



OFFICE OF THE SECRETARY OF DEFENSE
1920 DEFENSE PENTAGON
WASHINGTON, DC 20301-1920

March 11, 2003

DIRECTOR OF
NET ASSESSMENT

Professor Richard P. Rumelt
Harry and Elsa Kunn Professor of Business and Society
Professor, Strategy and Organization
110 Westwood Plaza
Cornell Hall, Suite D512
Box 951481
Los Angeles, CA 90095-1481

Dear Professor Rumelt,

My office has checked with the appropriate people here and I can release to you the document "Strategy for Competing with the Soviets in the Military Sector of the Continuing Political-Military Competition". You are free to use this in your classes and your writings, etcetera.

You requested information about its authors and the date of creation. The authors are Jim Roche and myself, and in the form that you have it was sent to Donald Rumsfeld who was then the Secretary of Defense in July of 1976. The reason that Roche and I wrote the piece was our belief that there did not exist within the Pentagon a really effective formulation of a long-term strategy, in particular a management strategy to guide investment and other decisions. Also, we felt that most people did not think in the right way about strategy.

A few months earlier, probably around March of 1976, Rumsfeld asked for a discussion of a broad strategic nature before deciding on proposals for a new program of surface ships for the U.S. Navy. He asked for ideas about a strategic way of looking at these particular decisions, and I was asked among several others to provide an input. Roche and I wrote a short 4- or 5-page paper focused on the specific strategic ideas that we thought ought to guide the future development of the Surface Navy. There was a Saturday discussion meeting chaired by Rumsfeld. The paper that Roche and I had written was the one that he thought the most interesting and insightful. Roche and I, therefore, having discovered Rumsfeld's desire to take a more strategic view of decisions with respect to specific programs and given our view that a much different perspective could be developed led us to write the paper that you have. As you can see it is in large part a polemic, making the case that indeed one should and could look at the budgeting, programming and other processes in the Defense department in a different and more strategic way.



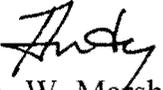
Where did this set of beliefs come from? On my part they came from my long period of RAND and my interest in the strategies that organizations sometimes develop for pursuing their goals. In this connection, I became aware of the business strategy courses at the Harvard Business School during my work at RAND in the period 1957-1965 on improving forecasts of Soviet military programs. When I was the Director of Strategic Studies at the RAND Corporation (1969-1971), as a way of summarizing my thinking, I wrote a document in 1969 that made the case that the United States was in an very extended, indeed almost endless military, political and economic competition with the Soviet Union. In the case of the strategic nuclear programs, we ought to decide what to do only after we had decided upon a strategy for competing in that long-term competition. The strategy ought to focus on competing effectively against the Soviet Union, the decisions with respect to various programs, weapons systems, etcetera, should be looked at as moves in a process of implementing the strategy. The strategy would be designed to pursue a complex set of goals. Among them these goals were imposing costs on the opponent and complicating his problems of competing with us. A report was published by RAND in the middle of 1972, quite a while after I left RAND. But this framework of a long-term competition and a strategy for competing effectively appealed greatly to me and I have generally applied it throughout the period I have been in the government.

For Roche, I assume the background of his interest in strategy came from his period at the Harvard Business School and his contact with people like Joe Bower and Bruce Scott and others who taught business policy/business strategy as it had been developed at the Harvard Business School by Christiansen and others. Thus, similar to my earlier connection with the people at the Harvard Business School. In any case, he too had a strong sense of the desirability of a strategy to guide other management decisions.

Later we sent the paper you have to Harold Brown where he was SECDEF, along with a proposal to do some experiments in strategic planning, which he agreed to.

Hopefully that's enough background for you. You can try to get a copy from RAND of the paper that I referred to, which I believe has finally become unclassified. If not, I think that we have a version derived by cutting out the specific paragraphs that once were classified. If you have any other questions, give me a call or come see me sometime.

Warm regards,


A. W. Marshall