishing that the same architecture would work in an enterprise. In the organizations I worked in, cross-functional preparation around a Strategic Situation did not always have a shared vocabulary or operating framework.

The Mobilization Tax did not come from research. It was the cost I kept watching organizations pay while I could see exactly what they had not built. The seven laws came from patterns that kept appearing across the organizations I observed where the Preparation Layer was absent, not from theory. I did

not invent the six capabilities in a framework session either. They were the conditions that had to exist before the preparation architecture could work in an enterprise the way it worked on the sideline.

This book comes out of twenty years of doing that translation, not twenty years of thinking about the problem. Enterprise Readiness is what the work produced, and its wider results remain to be tested.

What a Mobilization That Proves Unnecessary Still Teaches

A signal can justify convening a prepared team even when the expected situation never arrives. That is neither automatically a failure nor proof that the architecture works. Ask whether the signal reasonably crossed an agreed threshold, whether the people with relevant authority were reached in time, what was decided, and when the team stood down. A limited review need not activate the whole protocol. The test is whether the response matched the information available.

An unnecessary mobilization can expose confusion about a first call, an authority map, or a handoff. It also costs time, disrupts other work, and can make people slower to answer the next signal. Record both the preparation that held and the effort spent on an event that never developed. If similar signals keep producing costly responses without useful information, revise the threshold or the protocol rather than calling every false alarm good practice. Capture the learning while it is fresh,

without claiming a real event would have unfolded the same way.

The Cost of Staying Ready

Preparation architecture needs maintenance. An Authority Map can go out of date when a decision-maker changes roles, and a Prepared Response can go stale as dependencies, legal requirements, or communication channels change. Practice takes people's time. Those costs belong in the evaluation, next to the assembly effort or value a timely response might preserve.

Name a steward for each selected protocol. Review it when a relevant role, obligation, or dependency changes, after an activation, and on a cadence suited to the situation's consequence and rate of change. Track the time spent updating and rehearsing it, the effort of unnecessary mobilizations, and whether people other than its builders can still use it. If a protocol costs more attention than its plausible value justifies, narrow it, change how often it is reviewed, or retire it. A lapsed plan is not free just because nobody maintains it, and not every possible situation deserves a standing response.

Whether Enterprise Readiness earns its place will depend on what happens when practitioners use and test it. A useful evaluation compares time to coordinated action, response quality, preparation and maintenance effort, and what changes after an activation. More than two decades of observation gave me the conviction to propose the framework, not proof of its outcomes. Broader evidence has to come from consented,

properly designed evaluation, including cases where preparation did not help.

The discipline and the platform developed together. The practice made the architecture explicit. The architecture made the practice scalable. The book describes the discipline, and Readiness OS puts it into practice. Together they make the preparation work persistent and executable at scale.

This is that framework, offered as a beginning rather than the final word. In practice, leadership preparation is the choice of what to invest in, what to maintain, and how to structure authority before pressure makes those decisions.

Leadership as Preparation

Preparation is leadership expressed before leadership is required.

Delivery agility and organizational responsiveness are different capabilities. Enterprise Readiness addresses the second without diminishing the first. Its preparation architecture is meant to help the enterprise coordinate when a problem, challenge, or opportunity crosses functional boundaries.

Management writing has often celebrated what leaders do under pressure: the decisive CEO, the crisis manager, the turnaround executive. That captures real leadership work but can understate the preparation done beforehand. A leader who responds well to an unprepared situation shows resilience. A leader who helped build the preparation may leave capacity that depends less on which leader happens to be in the room.

The football example has a narrow application. A quarterback who calls an audible may be able to change a prepared play because the team practiced its language, assignments, and decision rights beforehand. Inside a fixed play clock, that preparation can help a group pivot without another meeting. The example does not prove a business will handle an

unfamiliar situation well; it illustrates how prior coordination can support a bounded, authorized adjustment.

An organization that waits for pressure before mapping authority, assembling stakeholders, clearing communications, and finding resources is doing preparation inside the response window. Earlier preparation cannot remove uncertainty. But because the foundations are already in place, it may leave leaders more time to interpret the facts and choose among options.

Suppose an executive's organization moves from authorization to first coordinated action while a competitor is still assembling. Part of the credit may belong to preparation built earlier, not only to judgment under pressure. Staged protocols, pre-delegated authority, and governance considered before a board asks for it are examples of that work. Their value may show most clearly beside organizations that had to assemble the same elements later.

That suggests a wider view of leadership. Such a view counts the response that impresses in the moment. It also counts the preparation that makes coordinated responses more feasible across leaders, teams, and situations. Preparation does not make leadership unnecessary. When pressure arrives, people still have to interpret facts, use judgment, and act. But an organization with that preparation in place meets the situation with something the unprepared one lacks. The word for that posture is fearless.

Preparation is one expression of leadership. A response may show how well that preparation served the situation.

Fearless does not mean free from risk or uncertainty. It describes what preparation can make possible. Picture an organization that has the judgment, authority, and response structures it needs. It becomes fearless, not because situations become less serious, but because it no longer meets them from zero.

The remaining question is not whether preparation changes what the organization can do. It is whether what preparation builds stays in the organization after the people who built it are gone.

Organizational Sovereignty

Leadership Transition as a Test of Ownership

This case reflects patterns observed across multiple leadership transitions in financial services, gaming and hospitality, and manufacturing organizations over more than twenty years. It is presented as a composite to protect confidential information and should not be read as identifying a particular organization or individual.

