APPLYING BEST BUSINESS PRACTICES TO ADDRESS THE NATION’S MOST PRESSING SECURITY CHALLENGES

ACTIONABLE SOLUTIONS that utilize best business practices

MEMBER DRIVEN AND FINANCED where members participate in their individual capacity and government funding is not accepted

FIERCELY NONPARTISAN avoiding partisan debate that take positions on the size of the nation’s security budget or specific weapons systems or strategies

BOUND BY STRONG ETHICS that preclude members from lobbying or engaging in business development

A TRUSTED PARTNER who has supplemented government efforts for over 35 years

COMMITTED TO CONTINUOUS IMPROVEMENT valuing government partner and member feedback to produce ever more effective outcomes

CHARITY NAVIGATOR Four Star Rating
Message from the
CHAIRMAN + CEO

Mining executive Stanley Weiss founded BENS in 1982 because he knew our nation is most secure when the national security and business communities collaborate. He called on the nation’s senior business leaders to partner with government and apply their expertise to the pressing security challenges of the day. Today, with our technological and operational edge no longer guaranteed as competition from rival nations like China intensifies, the nexus between business and national security has never been clearer.

Technological innovation and sound practices have always been an integral part of U.S. businesses, but it is also central to our national security posture and continued leadership in the world. It is paramount that our government and military incorporate the private sector into our Nation’s security strategy and rely on business leaders as partners. Best industry practices and innovations that have helped the U.S. dominate the globalized economic environment are frequently the same practices and innovations that will help our military and national security community overcome competition from our rivals abroad.

BENS members have embraced how best business practices enhance our national security and play key roles in our national security apparatus. Last year alone, members provided 66 insights and recommendations to 14 military and government partners who had requested BENS’ help. Members also took part in 18 national and international trips and hosted 144 conversations with security leaders that further strengthened the bonds between the public and private sector. We are mirroring those efforts this year.
Our military and government partners have emphasized the concerted, wide-ranging attempts by foreign adversaries to gain economic, political, and military advantage over the U.S., and asked our members to help them address these challenges. This Leadership Report reflects our progress in the first half of 2019 and highlights the many opportunities in which we have engaged the national security community. We thank all our members for their continued support and dedication and are grateful for their assistance rendered to those tasked with keeping America safe and secure.

Norman C. Chambers  
Chairman

General Norton A. Schwartz,  
U.S. Air Force (Ret.)  
President & CEO
PROJECTS & ACTIVITIES
Our BENS project tracks continue to be directed by our mission: applying best business practices to address the nation’s most pressing security challenges. That mission is further framed by the National Security Strategy and the Pentagon’s National Defense Strategy (NDS), which describe those challenges, chiefly the threat posed by great power competitors, China and Russia, and U.S. priorities in responding.

Over the past year, national security government partners have emphasized the concerted, wide-ranging efforts these foreign adversaries employ to gain economic, political, and military advantage over the United States. They exploit weaknesses in both public and private sector networks. Our partners’ need to compete smarter and better continues to drive BENS’ work. Government partners are seeking us out at an ever-accelerating pace.

Our workload tells this story. Since publication of the last Leadership Report in fall 2018, BENS has discussed, or is initiating, efforts with 16 government agencies.
The 2019 project tracks, which are designed to meet the needs and queries of our partners and address the challenges described by the NDS, they are: (1) The 21st century national security workforce (talent management); (2) national security strategic modernization (organizational transformation); and (3) critical defense challenges.

The 21st Century National Security Workforce

Recruiting and sustaining a talented workforce is critical to tackling 21st century challenges, including safeguarding national and homeland security. To prevail against fierce foreign competitors our national security organizations need top people – across all available pools. Public and private sector entities are competing for the same talent, and many hiring authorities within the public sector are competing against one another. The experience and expertise of BENS members have been sought out for recruitment, management, and retention expertise, and for related experience with organization transformation, strategic communications, and data analytics, all of which factor into designing and implementing effective responses.

National Security Strategic Modernization

Our government partners recognize that private sector involvement and engagement is critical in addressing threats posed by foreign adversaries and malicious actors. National security community partners seek help focused on transforming their organizations or component parts. Doing so can be an important step in strategic modernization, particularly given the challenges this country faces from foreign competitors. Our current work involves modernization and transformation undertakings that require process, organizational and cultural change, and strategic communication and outreach.

