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Authors
Cheung, Tai Ming
Mahnken, Thomas G.
Ross, Andrew L.

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Assessing the State of Understanding of Defense Innovation

Tai Ming Cheung, Thomas G. Mahnken, and Andrew L. Ross

The competition for innovation has become a priority for the world’s major military powers. The United States and China are leading a global race in the development of new generations of technological capabilities, business approaches, and doctrinal and operational constructs, driven in large part by their growing strategic rivalry with each other. Many other countries, from Russia to Israel, have also unveiled defense innovation initiatives, but the scope and seriousness of these efforts vary widely, as detailed in other briefs in this compendium. How are we to assess contemporary defense innovation? The central focus in this brief is to make sense of different approaches to defense innovation by determining whether there are general patterns and characteristics that offer insights into questions such as why some states are able to pursue innovation at a faster rate or more advanced level than others, and the essential ingredients for successful innovation. This brief seeks to develop an understanding of the relationship between defense innovation and military innovation, and more specifically the linkages and interaction between the defense innovation system and the military establishment.
WHAT IS DEFENSE AND MILITARY INNOVATION?

It is important to define precisely what is meant by defense innovation, and how it relates to its close cousins, most notably military innovation. Defense innovation is the transformation of ideas and knowledge into new or improved products, processes, and services for military and dual-use applications. It refers primarily to organizations and activities associated with the defense and dual-use civil-military science, technology, and industrial base. Included at this level are, for instance, changes in planning, programming, budgeting, research, development, acquisition, and other business processes.¹

Military innovation refers primarily to warfighting innovation, modest or profound. It encompasses both product innovation and process innovation, and technological, operational, and organizational innovation, whether separately or in combination, intended to enhance the military’s ability to prepare for, fight, and win wars.

Technology is the most visible dimension of military innovation, but military innovation is not to be equated with, or reduced to, technological innovation. Technology is not the be all and end all of military innovation. The organizational and doctrinal components of military innovation are no less significant than its technological component.²

Technology, in the form of weapons and weapons systems, serves as the source of the hardware dimension of military innovation and its concrete products.³ Organizational and doctrinal changes, the software of innovation, provide what is characterized in the broader literature as process innovation. Realizing new technology’s potential typically requires organizational adaptation and doctrinal development. Although military organizations are inclined to pursue technological developments that are in accord with their culture, it is not unusual for new technologies to encounter spirited organizational and bureaucratic resistance. Organizational restructuring or even the development of new organizations with new skill sets may be necessary. Similarly, new technologies, particularly those that qualify as breakthroughs, may well require revising the principles that shape or guide the employment of military force.

The three components of defense and military innovation—technology, organization, and doctrine—rarely change simultaneously; most often, one tends to lead while the others follow. Technology—information technology today, for instance—may leap ahead, requiring organizations and doctrine to play catch up, perhaps for decades. Warfighting, or doctrinal, visions, such as the transformation enterprise’s network-centric warfare, can drive organizational change and technological development. The extent to which hardware and software innovation, and product and process innovation, are effectively integrated can determine whether change is likely to be continuous or discontinuous, sustaining or disruptive, incremental or transformational, evolutionary or revolutionary.

DRIVING DISRUPTIVE INNOVATION

Although innovations take many forms, historically the most consequential have been disruptive innovations. In the military realm, these have led to large-scale changes in the character and conduct of war, producing winners and losers and altering the geopolitical landscape.⁴ In each case, new combat methods arose that augmented, displaced, or replaced previously dominant forms of warfare by shifting the balance between offense and defense, space and time, and fire and maneuver.⁵ The militaries that first adopted these innovations gained a significant advantage, forcing competitors to match or counter them to have any chance of prevailing on the battlefield. Those who adapted prospered, while those who did not declined, often precipitously.

History shows that catalytic factors are central in bringing about disruptive innovation. The threat environment plays a key role. First, most disruptive innovations have come about because of the perception of an operational or strategic problem that defied a conventional solution. The urgency of action and the absence of incremental, routine alternatives is often necessary to break the strong preference of existing bureaucracies.

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to apply their standard solutions to the problem. Indeed, innovation is often an unnatural act for organizations that are, by their very nature, meant to routinize rather than innovate.

Second, top-level leadership support is crucial to the success of disruptive innovation. Leaders often must ensure that the innovation effort receives the economic, technological, and human resources it needs to be successful and also defend it against those who would seek to kill or sideline it.

THE RELATIONSHIP BETWEEN THE DEFENSE INNOVATION SYSTEM AND THE MILITARY

The defense innovation system’s primary—although not only—mission is the research, development, and acquisition of weapons and equipment for military end-users. Consequently, the interactions between these two systems will have a far-reaching effect on how well the needs of the war-fighter are served. In most countries, the defense innovation system is primarily civilian, rooted in the defense industrial apparatus and civilian research, development, and educational system. But there are also often important military components that work closely alongside the defense innovation system, especially the military procurement agencies and military research and development entities.

Ideally, the linkages between the defense innovation and military systems should be broad and deep. The key factors within the defense innovation system that would be most closely tied with military entities include: Factors related to determining threat assessments and how they define war-fighter requirements at the strategic, operational, and tactical level. These factors, such as the threat environment and strategies and plans, would be closely coordinated with the formulation of military doctrines, strategies, and operational concepts.

Factors connected to the acquisition of weapons and equipment. The defense innovation system and the military establishment should be tightly coupled with each other in factors such as the acquisition process, technology push versus demand pull, and the production process.

In reality, there is often considerable friction and compartmentalization between these two systems, attributable to the principal-agent dilemma, in which the defense innovation system, or agent, acts in accordance with interests that do not necessarily correspond with those of the military establishment, or principal. Understanding the nature of this agency problem would be extremely useful in assessing the effectiveness of the defense innovation-military establishment relationship.

