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The “dos and don’ts” of strategy making

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The Strategic Concept is NATO’s most important document after the Washington Treaty. It identifies the foundational elements of the Alliance: it defines NATO’s strategic goals, the key risks and threats the Alliance faces, and designs a strategy of how to overcome those challenges. Since its inception, NATO has adopted six Strategic Concepts. The latest one was published in 2010. Given the extraordinary events of the last decade if not months, including Russian aggression in Ukraine and China’s increasingly assertive posturing in the Asia Pacific, a new NATO Strategic Concept is urgently needed and will be presented at the 2022 Madrid Summit. In this context, it is worth asking: how do we design good strategy? What are the main building blocks of strategy? How can NATO most efficiently integrate the variety of tools at its disposal into a coherent, cohesive whole? Practitioners and academics have over the years identified best practices in strategy design along with some common mistakes.¹ This *Policy Brief* summarizes their most important findings.

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1 This discussion draws from insights by H. Brands, *What good is grand strategy?: Power and purpose in American statecraft from Harry S. Truman to George W. Bush*, Ithaca, NY, Cornell University Press, 2014; N. Silove, “Beyond the buzzword: the three meanings of ‘grand strategy’”, *Security Studies*, Vol.27, No.1, 2018; J. L. Gaddis, *Strategies of containment: a critical appraisal of American national security policy during the Cold War*, Oxford University Press, 2005. A. F. Krepinevich and B. D. Watts, *Regaining strategic competence*, Center for Strategic and Budgetary Assessments, Washington, DC, 2009. F. J. Gavin, *Nuclear weapons and American Grand Strategy*, Brookings Institution Press, 2020. B. R. Posen and A. L. Ross, “Competing visions for US grand strategy”, *International Security*, Vol.21, No.3, 1997. R. K. Betts, “Is strategy an illusion?”, *International Security*, Vol.25, No.2, 2000. R. Friedman Lissner, “What is Grand Strategy? Sweeping a conceptual minefield”, *Texas National Security Review*, Vol.2, No.1, 2018.

Five steps towards sound strategy

The process of designing sound strategy can be boiled down to five steps.

Define the core strategic goals

First, core strategic goals reflect the highest meaning and purpose of state action. In the context of NATO’s Strategic Concept, identifying strategic goals would involve a meaningful discussion of what the Alliance seeks to accomplish over the next 10 to 15 years. Naturally, these goals are quite broad. They could include a minimalist interpretation focusing on territorial defence of NATO member states, or a maximalist interpretation involving also strategic goals such as achieving economic prosperity, democracy, and sustainability.

Identify the strategic challenges

The second step in designing strategy is to determine the main strategic challenges that stand between NATO and its core strategic goals. What actors, institutions, processes, etc.

might hinder NATO from accomplishing what it sets out to do? Many strategists often make the mistake of either not clearly naming these strategic challenges,

or not discussing them at all. Politically, such an assessment can be difficult. Many states shy away from the exercise because it requires them to prioritize and thus potentially cause political consternations. Not everything and everyone will make the list. More-

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over, some states are also reluctant to name challenges because formally labelling individual countries as strategic challenges could result in a deterioration of

Good strategy uses all the tools of statecrafts. Diplomatic, military, economic, and technological tools, among others, must be synergised to influence the behaviour of other political entities

economic relations or damage inward investment. Nevertheless, assessing grand strategic challenges is vital. It is the essence of strategy making. Any business cannot serve all customers in all markets with all products and services, just as it cannot invest in every different form of physical or human resource, or

implement every possible management process. The same applies to NATO: a clear and consistent analysis of which actors, institutions or processes that most hinder the Alliance from achieving its strategic objectives lies at the heart of the definition of strategy.²

Analyse the strategic problems

In the third step of strategy development, we need to examine why the previously mentioned strategic challenges exist in the first place. For example, we need to ask: why is Russia challenging the borders on Europe's periphery? Why is China spending more and more money on its military? Why is there so much instability in Europe's southern neighbourhood? What do terrorists want? In short, the drivers undergirding the strategic challenges identified above must be addressed at this stage. This step is again a complex undertaking. Many analysts propose monocausal explanations. For example, some cite NATO expansion as the cause for Russian aggression; or the presence of jihadist groups as the reason for instability in the Sahel. These explanations are not unwarranted, but they only tell part of the story. Most often, there is no single explanation in international politics, and every situation is the result of a plethora of triggers. This is where academic and policy research can help. By analysing problems from opposing perspectives, and factoring in multicausal variables, academic and policy research helps unpack the whole spectrum of causes hidden behind a particular strategic challenge.