Critical Defense Challenges

Government partners repeatedly emphasize concern about the continued and rapid technological advance by foreign adversaries. Confronting these challenges requires a whole-of-society effort that combines public and private sectors resources to retain American technology and talent and build trusted relationships throughout the national security enterprise. We are focused on helping to implement innovative mechanisms that will support a range technology development that might otherwise be captured elsewhere.
Our Councils are platforms for BENS members to engage in exploration of topics of interest to BENS as an organization, or brought forward by individual members. They function as BENS’ research and development component. These study efforts proceed without the need for an identified government partner. Council efforts may result in a stand-alone publication or they can help to focus on a topic that may become a subject for future project work.

The Technology & Innovation (T&I) Council published Cybersecurity Standards of Care 101, which provides leaders in any type of organization, no matter the size, with a brief, easily accessible overview of cybersecurity steps to consider, to be prepared for a cyber-attack. It offers six basic steps to take inside and outside an organization to increase overall protection and mitigate risks and consequences of an attack. T&I Council leaders anticipate additional efforts related to 5G, National Critical Functions, and Information Sharing.

The Resilience Council is undertaking a new study effort focused on disruption in the supply chain for critical minerals, which could pose a significant threat to U.S. economic and national security because of inadequacy of alternative sources and our current inability to produce them domestically. China’s dominance leaves the United States and other nations potentially vulnerable to supply chain shortages, should China act to limit their export. Such an action would disrupt the production and operability of technologies critical to our economic and national security. These minerals are key to everyday products and important technologies alike, including energy storage and batteries, semiconductors and chips, and rare earth magnets.

Released by the BENS Tech & Innovation Council in February, Cybersecurity Standards of Care 101: Prioritizing Risk Management, provides a series of best practices organizations should implement to prepare for cyber threats and events.

Report is available at www.bens.org/publications
The Energy Council is working on grid resilience, with respect to both man-made and natural threats, including cyber and electromagnetic pulse/geomagnetic disturbance. The Council is conducting research focused on state-level efforts in select representative states to facilitate and promote readiness, including effectiveness of operating procedures and lines of communication between federal and local stakeholders. Findings and recommendations on optimal structuring for public-private partnerships most likely to secure effective grid resilience will be published.

Each BENS Council welcomed new leaders in June. Adam Golodner, Senior Counsel at Arnold & Porter, joined current Tech & Innovation Council co-leaders Lauren Bedula and Benjamin de Bont. Dr. Kathleen Kiernan, CEO and Founder of Kiernan Group Holdings, joined Resilience Council co-leaders Sean Murphy and Stephen Shapiro. And Michael Tritt, President of Lane Power & Energy Solutions, joined Energy Council co-leaders Ryan Rogers and Leslie Sibert.

Lauren Bedula (right), listens as Daniel Kroese, Associate Director of the National Risk Management Center, participates in a meeting of the BENS Tech & Innovation Council.
CONVERSATIONS

BENS members in each of our seven regions have hosted, and continue to plan, a robust schedule of speakers and events in 2019. So far this year, from Silicon Valley to Boston, and in every region in between, notable speakers such as former Secretary of Defense Ash Carter; former Secretary of Homeland Security Jeh Johnson; Secretary of the Army Mark Esper; and a bevy of senior military leaders, including General Joseph Lengyel, Chief of the National Guard Bureau, and General Terrence O’Shaughnessy, Commander of U.S. Northern Command and North American Aerospace Defense Command, have had the chance to engage in discussions with our BENS membership. Members in Texas discussed border infrastructure with Brigadier General Paul Owen, Commander of the Southwestern Division of the U.S. Army Corps of Engineers. In Chicago and New York, members exchanged ideas about security challenges in East Asia and the Pacific with Lieutenant General Bryan Fenton, Deputy Commander of US Indo-Pacific Command, and General Charles Brown, Commander of Pacific Air Forces. And BENS-Southeast and BENS-DC Metro hosted events with leaders from other security organizations Including FBI Field Offices in Baltimore and Atlanta, and the Defense Advanced Research Projects Agency (DARPA) to gain a better understanding of their distinct missions and activities.