A PMO executive who had served for eleven years carried deep operational context: vendor history, load-bearing relationships, informal commitments, and governance precedents. Before she left, the organization documented what she knew, but not how she knew what to watch for. Within sixty days, her successor, negotiating in good faith, ran into a vendor commitment that had never been written down. The friction took four months to resolve.

The lessons-learned archive was useful; for documented situations, the new leader responded competently. The gap was the undocumented context: pattern recognition, informal relationships, historical commitments, and precedents that

existed nowhere in writing. The organization had captured what the departing leader knew, not how she knew it.

An adjacent division had faced the same situation type two years earlier and built a Readiness Protocol for leadership transitions. Its authority map was already documented, and informal commitments were encoded as they were exercised. When its leader moved on, the successor inherited the response architecture instead of rebuilding it from memory. The transition finished faster, and division performance stayed within its normal operating range. This is a composite observation, not a verified performance measure for a particular organization.

Both divisions faced the same class of situation. One carried its capability in a person and had to reconstruct context after she left. The other had encoded authority, commitments, and operating knowledge while they were in use. That is what Institutional Memory means here: continuous encoding rather than documentation prompted by a departure, so each transition starts from what the last one taught.

Any leader evaluating a platform, a consulting engagement, or a management framework can ask: when this is over, what does the organization actually own?

The answer helps show whether the capability behind one result can support future work. A consulting engagement may produce recommendations while the consultant keeps some of the method, judgment, and institutional knowledge. The client

owns the report and whatever else the contract specifies. A vendor may produce useful outputs while keeping some of the intelligence, pattern recognition, and operational learning. The client's access and rights depend on the agreement. A leader can carry institutional memory that is hard to transfer. When that leader departs, context, informal commitments, or pattern recognition recorded nowhere else can be lost. The organization can own the title without owning all of the knowledge.

In dialogue about what makes organizational capability durable rather than personal, Jayashree Venkataraman observed:

"Preparation becomes durable when the capability no longer depends on the person who built it to function."

One test is a personnel change. When a key leader leaves, does some of the capability stay in the system, or does it leave with them? If the organization keeps having to simplify its response, slow decisions, or rebuild coordination after departures, the capability may rest too heavily on individuals.

The second test is recurrence. When a similar challenge returns, does the time or effort to respond change? If not, leaders can check whether the learning was captured, the situation was truly comparable, or conditions changed. The capability may not have compounded yet.

Personnel change and recurrence are the two tests. Both reveal whether the organization owns the capability or whether specific people do.

Some organizations borrow important intelligence that governs their response. Enterprise Readiness is built to help them keep more of it.

An organization can capture learning in a governed Activation History. Then each Strategic Situation can add a record: the preceding signals, the authority structure used, what held under pressure, and what might change if something similar recurs. That record is worth more when it is created as the work happens than when it is rebuilt from memory later. If the organization controls and maintains it, some context can outlast individual leaders. The history can inform future responses, though it cannot guarantee improvement or make the capability permanent. A competitor cannot immediately reproduce the organization's record of decisions in its markets, even if it develops similar capabilities through its own experience.

That is one aspiration behind the framework. It reaches beyond a faster response, a lower Mobilization Tax, or a more impressive governance architecture. The aim is an organization that keeps and develops capability as it meets new situations.

A competitor may license the same platform tomorrow, but it cannot buy the organization's particular Activation History and decisions as a ready-made substitute. It can build its own evidence base through practice. The organization that starts earlier may learn sooner, though that advantage depends on the quality of its learning and can shift.

Organizational sovereignty is one way to describe that ownership. When an organization governs its information and maintains its preparation architecture, some of its intelligence and learning can become institutional rather than held only by individuals. This capability is not permanent by default. It depends on stewardship, access, security, and continued practice. The accumulated knowledge can help leaders see how the organization responded, what appeared to work, and what to change.

An organization with relevant preparation can approach a situation with more confidence than one that must begin by assembling roles and authority. Situations remain serious, and unfamiliar facts still arrive. Preparation does not remove uncertainty.

Enterprise Readiness proposes a structural answer. The organization can capture learning in the Prepared Response or Activation History and review it. When it does, some capability can live in the system as well as with the person who carried the decision. Signals, authority, and response sequences can be recorded for the next team, provided the record is sound and the organization keeps it maintained.

In this framing, whether capability survives depends partly on whether the organization has a way to turn individual experience into shared, maintained knowledge. Preparation architecture can support that transfer, but not automatically. People have to capture, review, protect, and apply the learning.

That is an organizational aspiration, not a guaranteed product outcome. To earn it, the enterprise must own the preparation, keep the record current, and use each activation to test and improve the response.

Already built. Permanently yours. Getting better with every activation.

A Letter to the Reader

An important question a leader can ask is not only whether the initiative succeeded.

It is what the organization became because of it. The question is simple, yet leaders under pressure to move to the next priority often treat reflection as a luxury. It is not. Reflection can help leadership compound learning. I spent the first decade of my career measuring success by completion. A project finished on time and within budget was a success, and a transformation declared complete was an achievement. Those measures were not wrong, but they were incomplete. Organizational capability is not always a byproduct of successful projects. It can be built deliberately: through decisions made during an initiative, what is captured when it ends, and institutional memory that outlasts the team that built it. Organizations can grow stronger over time through what their initiatives leave behind, not only what they complete.

