



**NORTH ATLANTIC TREATY ORGANIZATION**

**SUPREME ALLIED COMMANDER  
TRANSFORMATION**

**SACT's REMARKS to**

**Industry engages NATO**

**NORFOLK, 21 April 2016**

**As delivered**

**Général d'armée aérienne Denis MERCIER**



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Ambassador, Generals, Admirals,

Distinguished Guests, Ladies and Gentlemen, good morning.

First of all, I would like to thank you Mrs Jordan Watkins and M. Paul Grossman for their introductions.

It is a great pleasure for me and my Headquarters to take part in this conference organised by the Norfolk NATO Festival (NNF) and the Virginia Economic Development Partnership (VEDP).

We appreciate this opportunity to engage with many of the driving forces behind Virginia's economy and Industry, especially in the Hampton Roads area.

For me, it is also an occasion to represent the only NATO Command based in North America and highlight what Allied Command Transformation does for our Alliance.

If I would briefly summarize ACT's role, I would say that we are **the** Command in NATO that is seeking and drawing together innovative ideas, new concepts and new technologies; all with the aim of continuously adapting the Alliance to cope with a rapidly evolving global security environment.



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At ACT we are driven and determined to better understand this changing security environment; and help enable our 28 Nations, and many Partners, develop forces that are operationally agile and resilient; forces which can protect us all against the worst of the storms ahead.

Like you, we constantly look to adapt our business model striving for the right military capabilities that gives us the competitive edge over our potential adversaries.

Arguably, there are many parallels to be drawn between NATO's transformational aims and your own opportunities and challenges that I hope will provide fertile ground for closer interaction, improved mutual understanding, and as importantly, increased opportunity to innovate together with Industry.

This morning, as part of this effort to enhance potential collaboration, I will offer you a view of our security environment and why it demands more innovative capabilities that I believe you can all have a role in.

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Let me then start with a very short description of our assumptions concerning the future security environment of the Alliance. The first panel will further expand on these insights looking at the rapid rate



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of social, economic, scientific, technological and environmental change.

**In our view, the future will be increasingly complex, uncertain and contested.**

- **Complex, first** as adversaries consisting of states and non-state actors work independently, or in concert, in ways that complicate the Alliance's consensus based decision-making.

Our adversaries will act with even more ambiguity than today, employing hybrid strategies to reach their objectives and their actions will usually remain on the fringes of the usual threshold of crises.

For the Alliance, it means we have to enhance our ability to monitor the strategic landscape on a more permanent and comprehensive basis.

We have to be able to identify abnormal activity across the Diplomatic, Information, Military, Economic, Financial, Intelligence and Legal spectrum and connect what appear to be unrelated events.

Because this is key to timely decision-making, there is a real challenge here that we have to solve with Industry and that is the



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management and analysis of big data which will result from this monitoring and the distribution of tailored information at the different levels in the chain of command.

- Despite our efforts on anticipation, there will always persist an element of **uncertainty** as it remains difficult to deter some state and non-state actors from acting against our Nations.

We will face new strategic surprises and the Alliance has to be able to resist, recover and fight through these threats.

We need to develop a shared resilience that demands a much stronger interconnection between the military, public, and private sectors.

So, the ways Nations and Partners integrate their own resilience efforts across society, with your expertise are of paramount importance to the Alliance.

I know this is something very important here in the City of Norfolk, which released its resilience strategy last October.

This may be a very interesting topic to develop in a future conference with you.

- Our operational environment will also likely become **less permissive**.



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To avoid thinking only quantitatively in terms of additional protection and increased numbers of high-end capabilities, we could take a more qualitative approach to remain one step ahead of our adversaries.

We should be able to build our future forces as a combat system, seamlessly integrating our platforms, sensors and all the mission-assets in cloud-like architectures. This is only achievable through a close coordination with Industry, from small to big companies.

- You could especially help us consider potential technological breakthroughs.
  - We know that platforms and weapons will have extended ranges, time on task and will perform their missions with increased autonomy.
  - Artificial intelligence and the capabilities used to collect, analyse and identify trends and associations in huge amounts of unstructured data will continue to improve.
  - We can also expect advances in synthetic biology, modelling and simulation, meta and nano materials, advanced manufacturing, and new energies... energy being an important driving factor for our forces.

And this is just to name a few.



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We are, therefore, particularly keen on getting your insights during the panel on disruptive technologies this afternoon.

You will also have important perspectives on cyber security.

Cyber is likely to be soon recognized as a specific operational domain by the Alliance.

Many Nations are currently investing in that domain and there could be a specific pledge by Allies during the next Summit in Warsaw to meet specific cyber defence standards.

As we look to operationalize this domain, we will need to work closely with Industry to identify new initiatives. Cyber is a good example as even local companies expertise can be tapped in order to enhance multinational training, networking, information sharing and interoperability.

In a nutshell, we can say that the many foreseen changes in our strategic landscape are compelling us to adapt the Alliance's military capacity so that it can continue to deter our adversaries and defend our territories over the next 15 years and beyond.

But, to do so, we need innovative approaches and we need you to contribute to these approaches.

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So, how might we take this forward?

We recognize that leadership in innovation has shifted from the defence and security sector to the commercial sector and above all, we have to realize that Innovation can only result from a mutual understanding of the problems that need solving.

I believe closer connections between the military, Industry and private sector's structures can help find the appropriate, suitable and affordable solutions.

I would offer three main characteristics in this approach.

#### **First, identification**

We need to challenge our current paradigms and processes by sharing our views and ideas.

- For instance, locally, here in the Hampton Roads area, we have few fora.
  - Tide Sprint events are an ACT think tank initiative for achieving and maintaining Information, Decision and Execution Superiority.
  - Our Innovation Hub enables free and unclassified exchanges on social networks about current security challenges for NATO and potential ideas to solve them. It





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is located a couple of miles from here at Old Dominion University and open to all.

- There is also the recent Industry Involvement in Exercises (I3X) initiative which was introduced during our last major strategic exercise Trident Juncture 15.

It was an initial trial to bring 39 industries from across NATO nations to observe and identify some of our challenges. There is an expectation it will help develop creative solutions for the future.

You will learn about its main lessons identified during the second panel.

**A second main characteristic for successful innovation is the ability to assess new ideas rapidly.**

The experimentation of identified options can be achieved through dynamic, collaborative activities, supported by the use of Allied and NATO facilities, exercises, and Centres of Excellence, as appropriate.

Implicit in this, is for our Alliance to adopt a less risk adverse approach to assess new technologies and concepts.



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By accepting an option to fail early, NATO and Nations could make the best use of limited resources and thus save money for the most likely successful solutions.

This is something that we have already considered in some of our major events:

- For example, the Coalition Warrior Interoperability eXploration, eXperimentation, eXamination and eXercise (CWIX) experiments with new interoperability solutions for our Communication and Information Systems. Industry participates in this event to see and solve problems.

We expect from now on to leverage more exercises in order to expand the assessment of ideas and concepts related to all the areas of NATO's future military capacity.

**It would enable Nations and NATO to select the most promising solutions and implement them.**

By turning towards open and modular designs and develop new innovative solutions, we really believe that big as well as small companies can participate and implement possible game changing ideas.



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Many of the technologies you develop can have dual purposes and be leveraged in line with all the areas of the Alliance's future military capacity.

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So, during this day, I really expect we will be able to deepen our mutual understanding and investigate further possibilities of collaboration.

I encourage you to have candid and frank discussions.

I want to thank you for your presence and participation.

I will now leave the floor to Mr Will Somerindyke who will share with us a business perspective on the adaptation of the Alliance.

Thank you for your attention.