RECENT ENGAGEMENTS AT-A-GLANCE

59 Events Hosted Throughout the Nation

11 Distinct National Security Agencies or Departments Engaged

13 Active or Retired General Officers Featured

* Numbers reflect January through June 2019
ADDITIONAL SPEAKERS HAVE INCLUDED:

ADMIRAL WILLIAM H. MCRAVEN, USN (RET.)
*fmr Commander, U.S. Special Operations Command
Dallas, TX // January 10th

THE HONORABLE ASHTON B. CARTER
*fmr Secretary of Defense
Boston, MA // February 12th

GENERAL JOSEPH L. LENGYEL
Chief, National Guard Bureau
Chicago, IL // February 12th

GENERAL PAUL M. NAKASONE
Commander, U.S. Cyber Command
Palo Alto, CA // March 7th

GENERAL CHARLES Q. BROWN
Commander, Pacific Air Forces
New York, NY // April 29th

GENERAL TERRENCE J. O’SHAUGHNESSY
Commander, U.S. Northern Command
Washington, D.C. // May 15th

* Secretary Esper was Secretary of the Army at the time of the event.
In addition to conversations they are having in each BENS region, our members have been on-the-road meeting and engaging with the men and women in uniform serving on the front lines. In March, members travelled to Omaha, Nebraska, to discuss the vital mission conducted by U.S. Strategic Command; which included a meeting with its Commander, U.S. Air Force General John E. Hyten. And in April, a group headed to Arizona where they interacted with U.S. Customs and Border Protection agents and Border Patrol officers and discussed increased operations along the U.S.-Mexico border. Members also visited with service members abroad; with stops in Germany, Djibouti, and Guam throughout the spring.

Germany & Djibouti | March 17

Invited by Marine Corps General Thomas D. Waldhauser, Commander of United States Africa Command (AFRICOM), a delegation visited AFRICOM headquarters in Stuttgart Germany before heading to Djibouti. The delegation sought a better understanding of key security challenges and economic issues shaping U.S. and regional relationships in the area as well as exploring China’s influence in Djibouti and other countries around the Horn of Africa. The group met with Mahamoud Ali Youssouf, Minister of Foreign Affairs, and Mohamed Ali Houmed, President of the National Assembly, among other dignitaries, state leaders, and experts.

Guam | May 19

At the request of Navy Admiral Philip S. Davidson, Commander of U.S. Indo-Pacific Command (INDOPACOM), a delegation travelled to Guam’s Andersen Air Force Base and U.S. Naval Base-Guam to meet with service members stationed along the forefront of U.S. Forces in the Pacific. They viewed Airmen loading a B-52 Stratofortress; toured the fast attack submarine USS Asheville; and met with Guamanian Governor Lourdes Aflague Leon Guerrero. These and other events and meetings helped members garner a better understanding of the strategic importance of America’s presence in the small island location. The delegation rounded their trip with a visit to Hawaii and INDOPACOM headquarters in order to be able to fully appreciate the breadth of security challenges and our military mission in the Pacific.
EISENHOWER AWARD DINNER

At a dinner in their honor, BENS on April 30th presented their 2019 Eisenhower Award to Secretary of State Michael Pompeo; Chairman of the Perot Group and Hillwood, Ross Perot, Jr.; and award-winning actor and veterans advocate, Gary Sinise. BENS presents the award semiannually to recognize extraordinary Americans who have made significant contributions to our nation’s security.

BENS President and CEO, retired Air Force General Norty Schwartz, summarized the honorees’ recognition during his remarks to the more than 600 business and national security leaders who attended the dinner. “On the surface, it appears there is little which connects them, but we need not dig too far to understand how – together – [Pompeo, Perot, and Sinise] are a powerful example of President Eisenhower’s belief that security is the “total product of our economic, intellectual, moral and military strength.””