They are defined by what each one left behind. That is the responsibility this book has been building toward.

Trust Is a Structural Dependency.

Beneath the communication cadences, alignment frameworks, governance structures, Strategic Situations, and Prepared Responses this book has described lies a foundational condition: trust. Chapter 3 develops three dimensions. With Trust in Communication, information can move quickly enough to support coordinated action. Trust in the System lets people use established processes rather than improvise. And Trust in Leadership lets people commit to a direction before all the answers are clear. Readiness rests on these conditions, though how much each matters varies with context. This is why Enterprise Readiness begins with communication architecture, alignment disciplines, and governance before it reaches Prepared Responses and deployment. When trust is strained, more preparation alone may not resolve the underlying problem.

There is something worth naming about the path that produced this discipline, because it is the same discipline applied differently.

My head coach at Stanford told me that an effective head coach should understand what each player is responsible for and how players are prepared for situations on both sides of the ball. I took that instruction back into business and chose a path that made no conventional career sense. Over the years I led software development, then product, then quality assurance, then data, then operations, then project management, then strategy. I did not choose them because the roles were adjacent. I chose them because I was applying what the coach had given me. That experience taught me that leaders benefit from understanding

how the parts of a coordinated system relate before a situation requires them to lead it.

The preparation architecture this book describes is what organizations should build before Strategic Situations demand it. What I am describing now is that I built the same architecture in myself, deliberately, across thirty years at the intersection of elite athletics and enterprise leadership. That work came before the situation arrived that required me to name the gap and find the discipline to close it.

The product was already built when the window opened, and the book was already written when the category needed founding. The preparation had already happened.

My story illustrates a principle; it does not prove it for every organization. Other leaders may recognize a similar pattern in their own experience. A path that looked unconventional can turn out to be preparation. And an apparent opportunity can be the moment that preparation is put to use.

Preparation is leadership expressed before leadership is required. That is the thread I can now see in hindsight.

A word about doubt, and about what resolves it.

Management disciplines normally come from channels such as a business school, a major consulting firm, or a research institution. Building one outside those channels brings a specific kind of uncertainty that competence alone cannot resolve. You can be certain the observation is real and still uncertain whether the claim is yours to make. You can spend twenty years watching

a pattern repeat, build the framework that explains it, and write the book that names it. And in the quiet moments, you can still wonder whether what you saw was real or whether you have been overreaching all along.

That uncertainty is not weakness. It is the appropriate response of someone proposing something new. But it can hold the work hostage if nothing resolves it.

What resolved it for me was not confidence. It was dialogue with practitioners working in adjacent territory who offered observations that sharpened the work.

Neither had any obligation to engage. Both did so in response to a comment on LinkedIn, giving a moment of their time to something they came across in passing. Dr. Kerry Huang shared the work with his network without being asked. Jayashree Venkataraman, Leadership Systems Advisor and Co-Founder of LeadWell Lab

, explored with me whether organizational capability survives the person who built it. She offered a working construct that gave the question a practical test.

Those two moments changed the trajectory of this work. The change did not come from endorsement. Each helped me see what needed to be made more precise.

The doubt did not disappear, but it became information instead of paralysis. I knew the observation was real and the discipline was ready.

I tell this story because many readers are building something. Leaders who have watched a pattern repeat and wondered whether they have the standing to name it may recognize the feeling. Doubt is not necessarily the enemy of category creation; premature certainty can be. Doubt keeps the work honest, though it may need conversation and evidence to become more precise.

Preparation Is Leadership Expressed Before Leadership Is Required. That phrase captures what this book has been working toward. Some of a leader's consequential work is invisible at the moment it matters most. It might be a communication rhythm established earlier, a governance structure that clarifies accountability, or a protocol prepared before a crisis. None of this guarantees a response in minutes rather than weeks, but it can reduce the assembly required after a situation begins. The forty seconds described in the Introduction show this on a football field: the preparation happened before the clock started. Enterprise Readiness extends that bounded example into a continuous discipline for preparing cross-functional action. It complements risk management, continuity, scenario planning, and project governance rather than replacing them.

The Questions That Matter. Many leaders find that the quality of results depends not only on the answers they find but also on the questions they ask. The questions that matter in Enterprise Readiness are hard because answering them means facing uncomfortable truths about capability. What Strategic

Situations might we be overlooking because they feel distant? Which assumptions are we protecting because questioning them would be disruptive? Which capabilities might atrophy because they are not currently being tested? What institutional knowledge could be lost because it is not captured? Is the organization becoming more prepared as it encounters situations, or is it starting from much the same place each time?

These questions do not have permanent answers. Leaders can return to them in leadership meetings, retrospectives, and planning cycles. Asked candidly, they direct attention to capability as well as activity.

This Is Not the End of the Work. This book has described capabilities that can be built before they are needed. Communication systems can be built before a situation arrives, and governance structures before the board asks. Protocols can be ready before a relevant threshold is crossed, and institutional memory captured before a team disperses.

