



NORTH ATLANTIC TREATY ORGANIZATION

**SUPREME ALLIED COMMANDER
TRANSFORMATION**

SACT's Opening Remarks at

The COTC 2018

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As delivered

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Assistant Secretary General for Defence Investment (ASG DI),
Mister Camille Grand,

SHAPE Vice Chief of Staff, Lieutenant General Olivier
Rittimann,

Admirals, Generals, Chiefs of Transformation,

Distinguished Guests,

Ladies and Gentlemen,

Dear Friends,

Welcome to the Chiefs of Transformation Conference and
welcome to Norfolk.



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I am very honoured to open this conference, as this is the only annual venue that gathers the Alliance and Partner Nations' Chiefs of Transformation, and NATO's Transformation command's leadership, together with non-NATO organizations, industry and academia, to share perspectives on current challenges and the best ways to solve them. It is great to see again such a large participation to this Conference.

As Chiefs of Transformation, your fundamental role in these "uncertain times" is to lead the development of your national military instrument to ensure our security today and into the future. I would like to refer here to the NATO Secretary General remarks, you have just heard, and highlight that "*you can influence your leaders and shape the future of the Alliance*", where "*your expertise, your innovative ideas and creative thinking are essential*".



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The interaction that we will have here, among representatives of different nations, sectors, organizations and cultures, is vital to expand the horizon and frame our decisions. Therefore, let me warmly welcome all our friends from the civil society who have joined us to bring their views and ideas as the added value at all levels.

Together, we form a huge intellectual potential. And since so many of you have come from far away, maybe we should begin by exchanging tips about how to overcome jet lag ☺ For once, I'm on the right side of the Atlantic!



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The magnitude and speed of change in our environment in the past years, or should I say months, weeks ... days, require all of us to adapt permanently, which is essentially - to change, to evolve ... taking into account what our rivals do.

I am convinced that the only way to make progress is to share our perspectives and our experience on the new ways to respond to contemporary and future challenges and identify opportunities, through the exchange of innovative ideas and best practices.

There are a lot of efforts being done by all 29 Nations and partners of the Alliance, and we need to implement them and do that as fast as possible for the common good.

We all have our own way of explaining what leading change means. In the military jargon, preparing that adaptation while also thinking about what we need to remain continuously fit for purpose is what we call Warfare Development.



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But, before we get into that discussion and start working on those issues, allow me to present my view on what actually is driving all that change for the Alliance, and then I'll briefly explain the latest evolutions in ACT's role as the Warfare Development Command, and, finally, present our immediate priorities.

The main driver of change for the Alliance is its strategic environment, which, as you know, is growing steadily more complex, unpredictable and dynamic.

By the way, this is true for NATO, but it is also true for all of us sitting in this room.



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In our interconnected world, we all share this challenging environment in one way or another, be it as a civil or military organization, a nation, a company or an individual.

Regarding security and defence, however, we recognize that the most challenging threats to our security today result from two main factors: strategic competition and instability.

But, the negative impact of these two factors is exacerbated by the fact that the borders between the two are increasingly blurred, often combined in the “Hybrid” scenarios or interlinked in what we can call “grey zones” of uncertainty in our strategic landscape.

As such, we face challenges and threats coming both from state and non-state actors, manifested in different forms, often as hybrid warfare, from sources that are regularly difficult to attribute, such as cyberattacks, for example.



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In parallel, the pace of technological development and the open availability of technology has direct consequences on all the above.

Today it is the civilian market, not (no longer) the military market, which is the central driving factor in research and development of advanced, disruptive technologies in many sectors, particularly in digital technology.

For the defence sector, therefore, it is vital to both anticipate the security challenges, resulting from easy access to these technologies, but also to know how to seize the opportunities that these developments offer.

This interconnectedness of threats and the acceleration of technological development compel us to take a responsive 360 degrees approach ... at the speed of relevance.



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In a world that moves so fast, if we want to remain relevant, we have to move quickly and, at the same time, be constantly innovative, or, let me be bolder, “disruptive”.

At the same time, after years of budgetary restrictions on defence expenditures, which weakened our armed forces, we need to improve the qualitative aspects and coherence of our forces.

We have to develop the capacities that will allow us to continue to be able to engage tomorrow in the most demanding scenarios (such as high Spectrum, Article 5), as well as to be able to sustain ongoing or potentially more protracted crises, which may lead on the periphery of the Alliance to instability that will dangerously affect our internal stability.



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To do this, we must convince our decision makers about what capabilities we are required to develop, and to advise them where to direct defence expenditures.

We need to be able to propose new solutions both to help our armed forces build current capacity and to have ready forces to face the challenges of tomorrow.

As you can see, that is the *raison d'être* of Warfare Development, and that is what ACT does!

As the Alliance's Warfare Development Command that seeks to optimize NATO's ability to meet the challenges of the future security environment, we design NATO's coherent military instrument for today and tomorrow.



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The three main pillars of HQ SACT are: Strategic Plans and Policy, Capability Development and Joint Forces Development. Although the names have not changed much, we have significantly altered our structure, approaches ... and mindset, towards a streamlined and more coherent organization.

You may want to picture warfare development as a wheel. An appropriate illustration may be the London Eye, a big revolving wheel with cabins, allowing visitors to see the city and be at the top, one at the time.