ASSESSING THE IMPACT OF INNOVATION

Despite the emphasis on revolutionary change in the literature on defense and military innovation, most innovation, as previously noted, is distinctly less than profound. It consists of what is best characterized as near-continuous, incremental advances in existing capabilities. The significance of essentially routine incremental improvements in technology, doctrine, and organizational capabilities should not be minimized. On the hardware, or technology, front, it is what is thought of as modernization.

Sustaining (rather than disruptive) innovation is commonplace, even mundane. Its incrementalism does not, however, diminish the significance of sustaining innovation, which is what military organizations, following standard operating procedures, regularly pursue. Technology evolves. Doctrine is improved. Organizations adapt. Extant capabilities are optimized. Military change on the order of military revolutions, revolutions in military affairs, and transformations, on the other hand, is an extraordinary, infrequent phenomenon that entails profound, fundamental discontinuities. Such disruptive innovation—reminiscent of what Schumpeter termed “creative destruction”—underlies revolutions and transformations that are, by definition, extraordinary. Technology races ahead. Doctrine and organizations alike are discarded and created anew. Innovation located between the two ends of this innovation spectrum, located in quadrants of the innovation matrix (Figure 1) other than that within which disruptive, revolutionary innovation appears, is too often neglected.

Discontinuous innovation poses the potential of technological or architectural “breakthroughs.” Though less than revolutionary, breakthroughs, according to Mark and Barbara Stefik, 6

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are rare and surprising. They “create something new or satisfy a previously undiscovered need” and enable us to do something that we did not know was possible. The uses and consequences of breakthroughs can be unintended. They may transform or displace existing practices.

Discontinuous weapons, platforms, or systems—or hardware—change, even in the context of incremental doctrinal and/or organizational change, constitutes what is identified in Figure 1 as a "technological breakthrough." Discontinuous doctrinal and/or organizational—or software—innovations are depicted as architectural breakthroughs. Architectural innovation redefines the way in which the components of technologies, doctrines, or organizations are integrated. There are major changes in the relationships, or linkages, between hardware (technology) and software (doctrine and organization). As Rebecca Henderson and Kim Clark put it, “The essence of an architectural innovation is the reconfiguration of an established system to link together existing components in a new way.” Dramatic departures in operational concepts or organizational structure—particularly the development of new doctrine or the establishment of new organizations—that result in extant technology being used in ways it has not been used before constitute architectural breakthroughs. Discontinuous technological and architectural innovations both occur more frequently than disruptive, revolutionary innovation but much less frequently than sustaining innovation.

Disruptive, revolutionary innovation is the result of the confluence of discontinuous technological, doctrinal, and organizational changes; it occurs when discontinuous hardware and architectural changes come together in a coherent, integrated whole. Existing capabilities are not optimized but rendered obsolete and displaced. New dominant technologies, doctrines, and organizations are established and integrated as never before. New performance metrics—Christensen’s "cheaper, simpler, smaller, and, frequently, more convenient to use," for instance—are introduced.

Discontinuous innovation need not entail simultaneous technological, doctrinal, and organizational breakthroughs. Indeed, simultaneous hardware and architectural breakthroughs appear to be the exception rather than the rule. One tends to lead while the other lags and must catch

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11 Ibid., 12.
12 Examples of past discontinuous technological innovations include the introduction of battleships, aircraft, tanks, aircraft carriers, and, more recently, GPS. Today, UAVs and other unmanned, robotic systems are examples of discontinuous technological breakthroughs. The all-volunteer force, “jointness,” and maneuver warfare are recent examples of architectural innovation. Blitzkrieg is a well-known historical example of an architectural breakthrough.
up—if disruptive innovation rather than either a technological or architectural breakthrough alone is to be the result. Breakthrough doctrinal and organizational innovations have often lagged behind breakthrough technological innovations.

The prospect that continuous, sustaining innovation may over time eventuate in profound, disruptive innovation is not to be dismissed. In the past, the phenomena characterized as military revolutions, revolutions in military affairs, and military-technological revolutions developed over considerable periods of time. Today, in the unmanned, robotic, artificial intelligence, and cyber realms, and underpinned by continuous improvements in information technologies, defense innovation systems may well provide militaries with the capabilities for missions once thought impossible, in new dimensions of the battlespace that may have the game-changing potential of rendering “previous methods of conducting war obsolete or subordinate,” displacing “one form of war with another,” or fundamentally changing the way war is waged.15

Tai Ming CHEUNG is the director of IGCC and the leader of IGCC’s project “The Evolving Relationship Between Technology and National Security in China: Innovation, Defense Transformation, and China’s Place in the Global Technology Order.” He is a long-time analyst of Chinese and East Asian defense and national security affairs. Cheung was based in Asia from the mid-1980s to 2002 covering political, economic, and strategic developments in greater China. He was also a journalist and political and business risk consultant in northeast Asia. Cheung is an associate professor at the School of Global Policy and Strategy at the University of California San Diego, where he teaches courses on Asian security and Chinese security and technology.

Thomas G. MAHNKEN is president and chief executive officer of the Center for Strategic and Budgetary Assessments and a senior research professor at the Philip Merrill Center for Strategic Studies, School of Advanced International Studies, Johns Hopkins University. He has served for more than 20 years as an officer in the US Navy Reserve, to include tours in Iraq and Kosovo.

Andrew L. ROSS is a professor at the Bush School of Government and Public Service at Texas A&M University. He is also director of the National Security Affairs program and a senior fellow in the Institute for Science, Technology and Public Policy. Ross’ work on US grand strategy, national security and defense planning, regional security, weapons proliferation, and security and economics has appeared in numerous journals and books.