The same principle applies to the discipline itself. Enterprise Readiness is not a framework to implement once; it is a capability to build and revisit as situations change. Institutional Memory need not belong only to a PMO; it can support enterprise stability when learning is captured, governed, and maintained. When knowledge is recorded as it is exercised, the organization may be better positioned to keep its capability through a departure or reorganization. Records and processes can still be lost, neglected, or overtaken by change, so this work

needs ongoing stewardship. Each Strategic Situation is an opportunity to learn, not a guarantee that the organization will become more stable.

On my first day of football, in the third grade, my father told me four things to remember. Prepare. Practice. Play without fear. Never give up. I did not understand him then. I spent thirty years on sidelines and inside conference rooms finding out what he meant.

What I found is that fear shows up when a situation arrives and nothing is ready. The room goes quiet while everyone waits to see who owns it, and the clock is already running. I watched that moment in startups and Fortune 100 companies. I also watched the other version, where the call comes in and people are already moving because the work had already been done.

That difference is not luck. It is preparation, built on purpose. With each practice and each real response, people improve what comes next when they capture what they learned and put it to use. An organization can learn this the same way a team does. Closing the gap takes a discipline practiced before anything arrives. That discipline is what this book set out to name.

Acknowledgments

This book required twenty years of observation and translation before the discipline it describes had a name. The people who made the final stage possible were not the ones I expected.

Dr. Kerry Huang, Forbes contributor and Fortune Global 50 advisor, engaged with the framework in this book through a series of practitioner exchanges that sharpened its intellectual foundation. In a public LinkedIn post introducing his Forbes article, he named me among eight practitioners whose ideas had "challenged and extended" his thinking. He credited my contribution as "governance as pre-commitment rather than review, and the structural cost of treating commitments as reversible until they break." In that public exchange, he stated the distinction directly: "That is governance as pre-commitment, not governance as review."

On April 20, 2026, after four weeks of public intellectual exchange and without product exposure, Dr. Huang wrote to his full professional network: "What four weeks of public intellectual exchange with Martin Brunke surfaced is that AwaCourage (awareness paired with the willingness to act before consensus arrives) and the architecture that makes this capacity possible at scale are two different governance functions. Same mechanism, opposite directions. Martin is building the architecture that makes clarity possible before pressure arrives. My research focuses on what determines whether that clarity actually converts into action when the system has not yet

confirmed it is safe to move. Neither side replaces the other. The boundary Martin named, between what architecture can supply and what only human capacity can carry, is where the next decade of governance work sits."

He also shared the work with his network without being asked. That public act of intellectual credibility mattered. Two features in Readiness OS were built in direct response to ideas that emerged from our exchange. I am grateful for the generosity of a practitioner who did not have to engage and chose to.

Jayashree Venkataraman, Leadership Systems Advisor and Co-Founder of LeadWell Lab, offered observations in dialogue that sharpened the practical tests for durable organizational capability. Her generosity, extended without being asked, changed the trajectory of this book. I am grateful.

FOURTEEN FOUNDATIONAL WORKS

The following works are selected entry points into the intellectual traditions this book builds from. Each is worth reading in full.

1. Peter Drucker, *The Effective Executive*, 1966. The efficiency versus effectiveness distinction that opens Chapter 1.
2. Herbert A. Simon, *Administrative Behavior*, 1947. Bounded rationality and why preparation expands organizational decision capacity.
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7. Clayton Christensen, *The Innovator's Dilemma*, 1997. The disruption argument that frames the need to mobilize once an emerging pattern becomes visible.
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SOURCE NOTES BY PART

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The Readiness Planning Crosswalk

Football offered a firsthand, bounded illustration of preparation before a fixed play clock. For the broader problem of preparing across changing actors and uncertain conditions, established military and emergency-management planning practices offer closer comparisons. The crosswalk below names analogous functions, not equivalence, and does not claim that the author has military operational experience. Authority and succession, shared intent, contingency planning, execution, after-action learning, and rehearsal are practices described in those fields as well as in enterprise management.

Preparation Function	Related Planning Practice
Authority Map and succession	Command relationships and delegated authority
Signal recognition	Indicators and warnings informing situation assessment
Shared Understanding	Shared intent and mission briefing
Prepared Response	Contingency planning and response protocols
Adaptation	Branches, decision points, and adjustment to new information
Activation History	After-action review and lessons incorporated into future preparation

Preparation Function	Related Planning Practice
Anticipated situations	Scenario exercises and rehearsal

The comparison is functional rather than literal. A military contingency plan does not prescribe how an enterprise should respond, and an enterprise Prepared Response cannot substitute for operational doctrine. The useful common question is what can be understood, authorized, rehearsed, and learned before a situation unfolds. Enterprise leaders retain their own decision rights and professional responsibilities; planning practices offer principles for preparation, not ready-made answers to commercial or organizational choices.

The Research Foundation

If you want the argument, it is in Parts I through IV. This chapter is the evidence it rests on: the theorists and studies each part drew from, documented for readers who want to examine the foundation directly.

Across the preceding chapters I have made an argument. In practice, organizations must coordinate responses to Strategic Situations, and the Preparation Layer is where I observed stronger performers do important, often less visible work. I have put a modeled cost on the absence of that work, the Mobilization Tax, and described an architecture intended to reduce it. I have offered these claims as an argument, grounded in the management tradition and in what I observed across organizations ranging from startups to Fortune 100 companies. A reader who has come this far is entitled to ask a harder question than whether the logic is coherent. The harder question is whether it is true, and it matters that the answer does not depend on me. Enterprise Readiness emerged from practice, not a laboratory.