Take account of the other's reaction

Fourth, any strategy-making process must take ac-

count of others' moves. The political landscape is comprised of countless moving parts. As one state or international organisation formulates a strategy to advance its position, others move in response. This dynamism means that a good strategic concept must consider the full range of possible responses. NATO must not only consider its own ambitions, but estimate how other states, allies and friends alike, will react. If, for instance, Europe defines China's assertiveness as a fundamental concern to be reckoned with, its strategic concept must not assume that China will behave statically. Once NATO takes actions, others will respond. A good strategic concept accurately predicts reactions from other actors that could undermine NATO's position. It fortifies NATO against counter-manoevres, and may even purposefully elicit specific reactions.

Unpack the toolbox

Finally, having identified and analysed the strategic problems (i.e., what factors give rise to the challenges that impede attainment of our core strategic goals), we need to think about possible solutions. What tools does NATO have at its disposal? Which measures really make sense? At NATO, this would entail a robust assessment of its core assets. But an honest evaluation of its weaknesses is equally important to avoid vulnerabilities from being exploited. At this point, we should remember that good strategy uses all the tools of statecraft. Diplomatic, military, economic, and technological tools, among others, must be synergised to influence the behaviour of other political entities.

No-gos in strategy design

Planning decades of an institution's political trajectory is difficult. By definition, we are planning for a future that we don't know. As such, mistakes are often made. To create an optimal Strategic Concept, some common stumbling blocks should be avoided.³

Defining either meagre or unattainable goals

When formulating a Strategic Concept, it is tempting to set unattainable or overambitious goals such as world peace or the global spread of democracy and liberal values. No institution can achieve these goals alone. Where should one even start? At times, strate-

² See McKinsey's Strategy Theory Initiative: "Bringing discipline to strategy", *The McKinsey Quarterly*, 1996, Vol.4; and "Strategy under uncertainty", *Harvard Business Review*, November-December 1997.

³ These stumbling blocks are inspired by A. F. Krepinevich and B. D. Watts, "Regaining strategic competence", 2009.

gists also simply choose strategic goals poorly: either they are niche goals, there are too many goals, or the goals remain unspecified. A good Strategic Concept defines core strategic goals that are concrete and have a realistic chance of being implemented.

Conflating means and ends

Another regular mistake in strategy design is that core strategic goals are not goals in and of themselves. Take “multilateralism” or a “rules-based world order”. Both terms appear again and again as goals in many strategy papers.⁴ But both multilateralism and a “rules-based world order” are *means* – they are never the end. Any multilateral cooperation needs to serve a purpose. If a state puts multilateralism as a core strategic goal, it basically suggests pursuing cooperation for the sake of cooperation, which is nonsensical. Multilateral cooperation can only be a means to achieve a greater end. The same applies to a “rules-based world order”. Creating rules or regulation – even if they are of great nobility – cannot be the ultimate purpose of state action. It only makes sense to agree on common rules and to push for their observance if these rules serve certain goals, as for multilateral action.

Not clearly stating the strategic problem

The strategic challenge is what stands between a state, or international organisation, and its strategic goals. Strategists often make the mistake of either not clearly naming the strategic problem or not discussing it at all. They develop proposed solutions without clarifying what the problem actually is – that is, what drivers lie behind the strategic challenge. For example, when designating terrorism as a key strategic challenge, many states do not offer a thorough multifaceted analysis of the drivers of terrorism. Yet it is this very analysis that will inform any strategy of how to combat it.

Over-looking trade-offs

A good strategic concept needs to be pragmatic. In other words, trade-offs need to be made. If we decide in favour of one objective or area, we have to accept losses in another area. In the business world, this is common practice. An airline can decide for or against a sophisticated boarding service – but high quality does not come without high costs. Lower the cost, and the quality goes down. An airline is either a

low-cost carrier *or* a high-end airline. Both kinds have benefits.

The same applies in strategy development. Yet, these principles are often either overlooked or simply ignored. Doing so results in inconsistency, inefficiency, or even empty promises. Take Brexit. After the United Kingdom voted to leave the European Union (EU) in 2016, many conservatives who had fought for Brexit expected the country to retain the benefits of the EU internal market. Brexiters no longer wanted to pay the cost of EU membership, but wanted to continue to reap the benefits of tariff-free EU trade. Their strategy failed to account for this simple trade-off. If the United Kingdom was unwilling to pay the cost of EU membership, it cannot bear its benefits. To keep both is an impossibility.