Retired U.S. Air Force Technical Sergeant Matthew Slaydon and his wife Annette highlighted the evening in their introduction of Gary Sinise. Sergeant Slaydon was gravely wounded in an IED explosion while deployed in Iraq, and he and his wife discussed their long recovery and the significance of receiving a smart home from the Gary Sinise Foundation.
COMMUNICATIONS

Striving to maintain an informed and connected community, BENS is utilizing a combination of eye-catching design and tailored content to keep our members and constituencies up-to-date and engaged. Open and click rates for all e-communications continue to outpace industry averages and our publications consistently receive praise for their intuitive layout and modern aesthetic.

2019 EMAIL ENGAGEMENT

WEEKLY DIGEST

- 44% OPEN RATE
- 13% CLICK RATE

EVENT INVITES

- 51% OPEN RATE
- 7% CLICK RATE

Percentages note 2019 open and click rates through May. Triangle represents growth YOY. Dash represents fixed rate YOY.
MANAGEMENT

BENS is thankful for our member’s strong commitment to our mission, and remains steadfast in our promise to prudent, ethical and transparent stewardship of their generous financial contributions. We are proud to report that we continued our long historical record of unqualified audit opinions this past year and have maintained a 4-Star Charity Navigator rating, the highest score by the independent charity evaluator. The organization is also managing its largest reserves in BENS history, besting the record set in 2017. The latest Audited Financial Statements and IRS Form 990s are now available at www.BENS.org.

2018 FINANCES

$7.5 Million in Revenue

$9 Million in Reserve
BENS LEADERSHIP

CHAIRMAN
Norman C. Chambers
Former Chairman of the Board
NCI Building Systems, Inc.

PRESIDENT & CEO
General Norton A. Schwartz
U.S. Air Force (Ret.)

FOUNDING CHAIRMAN
Stanley A. Weiss

VICE CHAIRS
Raphael Benaroya
Managing Director
Biltmore Capital Management, LLC

Mary M. Boies
Counsel
Boies, Schiller & Flexner, LLP

Denis A. Bovin
Senior Advisor
Evercore Partners, Inc.

Ramon P. Marks
Retired Partner
Arnold & Porter, LLP

William F. Murdy
Chairman of the Board
Thayer Leader Development Group
BOARD OF DIRECTORS

Paul F. Balser  
Co-Founder & Partner  
Ironwood Partners, LLC

Patricia C. Barron  
Vice Chair (Ret.)  
USAA

Alfred R. Berkeley  
Chairman  
Princeton Capital Management

Christopher W. Collins  
Co-Founder & Managing Partner  
First Atlantic Capital, LLC

Howard E. Cox, Jr.  
Advisory Partner  
Greylock Partners

Steven E. Darnell  
President & CEO  
SPG International, LLC

Joseph M. DePinto  
President & CEO  
7-Eleven Inc.

Harris Diamond  
Chairman & CEO  
McCann Worldgroup

Donald R. Dixon  
Co-Founder & Managing Director  
ForgePoint Capital

Ezra S. Field  
Managing Director  
Roark Capital Group

Kenneth Fisher  
Senior Partner  
Fisher Brothers Management Co.  
Chairman  
Fisher House Foundation, Inc.

William J. Flynn  
President & CEO  
Atlas Air Worldwide Holdings Inc.

Michael P. Galvin  
President  
Harrison Street Real Estate Capital, LLC

Mark J. Gerencser  
Chairman  
UMUC Ventures

G.S. Beckwith Gilbert  
President and CEO  
Field Point Capital Management Co.

Maurice R. Greenberg  
Chairman & CEO  
C.V. Starr & Co. Inc.

Mark S. Hacker  
EVP, General Counsel & CAO  
Motorola Solutions Inc.

Thomas J. Higgins  
Chief Administrative Officer  
First Data Corporation

John K. Hurley  
Managing Partner &  
Chief Investment Officer  
Cavalry Asset Management

Paul R. Kolbe  
Director of International Security Affairs  
BP Corporation North America, Inc.

Paul Marcus  
CEO  
Marcus Partners

Christopher C. Melton  
Chairman & CEO  
The White Oak Group Inc.

James S. Metcalf  
Chairman of the Board  
NCI Building Systems, Inc.

Brian H. Monks  
Vice President & Chief Security Officer  
Underwriters Laboratories

John P. Morgridge  
Chairman of the Board (Ret.)  
Cisco Systems Inc.