The intellectual sequence should be explicit: observation gives rise to a model; the model generates hypotheses; those

hypotheses can be measured; and future work must test whether the results hold across organizations, practitioners, and situations. My observations and case illustrations end where transferable proof begins. They can identify a pattern and motivate questions, but they cannot by themselves establish that Enterprise Readiness caused an outcome, that the framework works in every setting, or that another practitioner can reproduce it. That boundary is not a weakness to conceal. It is the ordinary work by which a practitioner-derived management discipline becomes capable of empirical testing. The next stage is independent measurement, including evidence about mobilization time, response quality, implementation effort, and what was proven or disproven after an activation.

The cost is the full mobilization gap: authority that has to be clarified, stakeholders who have to align, communications that have to be prepared, action lists that have to be built, and legal questions that have to be answered before coordinated work begins. In the cases described here, many of these elements were assembled under pressure; a prepared response seeks to stage relevant elements in advance. The effort and delay together contribute to the Mobilization Tax. If the response takes long enough, some of the opportunity window may have passed before coordinated execution begins.

But the reason this framework may be useful is not that I discovered something no one else had seen. Research in decision-making, organizational learning, high-reliability operations, military planning, and neuroscience offers several

relevant mechanisms: people recognize patterns, teams coordinate through shared intent, prior practice can shape responses, and pressure can affect judgment. These fields ask different questions and do not converge on a single conclusion about Enterprise Readiness. Their concepts help explain why preparation may matter and suggest hypotheses this discipline can test. The evidence discussed in this chapter is offered as context for the Preparation Layer, not as validation of the model or proof of its effects across organizations.

How experts actually decide, and why it looks nothing like the textbook

Begin with the individual mind, because organizational decisions are made by people working together. Gary Klein's field research on consequential decisions, including fireground command, found that experienced decision-makers often recognize patterns, generate a plausible course of action, and mentally test it rather than compare every possible alternative. Klein called this recognition-primed decision-making. Recognition can support fast action when the situation resembles patterns for which the decision-maker has experience; it does not guarantee that the first interpretation is correct. His work therefore offers a useful lens for preparation, not a complete foundation for Enterprise Readiness. A taxonomy of Strategic Situations may help an organization recognize a developing situation as related to a known class, and a Prepared Response may offer a starting point. Neither should prevent leaders from examining what is new or different in the specific

case. Recognition can save time; deliberate shared understanding can help test whether the analogy fits.

Klein's reported studies of fireground commanders are useful because they examined consequential work in its operating context. Commanders faced incomplete information and limited time. Rather than generate and score a long list of options, experienced responders often recognized a pattern, considered a plausible action, and mentally simulated how it might unfold. If the course seemed workable, they could act; if the mental simulation exposed a problem, they revised it. This account differs from a simple claim that experts act by instinct. Experience supplies patterns, while situation-specific assessment remains important. Klein's findings describe expert decision-making in studied settings; they do not establish that an enterprise taxonomy will generate equivalent expertise or that a Prepared Response will fit a novel situation. They suggest a question for practice: can leaders use a familiar pattern as a starting hypothesis, then compare it with the present facts before acting?

Recognition can be fast, but it can also mislead when a situation resembles a familiar pattern without sharing its important features. Its value depends in part on experience and feedback; shared understanding can help test a recognized pattern before leaders commit to it. Cognitive-load research offers another relevant mechanism. John Sweller's work describes limits on working memory, the capacity used to hold and manipulate information in the moment. A situation may

require leaders to interpret events, identify authority, assess resources, sequence stakeholders, and begin acting under time pressure. Preparation may move some recurring decisions and coordination steps out of that pressured moment, but it cannot eliminate the need to reason about the facts that are new. That is one way to understand the Mobilization Tax as an attentional as well as an economic cost. Organizations also operate as complex adaptive systems: many interacting agents produce outcomes that cannot always be predicted from the parts in isolation. Complexity research does not mean that leaders cannot plan or learn; it cautions against assuming that a plan can specify every development. This is why the proposed taxonomy organizes preparation around plausible classes of situations while preserving the ability to adapt to events as they unfold.

The connection to preparation is not that a plan removes complexity. A Prepared Response can record recurring roles, information requirements, decision paths, and communications so that leaders need not reconstruct each element while also interpreting an unfamiliar event. That may leave more attention for the features that could not be known in advance. The amount of working memory available varies with the person, task, expertise, and setting; it would be too strong to infer that every unprepared response overwhelms every leader. Sweller's research instead offers a mechanism worth testing: when avoidable coordination work adds demands during a difficult task, reducing that load may help people attend to the novel elements that remain. The distinction also identifies a limit. If a

response is too detailed, outdated, or poorly matched to the event, consulting it can add rather than remove work.

Forecasts can be useful, but they cannot specify every event in a complex environment, and reliance on a single forecast can leave an organization less able to adapt when conditions change. Complexity research points to a more modest distinction: a particular event may not be predictable, while classes of situations may be recognizable and recurring. An organization cannot know with certainty when a competitor will stumble, a regulation will shift, or a supply disruption will occur. It can identify those as plausible situation types in its environment and prepare options accordingly.