The six “cabins” represent the interdependent warfare development strands, which I will shortly describe now:

- The first strand is the “Understand and Shape the Future”. We, arguably, need to understand the environment in which we have to operate. ACT provides that insight regularly through SFA and FFAO reports, agreed by 29.



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These documents directly inform policy and strategy development in the Alliance, serving as a reference.

- The second strand is the “Common Funded Capability Development”. ACT manages an average of 31 common funded capability development programmes to deliver tangible capabilities for 29 Nations, especially in C2 and logistics. This is the “connecting tissue” of the Alliance.

In the wake of the new governance model, ACT will execute its new Capability Requirement Authority responsibilities in both the development and through-life cycle management of these capabilities, where our guiding principles will be cost-effectiveness, timeliness and transparency.



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- The third strand is the “Experimentation and Demonstration”. There are myriad ideas and endless solutions to our projects, but to ensure we do the right thing, we should test them before exploiting them.

We use experimentation, demonstrations and concrete results of modelling and simulation to make ideas and innovations produce tangible capabilities for warfighters. Use of these methods speeds up the fielding of capabilities, as it was practised during exercise Trident Juncture 2018.

- The fourth strand is the “Doctrine and Concepts”. To field all initiatives of warfare development and to connect member nations and partners, different standards, doctrines and concepts have to be drafted, coordinated and agreed by 29. It is an important factor of interoperability.



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- The fifth strand is the “Training and Educating our people”, to ensure that we have the right human capital across the Alliance. Besides that, we use our exercises as a fabulous transformational tool to experiment and demonstrate our new ideas and projects in almost real conditions. Training and education also contribute to project stability and is also a huge factor of interoperability.

- The sixth strand is “Lessons and Analysis”. We learn by doing and need to ensure going forward that we do not repeat past mistakes. Lessons identified will be recorded and, expectantly learned and implemented.

- Finally, the wheel itself is the interoperability that keeps all cabins connected, and its centre is the innovation (effort), which feeds all military adaptation, and is about generating and collecting ideas, so that through Warfare Development we can turn these from concept into capability as quickly as possible.



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These strands are the coherent tools that “feed” each other, supporting lifecycle frameworks. Those allow us to design the best military force capable of responding to any current and future threat and keep the edge against any adversary.

In that framework, and in addition to a careful and smooth implementation of the NCS Adaptation in ACT, my main focus for the coming years is to resolutely boost innovation, to deliver timely and tangible capabilities to the warfighters.

ACT’s centre of gravity will reside in capability development. However, my aim is, in supporting the theme of this year’s COTC, to put a stronger emphasis on innovation.



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Innovation feeds everything we do in Warfare Development. Innovation is not the same as invention. It is also how to best field, use or integrate different technologies, tools or procedures in a way that produces a “disruptive” operational result, especially through bottom-up approaches. Our approach to innovation is always its operational use.

Nations’ support will be key in that endeavour, and we want, as much as possible, to keep you closely involved in that effort, through all your military and civil capacity. Some of our concrete outputs, by the way, will be produced by Nations, while ACT will provide design or propose solutions.

I must emphasize again that the complexity of our security environment requires we deal with a huge amount of possible options and solutions. It also require we react faster.



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Speed is of utmost importance. Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, is quoted as saying, *“In the new world, it is not the big fish which eats the small fish, it’s the fast fish which eats the slow fish.”*

We will need to use adequate tools to help us deliver the best possible decisions, at the speed of relevance. To do that, we will have to use more scenario analysis and tools that will help us understand and prepare for possible contingencies.

With regards to NCS adaptation, I need the support of the Nations to succeed in its implementation. This is not only about bringing and sharing our ideas (what we are doing today) but also about ensuring the ACT manning is sufficient. It is necessary to send to ACT people who are not only competent, not only in adequate numbers but also able to think "outside the box".



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Since the title of this year's conference is "Disruptive Advances Shaping Warfare", I would like to invite you to think "disruptively", to be innovative.

Now, if we go back to our conference, and to demonstrate our new commitment to innovation, I am pleased to have today with us representatives from the DATAIKU company that won the NATO Innovation Hub challenge, in Paris, in April this year.

Another tangible novelty in this year's Conference is the addition of the "Young Disruptors' Forum" designed to engage top-level young professionals from across NATO and Partner Nations with the attending senior leaders.



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We are also very interested in getting closer with innovative potentials of Industry. This is why we introduced another fresh initiative for this year's Conference, which is the COTC Principals Offsite at the Lockheed Martin Center for Innovation.

Only by acting together, in a “one NATO” approach will we be able to tackle the challenges we face, today and tomorrow.

Frankly, we, 29 Nations, within the strongest military alliance and the best intellectual and technological capital on the planet, we will do it!



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It is a question of will (I have it), funding (not enough, indeed, but the 2% will help us there), and new methods (which is up to us to find them)!

Let's embrace this once in a year opportunity and start building the future!

We need you, the Chiefs of Transformation, partners, Industry representatives, and young disruptors to help us define what our future focus on capabilities will be.

I'm looking forward to getting actionable outcomes from the syndicates, in a spirit of openness, connectedness and close collaboration.

Thank you for your attention and wish you all fruitful discussions.