

**AT OUR OWN PERIL:  
DOD RISK ASSESSMENT IN A POST-PRIMACY WORLD**

**Nathan P. Freier**  
Principal Author and Project Director

**Christopher M. Bado, Christopher J. Bolan, Robert S. Hume, J. Matthew Lissner**  
Contributing Authors

**Heather Bellusci, John R. Beurer, Ralph Borja, Steven Buelt  
Michael Lechlitner, Robert D. Montz, Robert Phillips, Kelsey Smith**  
Contributing Researchers

## INTRODUCTION

*At Our Own Peril* is the product of a year-long U.S. Army War College (USAWC) research effort. The report was sponsored by Army G-3/5 (Strategy, Plans, and Policy Directorate), the Joint Staff, J-5 (Strategy Development Division), and the Office of the Deputy Assistant Secretary of Defense for Strategy and Force Development. The work is intended to add to the inevitable debates on risk and risk assessment accompanying forthcoming defense strategy development.

The report endeavors to inform the defense strategy discussion by evaluating the components, high-level assessment, and articulation of risk by the Department of Defense (DoD) at the strategic and military levels of analysis, as well as across the operational and future challenges time horizon. Moreover, in doing so, it answers a single simple question: How should DoD adapt its current risk identification and assessment conventions to accommodate an environment defined by persistent, disruptive change?

To arrive at actionable findings and recommendations, the USAWC study team examined DoD's risk assessment challenge in four principal areas of inquiry: describing risk, identifying risk, assessing risk, and effectively communicating risk. The study team found three clear vulnerabilities or shortcomings in current risk convention. First, it is excessively focused on near-term military threats. Second, it lacks a meaningful connection back to concrete defense objectives. Finally, third, it has proven to be an insufficient catalyst for essential post-primacy defense innovation and adaptation. These are reflected in a general

dissatisfaction among many DoD stakeholders on the state of risk as it relates to corporate-level strategy.

In response, this study recommends that risk become the persistent business of DoD's senior leadership. It further argues that corporate-level risk judgments should revolve around a new post-primacy risk concept and its four governing principles of diversity, dynamism, persistent dialogue, and adaptation.

## DESCRIBING RISK

The imperative for fresh perspectives on enterprise-level risk and risk assessment emerge from the broad recognition of two adverse realities confronting the United States and its defense establishment. The first is the increasing vulnerability, erosion, and, in some cases, the loss of an assumed U.S. military advantage vis-à-vis many of its most consequential defense-relevant challenges. The second concerns the volatile and uncertain restructuring of international security affairs in ways that appear to be increasingly hostile to unchallenged U.S. leadership. *At Our Own Peril* identifies this new or newly recognized period as one of "post-U.S. primacy."

In the team's assessment, post-primacy has five interrelated characteristics:

- Hyperconnectivity and weaponization of information, disinformation, and disaffection;
- A rapidly fracturing post-Cold War status quo;
- Proliferation, diversification, and atomization of effective counter-U.S. resistance;

- Resurgent but transformed great power competition; and,
- Violent or disruptive dissolution of political cohesion and identity.

Individually and in combination, these post-primacy characteristics have extraordinary impacts on defense-relevant hazards and demands, and, by implication, enterprise-level risk and risk assessment. For strategists and senior defense decision-makers, the five post-primacy characteristics call for more dynamic, forward-looking, and adaptive approaches to both strategy development and risk assessment.

Consistent with current DoD practice and terms, the study team laid the conceptual foundation for their work by describing risk in four key dimensions: **military**, **strategic**, **operational**, and **future challenges**. The first two represent terminal ends on a vertical risk assessment continuum, whereas the latter two are similarly endpoints on a horizontal or time-based spectrum.