Complexity theory helps explain why the discipline proposed here emphasizes readiness to adapt rather than a detailed script for a single future. In systems with many interacting participants, local actions can affect other parts of the system, and outcomes may emerge in ways that are hard to infer from the components alone. This does not make forecasts useless or preparation impossible. It suggests that leaders should state assumptions, notice when conditions depart from them, and preserve authority to adjust. A taxonomy of situation classes can help organize attention, but it is a map for discussion rather than a prediction engine. Whether the chosen classes are useful, comprehensive enough for a particular organization, or kept current must be examined in practice.

The Strategic Situation Taxonomy is not intended to predict particular events. It organizes preparation around classes of situations that leaders consider plausible, while leaving room to adapt when the facts differ from expectations. It complements the six-capability architecture described in Chapter 7: sensing, shared understanding, authority, communication, response, and institutional memory. Readiness is an emergent capability of relationships among people and processes, not a component that can be installed on its own. High-reliability research offers a relevant, though not identical, source of insight. Karl Weick and Kathleen Sutcliffe studied organizations such as aircraft carriers, nuclear power plants, air traffic control centers, and wildland firefighting crews, where failures can have serious consequences. In *Managing the Unexpected*, they describe a posture often called mindfulness, expressed through habits such as attention to small failures, reluctance to simplify, sensitivity to operations, commitment to resilience, and deference to expertise. These habits overlap with conditions Enterprise Readiness seeks to support. The research does not validate this book's six-capability model, but it offers useful examples of how preparation and coordination are treated in some high-reliability settings.

These practices offer a conceptual crosswalk, not a one-to-one correspondence. Attention to small failures is relevant to sensing because weak signals may matter before a formal threshold is crossed. Reluctance to simplify can encourage leaders to compare interpretations rather than settle too quickly on one label. Sensitivity to operations draws

attention to what is happening in the work itself; commitment to resilience recognizes that systems need capacity to respond when conditions depart from plan; deference to expertise concerns whose knowledge should inform a decision. These observations may help practitioners ask better questions about their own preparation. Aircraft carriers, power plants, and emergency services differ from ordinary enterprises in mission, regulation, training, and consequence, so transfer requires its own evidence.

The high-reliability practices described by Weick and Sutcliffe overlap with aspects of shared understanding and authority architecture, but they are not identical to this book's constructs. Military planning offers another useful comparison. The often-cited distinction between plans and planning is not that a document has no value; it is that assumptions may change and people need the understanding and authority to adapt when they do. Mission command, for example, emphasizes shared intent and action within delegated authority. These practices inform the preparation argument without making Enterprise Readiness a military doctrine. Emergency management offers a distinct example: the Incident Command System establishes common roles and communication for response, including situations in which participating agencies may not have worked together before. That is relevant to coordination, but not a complete model for routine enterprise situations.

Behavioral economics also cautions that judgment can be affected by uncertainty, incomplete information, and cognitive

bias. Daniel Kahneman and Amos Tversky documented biases such as loss aversion, anchoring, availability, framing, and confirmation. Their findings do not mean that every leader under pressure makes the same mistakes or that every bias intensifies in every situation. They do point to a practical design question: can an organization create conditions for competing interpretations to surface before a consequential judgment hardens? Preparation may help by providing roles, information, and time for discussion, while leaving the decision with accountable leaders. The claim is a mechanism to test, not a guarantee that advance preparation will produce sound judgment.

These concepts describe tendencies and experimental findings, not a prediction of how a particular executive team will behave. Loss aversion may affect how people weigh a possible loss against a possible gain. An initial estimate can serve as an anchor, a vivid recent event can weigh heavily in recall, and framing can make equivalent information feel different. Confirmation bias may direct attention toward evidence that fits an existing interpretation. In an enterprise response, these tendencies could interact with the division of information across functions: one function may frame an event as a technology issue, another as a regulatory exposure, and a third as a client-retention problem. Deliberate discussion can put those frames in contact, but it does not guarantee that the group will recognize a bias or choose well. The practical question is whether leaders can make assumptions visible, seek

disconfirming information, and record why they chose a course of action so a later review can examine the reasoning.

Preparation may support debiasing when it creates time to surface divergent interpretations through the meaning check described earlier. Bringing multiple framings into contact could help leaders notice anchoring or confirmation bias before one interpretation hardens into an organizational position, though it cannot eliminate those biases. A Prepared Response records decisions and assumptions considered before pressure; leaders still need to review whether they fit the facts when a situation arrives.

Interpretation can be easier to do before pressure arrives, when there is time to examine evidence and competing frames. Behavioral economics describes errors in judgment; neuroscience offers part of the mechanism. Research on the neurobiology of stress, including Amy Arnsten's work at Yale, has found that acute, uncontrollable stress can impair prefrontal functions associated with working memory, reasoning, planning, and impulse regulation. Under stress, catecholamines and cortisol can affect the balance between deliberative and more reflexive processing. This is not evidence that every leader under pressure will make a poor decision, nor that a Prepared Response removes the effects of stress. It is a reason to avoid adding preventable assembly work to a situation that already places demands on attention. A Prepared Response may move some recurring decisions into advance preparation, leaving

leaders more capacity to interpret the specific facts they could not have known in advance.

The mechanism is conditional, not a simple rule that pressure makes judgment fail. The research concerns specific forms and intensities of stress, and findings do not establish that every business challenge produces an equivalent physiological response. It does, however, support a narrower design question: when people face high demands, can organizations avoid adding coordination tasks that might have been settled earlier? Preparation cannot remove the stressor, protect leaders from every effect, or predetermine a sound choice. A useful response should preserve a deliberate pause for checking current evidence, challenging a familiar analogy, and adjusting the protocol when circumstances require it.

