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Randolph H. Pherson • Ole Donner •
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Clear Thinking

Structured Analytic Techniques
and Strategic Foresight Analysis
for Decisionmakers

 Springer

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ISSN 2731-9776 ISSN 2731-9784 (electronic)
Professional Practice in Governance and Public Organizations
ISBN 978-3-031-48765-1 ISBN 978-3-031-48766-8 (eBook)
<https://doi.org/10.1007/978-3-031-48766-8>

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The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

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Shortly after completing this book, our co-author Randolph Pherson passed away. Until a few days before his unexpected death, he had completed the final improvements to this publication. Randy was a thought leader in the field of Structured Analytic Techniques, a mentor to generations of analysts, and his legacy will shape the work of many intelligence communities around the world for decades to come.

We owe Randy so much and will miss him terribly. Without him, this book would not exist. Thank you Randy and rest in peace, friend.

*Bardowick, Frankfurt am Main, in
January 2024*

Ole Donner, Oliver Gnad

Preface

Dear Readers,

What the German-Swiss comedian Curt Goetz once so smugly put in a nutshell has become a structural problem of information-saturated societies: “Everyone is allowed to think, many are spared it.”

Every day we are inundated by a flood of information, bits, and bytes. Clarity of thought thus becomes an almost impossible undertaking. How do we distinguish “true” from “false” information? How do we distinguish perception from truth? What is a strong signal, what is just background noise? Can we trust what has been generated by ChatGPT? Can we even make decisions in the face of uncertainty about what information is relevant, hidden, or just plain wrong? And then we also have to deal with the paradox of the “Unknown Unknowns” – the things we do not even know exist.

But thinking clearly is also an art because we cannot rely only on our intuition or our experience. This is because our brain constantly misleads us: it leads us to select information that fits our assumptions, to perceptions that reinforce patterns we already know, and it pushes us to make judgments that match our preconceptions. All of these cognitive biases happen unconsciously and yet shape most of our everyday decisions.

As if all this did not create enough uncertainty, we also have to deal with constant change – and it is too often disruptive. Whether it is the attack on New York’s World Trade Center (2001), the global financial crisis (2008), the Arab Spring (2010/2011), the refugee drama in the Mediterranean (2015/2016), the Corona pandemic (2020/2022), Russia’s war of aggression against Ukraine (2022–2024), or Hamas’ invasion of Israel (2023). These disruptive path changes shape our lives much more than we like or realize. And they make us painfully aware of the limitations of our analytical and prognostic abilities.

So, what can we do? The answer is provided by cognitive scientist Daniel Kahneman: We must learn to think slowly again. This is the only way we can escape the vicious circle of rash judgments, confirmation cultures, and echo chambers that prevent us from arriving at fully informed decisions and considered judgments in times of accelerated change.

With our volume, *Clear Thinking: Structured Analytic Techniques and Strategic Foresight Analysis for Decisionmakers*, we want to contribute to the establishment of a new culture of clear thinking. In doing so, we draw, among other things, on a

toolkit that the Central Intelligence Agency (CIA) had developed before 9/11 and that has been continuously refined since then. Such toolkits are used in intelligence and military analysis, by law enforcement agencies, and in the context of strategic policy formulation.

This toolkit is filled with “Structured Analytic Techniques” (SATs), which we divide into five families according to their performance cores: (1) Exploration Techniques, (2) Diagnostic Techniques, (3) Reframing Techniques, (4) Foresight Techniques, and (5) Decision Support Techniques. And because even the best analysis will miss its target audience if it is not presented in a pointed way, you will also find a chapter on effective writing in this compendium.

The authors thought for a long time about whether analysts needed another methods manual. It is like cookbooks: They inspire you and whet your appetite. But you learn to cook by doing it, not by reading books about it. It is the same with good analysis.

That is why this book is a hybrid – half method manual and half simulation cockpit. Using case studies taken from three disciplines – law enforcement, cyber, and national security, we demonstrate the interplay of the method families and their performance. We use the assassination of Swedish Prime Minister Olof Palme as a criminological case to expose analytical pitfalls and fallacies. The case study “Blackout in Berlin” explores a (supposed) cyberattack on critical infrastructure. What the future of the Arctic might look like in the face of rapidly advancing climate change and geopolitical rivalry is the subject of a simulated exercise in strategic foresight and scenario planning – a method that is increasingly being used by companies and the public sector alike to manage risk and develop options for action.

In a world characterized by fragmentation, smoldering conflicts of interests and goals, and increasing uncertainty, clear thinking not only provides a competitive advantage, but becomes an existential necessity.

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Oliver Gnad

Acknowledgments

This book owes its creation to the support of many. In particular, we would like to thank co-authors Anne Vargas (*Blackout in Berlin*), Christoph Rosa (*Olof Palme and Arctic Case Studies*), and Dr. Volker Raddatz (translation). The authors also are indebted to Mary O’Sullivan who reviewed the manuscript, making many excellent suggestions for organizational and editorial revisions as well as proofreading the English version of the book. We also are pleased to acknowledge the thoughtful work done by Friederike Bauer who proofread the German version. In addition, Adriana Gonzalez demonstrated great creativity as well as patience in generating over 120 graphics for both the German and English versions.

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Randolph H. Pherson Co-founder and Managing Director of Pherson Associates, LLC and CEO of Globalytica, LLC, has taught advanced analytic techniques and critical thinking skills to analysts in most US Intelligence Community agencies, in ten Fortune 100 companies, and in many countries around the world including the UK, Italy, Norway, Denmark, Spain, Romania, Australia, Saudi Arabia, and Hong Kong. He authored the *Handbook of Analytic Tools and Techniques, 5th ed.* (2019) and *How to Get the Right Diagnosis: 16 Tips for Navigating the Medical System* (2020). He co-authored *Structured Analytic Techniques for Intelligence Analysis, 3rd ed.* (2021); *Critical Thinking for Strategic Intelligence, 3rd ed.* (2021); *Cases in Intelligence Analysis: Structured Analytic Techniques in Action, 2nd ed.* (2015); *Analyst's Guide to Indicators* (2018); *Analytic Briefing Guide* (2018); *Analytic Production Guide* (2016); and *Intelligence Communication in the Digital Era: Transforming Security, Defence, and Business* (2015).