On the vertical continuum from top to bottom, **strategic risk** is the likelihood that DoD fails to effectively focus or define what the team calls DoD's principal risk portfolio. **Military risk**, on the other hand, involves judgments on the likelihood that DoD fails to adequately counter hazards to enduring defense objectives through the individual demands included in the portfolio. Along the horizontal time continuum, **operational risk** involves judgments on DoD's near-term vulnerabilities in the former two dimensions, and **future challenges risk** accounts for similar vulnerabilities over time.

## IDENTIFYING RISK

After extensive engagement and consultation with defense and defense-interested communities of practice and interest, *At Our Own Peril* concludes that objectives-based vice threat-based risk assessment is most appropriate for post-primacy conditions. The study group surveyed 25 years of national security, defense, and military policy and identified six illustrative enduring defense objectives to apply against the current and future environment.

These objectives help senior leadership to determine the most appropriate strategic approaches to the environment's hazards and the specific military demands those approaches imply. The objectives are:

- Secure U.S. territory, people, infrastructure, and property against significant harm;
- Secure access to the global commons and strategic regions, markets, and resources;
- Meet foreign security obligations;
- Underwrite a stable, resilient, rules-based international order;
- Build and maintain a favorable and adaptive global security architecture; and,
- Create, preserve, and extend U.S. military advantage and options.

To be of the most utility, strategic and military risk assessment should identify the likelihood of failure or

prohibitive cost in pursuit or defense of these enduring objectives, given an adopted strategy.

## ASSESSING AND COMMUNICATING RISK

Post-primacy risk assessment has at its core the chief objective of enterprise-wide adaptation. The report concludes that this process begins with the identification of enduring objectives, strategy development in support of them, the identification of strategy-driven military demands, and determination of which of the demands are important and urgent enough to be included in the principal risk portfolio.

Like this articulation of objectives, the report identifies eight demands in the study's illustrative principal risk portfolio: Strategic Deterrence and Defense, Gray Zone/Counter-Gray Zone, Access/Anti-Access, Major Combat, Distributed Security, Influence/Counter-Influence, Counter-Network, and Humanitarian Assistance and Consequence Management. The eight demands do not represent the sum total of defense and military activity in specific operations or campaigns but, rather, their prevailing character.

The principal risk portfolio is the pacer against which DoD renders its most important risk judgments. Again, these judgments occur along the military/strategic and operational/future challenges axes. The study recommends the following four governing principles as central to any new post-primacy risk assessment process:

- **Diversity** in the number and types of hazards and defense demands considered. This requires DoD to adjust the "gold standard" for corporate risk assessment. While surge demand remains the principal risk driver, considerations of surge can no longer be limited to high-end combined arms warfighting.
- Acknowledgment of the inherent **dynamism** of DoD's contemporary decision-making environment and its impact on both defense-relevant hazards and DoD's response options. This includes accounting for inevitable changes in the importance and urgency of hazards and demands, as well as DoD's projected capability, capacity, and agility to respond effectively to fluid environmental change.
- **Persistent dialogue** on enterprise-level risk and risk management. In short, the study team argues that senior DoD and military leaders should engage directly in a deliberate, sophisticated, and structured risk discussion that accounts for and adapts to the environment's inherent diversity and dynamism.
- Finally, a commitment to constant and unrelenting risk-based defense **adaptation** as a by-product of the aforementioned persistent dialogue.

The study team suggests that this simple parsimonious post-primacy risk construct of **diversity**, **dynamism**, **persistent dialogue**, and **adaptation** offers new opportunities for

senior defense leaders to communicate meaningful insights in a new common risk currency. On more than one occasion, the study team heard that the contemporary language of risk was stale.

In response, the report suggests that senior leadership use this uncomplicated but still sophisticated construction as the principal vehicle for risk communication. Naturally, use of this format must be preceded by clear and unambiguous articulation of enduring defense objectives, important and urgent hazards, surge demands, and adopted or proposed strategic courses of action. These are stage-setting terms of reference for the wider risk discussion that follows.