Some research suggests that perceived control and familiarity can moderate stress effects, though neither eliminates uncertainty. Training can help responders recognize aspects of a situation without assuming that a novel event is identical to a rehearsed one. The football example has a limited parallel: within a defined play clock, players had prepared for recurring classes of situations. A Prepared Response can offer an organization a comparable aid to recognition and coordination, but it cannot convert an unfamiliar crisis into a fully rehearsed event. Decision science supplies another relevant lens. Herbert Simon described bounded rationality: people make judgments with limited time, information, and cognitive capacity rather than assessing every alternative. They often choose an option

they consider sufficient given the frames available to them. This helps explain why different functions can interpret the same information differently and why shared understanding may matter; it does not by itself establish the effectiveness of the Enterprise Readiness framework.

The mechanisms do not collapse into a single explanation. Klein's work concerns how experienced people recognize and mentally test courses of action. Sweller's research concerns demands on working memory. Kahneman and Tversky describe patterns in judgment under uncertainty; stress research examines physiological conditions that can affect deliberative functions. Complexity research cautions against assuming that the organization can forecast each development or control the system's full response. These accounts address different levels and questions. Their relevance to enterprise preparation is that they suggest several possible pressures on collective response, not that they prove one management intervention will solve them.

One way to connect these ideas is through the concept of Enterprise Cognition. I use that term for a proposed organizational capacity to combine signals, expertise, shared interpretation, decision authority, and institutional learning so people can consider a situation together. It does not mean that an organization literally has a single mind, that group judgment is always better than individual judgment, or that technology can remove bias and uncertainty. It describes an arrangement of people and practices that may help an enterprise reason across

functional boundaries while preserving accountable human decisions. The six capabilities in Chapter 7 provide one proposed architecture for examining such an arrangement. Whether they are sufficient, whether they interact as described, and whether they improve decisions are empirical questions.

The concept also clarifies why preparation is not equivalent to writing a script. Sensing can place relevant observations before people with appropriate expertise. Shared understanding can expose differences in interpretation. An Authority Map can make the decision owner and escalation path visible. Communication and response arrangements can support coordinated action, while Institutional Memory can carry approved learning forward. At each step, leaders must test the information and retain room to adapt. A protocol may help structure inquiry, but the situation may require rejecting or revising its assumptions. The architecture is useful only to the extent it helps people notice the difference between a known pattern and a consequential novelty.

This synthesis produces testable questions rather than a conclusion supplied by the cited disciplines. Does pre-staging recurring decisions reduce time spent on avoidable coordination without reducing attention to new information? Do shared-meaning checks reveal material differences in interpretation before those differences affect execution? Does an explicit succession path preserve decision continuity when a primary authority is unavailable? Do after-action reviews result in maintained changes that improve a comparable later

response? Measurement should also consider possible costs, including false alarms, stale protocols, suppressed dissent, extra administrative burden, or premature commitment to a familiar pattern. A serious validation effort should report both benefits and failures, specify which situations were studied, and distinguish observed associations from causal claims.

The expected contribution of Enterprise Cognition is therefore not a borrowed guarantee from neuroscience or decision research. It is a proposition that structured cooperation may complement bounded individual judgment. The participating experts still hold different information and responsibilities; the architecture creates a way to bring some of those contributions into the same decision process. Better integration is not automatic and may not improve every decision. A later activation record could help researchers and practitioners examine where signals came from, how interpretations differed, which authority was used, what actions followed, and what changed after review. Such records could support empirical inquiry, provided they are complete enough, interpreted carefully, and compared across suitable cases.

These literatures offer complementary lenses rather than a single root cause for every issue discussed here. Recognition-primed decision-making, cognitive load, biases, stress research, and complex-systems theory each address different aspects of judgment and coordination. No one body of research establishes that enterprise readiness must take a particular form, and the interaction among these mechanisms

remains an empirical question. The framework proposed here asks whether combining preparation, shared understanding, authority, response, and learning can help an organization act more coherently under pressure. That proposition should be assessed through measurement, not inferred from the fact that separate fields have each studied related challenges.

The bodies of research discussed in this chapter were developed in different fields to answer different questions. Their concepts are not a single consensus statement, and they do not establish that preparation determines outcomes in every complex situation. Taken together, however, they offer relevant support for hypotheses about preparation, shared understanding, authority established before pressure, learning, and coordinated action. My own observations, first in a defined football setting and later in enterprise work, motivated the framework; they do not prove that it transfers or causes improved results. Nor do the cited studies validate Enterprise Readiness as a finished discipline, the six-capability model, or the Mobilization Tax estimates. They help explain why the model is plausible and worth testing. The sequence remains observation, model, hypotheses, measurement, and future validation. Organizations that adopt the architecture should collect evidence about mobilization time, response quality, implementation effort, and what changes after an activation, so the framework's claims can be evaluated rather than assumed.

The Nine Strategic Domains

Enterprise Readiness organizes Strategic Situations across nine domains under three strategic portfolios. The table below maps each domain to its portfolio and provides example situation types. Some situations arrive at expected times; others develop on uncertain schedules. Preparation may involve recurring elements across domains, while the appropriate response depends on the situation.