Misjudging one’s own competitive advantages

Strategy development is largely based on recognising and exploiting one’s own strengths in competition with opponents. A good Strategic Concept exploits asymmetries by playing off NATO’s own strengths against the weaknesses of the other side. Take, for example, the defence situation in Western Europe during the early Cold War. In terms of sheer numbers, NATO countries were outnumbered by the Warsaw Pact. NATO therefore needed a different type of strategy to keep the Soviets at bay by exploiting NATO’s competitive advantage: its technological edge over the Soviet Union. Thus emerged NATO’s nuclear deterrent system.⁵ Unfortunately, this example is the exception rather than the rule. Many strategists do not properly understand the strengths and weaknesses they need to deal with, and therefore design strategies on false assumptions.

A good Strategic Concept defines core strategic goals that are concrete and have a realistic chance of being implemented

Unfocused strategy development

Finally, perhaps the most common stumbling block when it comes to strategy development is that there are too many people or organisations involved in the process of strategy design. Under these circumstances, strategy work tends to become a kind of joint activity or team exercise. At times, it even resembles “group therapy” in which the desire for collabora-

⁴ See for example, SPD-Fraktion im Bundestag, *Den Multilateralismus stärken – die großen Herausforderungen unserer Zeit bewältigen*, 16 June 2020, pp.3-4; German White Paper on Defence, 2016, p.52; European Union, *Shared vision, common action: a stronger Europe. A global strategy for the European Union’s foreign and security policy*, Brussels, 2016, p.8.

⁵ Center for Arms Control and Non-Proliferation, *Fact Sheet: US nuclear weapons in Europe*, Washington, 18 August 2021.

tion overpowers a rigorous analysis of the premises of the strategy. History has shown that good strategy

As the world never stands still, no Strategic Concept can be implemented dogmatically. Rather, all strategic considerations and calculations must be constantly reconsidered and adapted

is rarely the result of a bureaucratic process or the endless collaboration of minds. Most often, strategic “aha” moments are the result of a few qualified individuals who can think through complex issues with focus, while taking into account public sentiment and political constraints. George

Kennan, who decisively influenced the US Grand Strategy of containment in the late 1940s, is a fine example.⁶ Another example is Andrew Marshall, who played a critical role in conceiving US Grand Strategy starting from the 1970s.⁷

Where to go from here?

NATO’s Strategic Concept can offer a basic sense of direction. It provides citizens and the policy community with a clear understanding of NATO’s priorities and interests. It forces NATO to think systematically about resources. It is an intellectual thread, a fixed North Star in the political storm.

That does not mean that designing a Strategic Concept is an easy task. To the contrary, it is extremely

difficult, and many stumbling blocks can hinder this undertaking. Strategy implementation is also far from fool proof. As the world never stands still, no Strategic Concept can be implemented dogmatically. Rather, all strategic considerations and calculations must be constantly reconsidered and adapted. Indeed, we need to think about strategy development as a constant feedback loop in which we keep our goals in view, while at the same time using new information and insights to readjust our course accordingly. Some have argued that designing strategy is particularly hard for democracies, or even impossible⁸, as politicians must manage the balancing act among the various interests of a pluralistic society. However, diversity of opinion and pluralism can make strategic discussions even more powerful. They allow critical assessment of all the options on the table and identification of the best approach. As long as differences of opinion are addressed constructively, democratic norms and procedures can be an asset in strategy work.

All this considered, NATO’s forthcoming Strategic Concept will not be a panacea. Yet, if drafted in accordance with the above-mentioned principles, the Strategic Concept will increase the chances that foreign policy decisions are made wisely and more efficiently in a way that is aligned with NATO longer-term strategic goals.

6 J. L. Gaddis, *George F. Kennan: an American life*, Penguin, 2012.

7 A. F. Krepinevich and B. D. Watts, *The last warrior: Andrew Marshall and the shaping of modern American defense strategy*, Basic Books, 2015.

8 Betts, “Is strategy an illusion?”, pp.40-41. D. W. Drezner, R. R. Krebs and R. Schweller, “The end of Grand Strategy: America must think small”, *Foreign Affairs*, Vol.99, No.3, May-June 2020; M. H. Fuchs, “America doesn’t need a Grand Strategy”, *Foreign Policy*, Fall 2019.



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