## FINDINGS AND RECOMMENDATIONS

The study identifies four major findings and six associated recommendations for consideration by senior DoD leadership:

### Findings

- Contemporary defense strategy development and risk assessment will occur under post-primacy circumstances.
- Enterprise-level risk does not exist absent meaningful intentions, strategic objectives, or courses of action.
- Enterprise-level risk assessment should be an uncomplicated but not unsophisticated dialogue.
- Post-primacy strategic conditions will demand more federated approaches to risk assessment.

### Recommendations

- Adopt an objectives-based vice threat-based approach to enterprise-level risk assessment.
- Build a strategy-focused risk concept around four governing principles: diversity, dynamism, persistent dialogue, and adaptation.
- Pace DoD's risk assessment against a principal risk portfolio.
- Issue stand-alone, secretary-level risk guidance as a part of the strategy development process.
- Integrate interagency insights into DoD's risk assessment and "lead-up" as trusted partners toward a common "whole of government" risk picture.
- Integrate core allies and partners into the risk assessment process.

## THE WAY AHEAD

Over the course of 9 months of intensive research and engagement with defense-focused communities of interest and practice, the USAWC study team arrived at the aforementioned actionable findings and recommendations for senior defense leadership. The team recognizes that the findings and recommendations only represent the first steps in what should be a more comprehensive, whole of government, risk assessment concept.

The need for greater interagency integration on subjects like risk is a constant refrain across multiple issue areas. It will not be solved overnight. Nonetheless, this study makes clear recommendations on how DoD might start the process. First, it suggests integrating interagency insights into DoD's risk assessments. By doing so, it may in fact demonstrate the value of risk-based decision-making to the rest of the American national security community.

In the final analysis, the study team suggests three foundational insights will also guide DoD toward higher ground on 21st-century risk identification and assessment. These insights involve: **risk ownership**, **risk as a culture**, and **risk as an instrument for enterprise-wide adaptation**. On the first, the study team suggests that strategic guidance and risk judgments will only permeate DoD and inform all senior leader decision-making to the extent that responsibility, authority, and ownership of risk are unambiguously aligned. As the most senior DoD officer in the chain of command, the study suggests that corporate-level risk leadership in this regard lies squarely in the hands of the Secretary of Defense.

The second insight focuses on **risk as a culture**. The study team found that risk identification and assessment could not simply be a process, a product, or a static judgment on hazard or danger. It needs to be a persistent component of DoD's corporate culture. In short, risk identification and assessment need to be pervasive elements of DoD's strategic dialogue and remain central to all consequential DoD decision-making.

Finally, as for **risk as an instrument of adaptation**, the findings are unequivocal. Any and all corporate-level risk identification and assessment within DoD must have as its expressed purpose, adaptation to ever-changing strategic circumstances. The study team outlined a risk concept with four governing principles: diversity, dynamism, persistent dialogue, and adaptation. The report argues that the last is the most important among them. If risk assessment is not linked to meaningful adaptation, then it is a wasted exercise.

In the end, this study argues for a corporate risk model founded on persistent senior leader dialogue. The concept should be fine-tuned to monitor and adapt to persistent change in strategic conditions, offering senior leadership clear strategic choices. Maintenance of U.S. defense and military advantage are at stake in the process. DoD's future risk concept should proceed from that weighty and potentially grave point of departure. Short of that, DoD exposes current and future performance to significant unrecognized or under-recognized hazard.

\*\*\*\*\*

More information about the programs of the Strategic Studies Institute (SSI) and U.S. Army War College (USAWC) Press may be found on the Institute's homepage at [ssi.armywarcollege.edu](http://ssi.armywarcollege.edu).

\*\*\*\*\*

Organizations interested in reprinting this or other SSI and USAWC Press executive summaries should contact the Editor for Production via e-mail at [SSI\\_Publishing@conus.army.mil](mailto:SSI_Publishing@conus.army.mil). All organizations granted this right must include the following statement: "Reprinted with permission of the Strategic Studies Institute and U.S. Army War College Press, U.S. Army War College."



**This Publication**



**SSI Website**



**USAWC Website**