Bruce E. Mosler  
Chairman Emeritus  
Business Executives for National Security  
Chairman of Global Brokerage  
Cushman & Wakefield, Inc.

Mark S. Newman  
Chairman & CEO (Ret.)  
DRS Technologies, Inc.

Charles E. Phillips  
CEO  
Infor

Stephen J. Shapiro  
Managing Partner  
BSR Investments

Roger S. Shedlin  
President, CEO & Chairman  
OrthoNet

James Shira  
Global & US Chief Information & Technology Officer  
Pricewaterhouse Coopers

Frank V. Sica  

Donald V. Smith  
Senior Managing Director (Ret.)  
Houlihan Lokey Howard & Zukin

Heidi L. Steiger  
Founder & CEO  
Topridge Associates, LLC

Thomas F. Stephenson  
Special Limited Partner  
Sequoia Capital

David P. Storch  
Chairman  
AAE Corp.

John H. Streicker  
Chairman  
Sentinel Real Estate Corporation

Edwin A. Wahlen, Jr.  
Managing Partner  
Toxaway Capital Partners
ADVISORY COUNCIL

Michael E. Leiter, Chairman  
Partner, Skadden, Arps, Slate, Meagher & Flom, LLP  
fmr. Director of the National Counterterrorism Center

The Honorable Mahlon ‘Sandy’ Apgar, IV  
Principal, Apgar & Company, Inc.  
fmr. Partner, McKinsey & Company  
fmr. Partner, Boston Consulting Group  
fmr. Assistant Secretary of the Army for Installations and Environment

Mary M. Boies  
Counsel, Boies, Schiller & Flexner, LLP

General Charles G. Boyd, USAF (Ret.)  
Chairman, Center for the National Interest

David Cohen  
Special Advisor, C.V. Starr & Co.  
fmr. Deputy Commissioner of Intelligence, NYPD  
fmr. Deputy Director for Operations, CIA

The Honorable Gordon R. England  
Chairman, V1 Analytical Solutions  
fmr. Deputy Secretary of Defense

Admiral William J. Fallon, USN (Ret.)  
Chairman, CounterTack Inc.  
fmr. Commander, U.S. Central Command  
fmr. Commander, U.S. Pacific Command

Admiral Edmund P. Giambastiani, Jr., USN (Ret.)  
CEO, Giambastiani Group, LLC  
fmr. Vice Chairman of the Joint Chiefs of Staff

Dr. Andrew F. Krepinevich, Jr.  
Founder and fmr President & CEO, Center for Strategic and Budgetary Assessments

James McAleese  
Founder, McAleese & Associates PC

John M. B. O’Connor  
CEO, J.H. Whitney Investment Management Company

General Peter Pace, USMC (Ret.)  
Pace Enterprises, LLC  
fmr. Chairman of the Joint Chiefs of Staff

James M. Rosenbluth  
Director of Global Security and Resilience, Cushman & Wakefield, Inc.  
Founder & President, Analytic Risk Solutions
CREDITS

AMB SPORTS AND ENTERTAINMENT
p. 3

JENNA BASCOM
front-cover; p. 6; p. 11; p. 13 (middle right); p. 16; back-cover

DEREJE BELACHEW
p. 14

BUSINESS EXECUTIVES FOR NATIONAL SECURITY
front-cover; p. 6; p. 10; p. 11; p. 16; back-cover

MARK FINKENSTAEDT
p. 15

JASON KINDIG
front-cover; p. 11; p. 18; back-cover

U.S. AIR FORCE PHOTO / ZACHARY HEAL
p. 5

U.S. AIR FORCE PHOTO / AVE YOUNG
p. 13 (top left)

U.S. ARMY PHOTO / DANA CLARKE
p. 13 (top right)

U.S. ARMY CYBER COMMAND PHOTO / NATHAN MITCHELL
p. 13 (bottom left)

U.S. NAVY PHOTO / MARKUS CASTANEDA
p. 13 (left, second from top)

U.S. NORTHERN COMMAND
p. 13 (bottom right)

WYOMING AIR NATIONAL GUARD PHOTO / ROBERT TRUBIA
p. 13 (left, second from bottom)

The appearance of U.S. Department of Defense or other U.S. government agency visual information does not imply or constitute endorsement.