

AEI PREMIUM

Using the OODA Loop
Ideas that make us better

Introduction to OODA

Do you OODA?

Trick question. You do, but you may not realize it.

The OODA acronym stands for the decision making cycle of “Observe - Orient - Decide - Act.” This concept originated with [military strategist John Boyd](#) back in the ‘70s. Chances are you haven’t heard of him, but he spent his entire life grappling with how to overcome uncertainty.

Boyd developed this strategy based on his experience observing air combat in the Korean war. He watched how fighter jet pilots constantly attempted to out-maneuver the enemy. Every time one pilot attacked, their opponent would try to counter it. He realized that the pilot who could work through the OODA loop the fastest would have the advantage.

While his role in OODA is sometimes forgotten, there’s no denying that Boyd left behind a legacy of improved decision making that is applicable to a wide range of situations [beyond Top Gun-style military combat](#). It’s a learning system that can help you navigate challenging times in work or life.

What Does It Mean?

So what exactly does OODA mean? Let’s break it down.

O- bserve

Collect data. What has changed? Situational awareness is important. Information overload can be a challenge.

O- rient

Analyze. What does the data mean? Possibly the most critical yet most overlooked step in the process. Success centers on having the ability to create and embrace new perspectives rather than being stuck in your old paradigm.

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D- ecide

Determine your next steps. What course of action should you take? Uncertainty may persist but move forward with your best hypothesis.

A- ct

Test. Experiment and gain new data. Did you succeed? If not, start the loop again.

When facing tough decisions, he or she who succeeds is often the person who can work through OODA's questions to collect information and act the quickest. And how can you speed up the OODA loop process? It all starts with better planning.

We talk a lot about ambiguity here at AFN. While you can never really eliminate ambiguity completely, OODA helps you manage it. Preparation allows you to make decisions more efficiently, even when the environment shifts. After all, the last thing you want is to be caught flat-footed during a scenario that you haven't envisioned.

OODA in Real Life

Once you recognize it, you will see that OODA is everywhere.

Think about when you arrive at work first thing in the morning. You walk in your office with coffee in hand and think about your plan for the day. What's the most critical thing on your to-do list? How does your schedule look? Any deadlines on the horizon? Observing and orienting yourself to those facts will help you decide where to start and use your time most effectively.

Or, back up to earlier that same workday to think about the constant seemingly-small decisions you make during your commute. Imagine you pull up to an intersection on your normal route when you notice there has been a fender bender and you're now forced to make a detour. You are then presented with options: turn around? Go right? Go left? You think about the pros and cons of each (quickly, or else you will be late!) to orient yourself and decide on an alternative route.

On a larger scale, there are many examples of how the OODA loop is applicable to agriculture. Every morning, producers wake up to new information about the weather, the markets, and the policy environment that can impact their bottom lines. Similar to Boyd's jet fighter observations, as one market force changes, farmers must adjust their strategies accordingly. A farmer who is able to use their marketing plans and the OODA sequence will be in a better position to take advantage of market rallies even during the busiest or most uncertain times of year.

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This example also underscores the importance of having a business or marketing plan. Writing a business plan forces you to think through your assets, risks, relationships, and more so that when a crisis hits or breaking news occurs that impacts your particular industry, you will have a strong foundation of information to fall back on while deciding what to do next.

If you have to start from scratch in the heat of the moment piecing together those resources, you will be significantly slowed down as you work through the OODA loop, giving up any potential advantages to others who are better prepared.

We all know that life moves pretty fast. (Cue the [Ferris Bueller](#).) Plans can become outdated quickly. Regardless, the process of planning improves your decision making long term. Effective planning gives you the upper hand when you use the OODA process to navigate uncertainty.

A well-known quote from Dwight Eisenhower sums up the value of mastering the OODA loop pretty succinctly: “plans are worthless, but planning is everything”.

After reading this, you’ll notice the OODA loop in many areas of your life. The goal is to use this tool to build processes and plans - from your daily to-do list to grain marketing and strategic business plans - to leverage the advantages of the OODA loop.

One last thing- [If you want to 'see' how the OODA loop works in a simulation, check out this website out. As you adjust the speed at which decisions are made, the simulated jets move from offensive to defensive positions.](#)

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