Portfolio	Domain	Example Situations
Growth and Market Capture	Competitive Positioning and Market Opportunity	A competitor stumbles publicly, opening a client acquisition window. Market consolidation creates a first-mover opportunity. A technology shift opens a new segment before incumbents recognize it.
Growth and Market Capture	Revenue and Client Growth	A major prospect enters a decision window. A client signals readiness to expand. A partnership opportunity surfaces requiring rapid evaluation.
Growth and Market Capture	Innovation and Product Moves	A technological advance creates a product capability window. A competitor announces a product move requiring a positioning response. An internal capability reaches market viability.
Strategic Transformation	Organizational Transformation and Change	A major transformation initiative enters mobilization. A structural reorganization requires cross-functional coordination. A culture or operating model shift demands leadership alignment before execution begins.

Portfolio	Domain	Example Situations
Strategic Transformation	Leadership and Talent	A critical leadership transition requires succession activation. A talent gap threatens strategic execution. An executive departure creates an authority gap requiring pre-built response.
Strategic Transformation	Mergers, Acquisitions, and Partnerships	An acquisition closes and integration must mobilize immediately. A partnership requires coordinated organizational commitment. A divestiture demands cross-functional response architecture before announcement.
Risk and Resilience	Regulatory and Compliance	A regulatory change activates a compliance response. A consultation period opens a window for organized industry response. An enforcement action at a peer signals category risk.
Risk and Resilience	Operational and Supply Chain Risk	A vendor failure creates a supply chain gap. An operational disruption demands coordinated business continuity activation. A third-party risk materializes requiring cross-functional response.
Risk and Resilience	Cybersecurity and Technology Risk	A cybersecurity incident triggers the incident response protocol. A technology failure demands coordinated communication and recovery. A peer organization's technology event signals category risk.

Coordination and delay costs can arise in both competitive opportunities and regulatory demands, though their size and form will depend on the situation. Preparation may reduce some assembly work when relevant response elements are staged beforehand.

A NOTE ON READINESS OS

Enterprise Readiness establishes practices for capturing and applying institutional learning. Readiness OS is designed to support searchable records, connections across situations, and continued use of that learning at scale; the result depends on configuration, data, and ongoing stewardship.

The discipline and the platform developed together. What became explicit in practice became operational in the platform.

The discipline can be practiced without the platform. Readiness OS supports configurable detection thresholds across nine operational domains, an Activation History that can preserve learning when records are captured, and a Prepared Response library for situations an organization chooses to document. The number and usefulness of these records depend on the organization's configuration and practice.

The platform does not make the discipline possible. It is intended to help sustain practices across situations, leaders, and time; an organization may also use manual processes, with tradeoffs in administration and scale.

Relevant Prepared Responses can be ready before an anticipated situation arrives; unfamiliar situations still require judgment and adaptation.

Organizations ready to begin the work can explore Readiness OS and the Founding Partner Program at vaughnmartin.com.

Built through practice. Retained through stewardship. Improved through learning.

ABOUT THE AUTHOR

Martin Brunke spent ten years in business, then coached major college football at Stanford, where preparation was one important contributor to performance alongside talent, coaching, and execution. He later spent more than twenty years leading enterprise transformation across organizations ranging from startups to Fortune 100 companies.

His head coach at Stanford told him that an effective head coach should understand the responsibilities and situational preparation of players across both sides of the ball. Brunke carried that lesson into business, deliberately taking roles across software development, product, quality assurance, data, operations, project management, and strategy. The experience gave him a cross-functional perspective on how different functions encounter the Mobilization Tax and helped him see the preparation gap as a system-level issue.

The observation that emerged from thirty years at the intersection of elite athletics and enterprise leadership became the proposition this book calls Enterprise Readiness, and Readiness OS, the platform that operationalizes it.

The Ready Enterprise is the intellectual foundation of both.

Brunke is the Founder and CEO of VaughnMartin. VaughnMartin is named for his father Vaughn, whose example of building something that lasts shaped everything that followed.

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Most organizations don't fall behind for lack of strategy. They fall behind because they aren't ready.

Most senior leaders have watched a significant situation arrive and spent the first two weeks assembling the ability to respond. Who owns it. What budget can be committed. Who has authority. Which stakeholders go in which sequence. That assembly is not the cost of the situation. It is the cost of not being ready for it. This book names that cost, explains why capable organizations keep paying it, and describes the discipline that can reduce it.

INSIDE YOU'LL DISCOVER

- The Mobilization Tax: what it costs in senior leadership time, and how to calculate it for your organization
- Why AI without readiness architecture gets organizations to the wrong outcome faster
- The Preparation Layer: the space between approved strategy and coordinated execution that no framework has directly addressed
- The steward of Enterprise Readiness: the function, the mandate, and who in your organization can carry it
- The four diagnostic gaps, and how to assess them before a situation reveals the cost
- How Prepared Responses compound with each activation, until the response is ready before the situation arrives

Preparation is leadership expressed before leadership is required.



MARTIN BRUNKE

Martin Brunke spent ten years in business, then coached football at Stanford, where every play is prepared before the forty-second clock starts. He then spent more than twenty years leading enterprise transformation and building PMOs in organizations from startups to Fortune 100 companies. He is the founder of VaughnMartin and the creator of Enterprise Readiness and Readiness OS.

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