Mr. Pherson completed a 28-year career in the US Intelligence Community in 2000, last serving as National Intelligence Officer (NIO) for Latin America. Previously, at the Central Intelligence Agency (CIA), he managed the production of intelligence analysis on topics ranging from global instability to Latin America, served on the Inspector General's staff, and was Chief of the CIA's Strategic Planning and Management Staff. He is the recipient of the Distinguished Intelligence Medal for his service as NIO and the Distinguished Career Intelligence Medal. Mr. Pherson received his B.A. from Dartmouth College and an M.A. in International Relations from Yale University.



Oliver Gnad is the Co-founder and Managing Director of the "Bureau fuer Zeitgeschehen" (Bureau of Current Affairs), a Frankfurt-based think-and-do-tank specializing in strategic foresight and scenario planning. He is a Senior Non-Resident Fellow of the German Marshall Fund of the United States and a Certified Senior Instructor of Globalytica LLC, a Washington-based thought leader in building analytic cultures. Since 2015, he has been an adjunct faculty member of the Hertie School in Berlin. From 2008 to 2016, he served as Director of GIZ AgenZ, an in-house consultancy of "Deutsche Gesellschaft fuer Internationale Zusammenarbeit" (GIZ, German Development Cooperation). Between 2003 and 2007, he was the Director for International

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Ole Donner is the Founder of Strukturierte Analyse Deutschland (intelligence-analysis.de) where he acts as trainer and consultant for government institutions such as the Criminal Police, intergovernmental organizations such as NATO, and national and international business enterprises to increase their intelligence and analysis capabilities. Mr. Donner has 13 years of service as an all-source intelligence analyst, manager, and lecturer with the Federal Armed Forces of Germany. He redesigned the analytic training of the German Armed Forces, focusing on competency-based teaching of Structured Analytic Techniques (SATs). He also contributed to the development of executive training in the field of “Intelligence Leadership” at the Military Academy of the German Armed Forces in Hamburg.

Mr. Donner is the author of the first German-language website on analysis and Structured Analytic Techniques (strukturierte-analyse.de) and initiator of the German Intelligence Community Conference (GICC). He is a Research Fellow at the Institute for Intelligence and Security Management (I2SM) at the NBS Northern Business School Hamburg. He received a Bachelor’s degree in Political Science and a Master’s degree in International Relations from the University of the Armed Forces in Hamburg. Mr. Donner was awarded the Böttcher Prize as best in his graduating class.

Abbreviations

A5 (Arctic Five)	Canada, Denmark (Greenland), Norway, Russia, United States
A8 (Arctic Eight)	Canada, Denmark (Greenland), Finland, Iceland, Norway, Russia, Sweden, United States
AC	Arctic Council
ACH	Analysis of Competing Hypotheses
AEP	American Electric Power
AI	Artificial Intelligence
ALCOM	Alaska Command
ANC	African National Congress
ATM	Automated Teller Machine
BEAC	Barents Euro-Arctic Council
Blaster	Computer worm that spread on computers running operating systems Windows XP and Windows 2000
BNetzA	Federal Network Agency (German Bundesnetzagentur)
ChatGPT	Natural language processing tool driven by AI technology
CIA	Central Intelligence Agency
CLCS	Commission on the Limits of the Continental Shelf
EAP	European Workers Party
EEZ	Exclusive Economic Zone
E. ON	German Energy Company
ERC	Electric Reliability Corporation
EU	European Union
EVE	Evaluation of the Evidence
FBI	Federal Bureau of Investigation
Five Eyes	Australia, Canada, New Zealand, United States, and United Kingdom
Five W's and H	Who, What, When, Where, Why, and How
GIZ	German Development Cooperation
IC	Intelligence Community
IMO	International Maritime Organization
ISIS	Islamic State in Iraq and Syria
ISOs	Independent System Operators
IT	Information Technology
KAC	Key Assumptions Check

KIQ	Key Intelligence Question
MECE	Mutually Exclusive and Comprehensively Exhaustive
MHG	Multiple Hypothesis Generation
MISO	Midwest Independent System Operator
MIT	Massachusetts Institute of Technology
MOM	Motive, Opportunity, and Means
MOSES	Manipulability of Sources
MSG	Multiple Scenarios Generation
NATO	North Atlantic Treaty Organization
NIO	National Intelligence Officer
NORAD	North American Aerospace Defense Command
NORTHCOM	US Regional Command for North America
NSR	Northern Sea Route
NWP	Northwest Passage
OFA	Operative Case Analysis (Operative Fallanalyse)
OPEC	Organization of the Petroleum Exporting Countries
PII	Personally Identifiable Information
PKK	Kurdistan Workers' Party
POP	Past Opposition Practices
RAF	Red Army Faction
SAPÖ	Sweden's domestic intelligence service
SATs	Structured Analytic Techniques
SCADA	Supervisory Control and Data Acquisition
STEMPLES+	Social, Technical, Economic, Military, Political, Legal, Environmental, Security PLUS Demographic, Psychological, Reputational
SWOT	Strengths, Weaknesses, Opportunities, and Threats
UK	United Kingdom
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
US	United States
VOIP	Voice Over Internet Protocol
WMD	Weapons of Mass Destruction
WYSIATI	What you see is all there is

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