

EVENT TITLE: Global Power, Global Markets: A Fireside Chat with Admiral Jim Stavridis

EVENT DATE: 2/4/2026

EVENT TIME: 12:00 PM ET

PROGRAM SUMMARY

In a rapidly shifting geopolitical environment, board directors are increasingly required to integrate global developments into strategic oversight. In this NACD New England virtual fireside chat, a former NATO Supreme Allied Commander and experienced public company director provided a comprehensive assessment of current global dynamics and their implications for corporate governance. The discussion focused on risk identification, strategic integration, crisis preparedness, and the board's role in navigating geopolitical uncertainty.

The Current Geopolitical Landscape

The conversation opened with a broad survey of global power dynamics. Directors were reminded that the United States' most significant economic relationship remains transatlantic. The European Union collectively represents the largest trading partnership for the U.S., grounded not only in economic interdependence but in shared democratic values. While recent tariff tensions and diplomatic strain have tested that relationship, the alliance structure, particularly NATO, remains intact and operationally strong. European defense spending is increasing, and coordination around Ukraine continues to signal underlying cohesion.

In the Indo-Pacific, the United States maintains strong relationships with Japan, South Korea, Australia, and other democratic partners. Although there is no NATO equivalent in the Pacific, security cooperation is deepening, driven in part by shared concerns about China's growing influence.

China remains central to board-level consideration. While U.S.-China tensions persist across trade, technology, cybersecurity, and Taiwan, there has been relative stabilization compared to prior years. Directors were cautioned against simplistic "decoupling" assumptions. China remains deeply embedded in global supply chains, consumer markets, and capital flows. Boards should evaluate exposure carefully but avoid reflexive withdrawal strategies that ignore long-term opportunity.

The “Global South”—including India, Brazil, parts of Africa, and Latin America was highlighted as increasingly influential. India in particular was cited as a rising economic force, with demographic strength and expanding trade alignment.

At the same time, directors must monitor risks from malign actors. Russia’s invasion of Ukraine continues to reshape European security. Iran and Venezuela present instability risks but also potential economic shifts depending on geopolitical outcomes.

Integrating Geopolitical Risk into Board Strategy

A central message to directors was the need for intentional geopolitical literacy. Boards cannot rely solely on management briefings or headline-driven media. Directors were encouraged to invest in sustained, informed understanding of global trends through credible long-form analysis and historical context.

In the boardroom, this knowledge must translate into structured processes. Annual geopolitical scenario reviews were recommended, either through internal leadership or external advisors. Boards should request scenario planning that directly connects global developments to enterprise exposure, whether through supply chains, trade flows, cyber risk, regulatory change, or market access.

Rehearsal and tabletop exercises were strongly encouraged. If a company relies on semiconductor supply from Taiwan, what is Plan B in the event of disruption? How would public disclosure be handled? What secondary suppliers exist? Similarly, boards should rehearse cyberattack response, ransomware events, or sudden sanctions exposure.

Importantly, the discussion emphasized that boards often focus heavily on downside risk while under examining upside geopolitical scenarios. Directors should also evaluate “violent success” scenarios, such as stabilization in Ukraine, sanctions relief in energy-producing regions, or trade normalization, which could materially shift markets, energy pricing, and investment opportunity.

Crisis Preparedness and Damage Assessment

Crisis response was framed not only as prevention but as disciplined damage assessment. Boards should rehearse triage processes: identifying immediate operational exposure, prioritizing stabilization, and ensuring management communication is clear and credible.

History was cited as a powerful analytical tool. Boards should understand prior industry disruptions, whether geopolitical, biological, technological, or financial to inform present decision-making. Applied history, rather than abstract analysis, can provide valuable context for stress-testing assumptions.

At the same time, directors were reminded that not all disruption is negative. Reconstruction in post-conflict regions, increased defense spending, expanded cyber investment, and infrastructure modernization may generate significant business opportunity. Defense and cybersecurity budgets are increasing globally, including in Europe and Japan. AI and quantum computing were identified as transformative technologies requiring board awareness and oversight.

Governance and Oversight Expectations

The discussion addressed the practical question of time allocation. For companies with modest international exposure, approximately 10–15 percent of board time may be appropriate for geopolitical and cyber matters. For globally integrated or technology-driven enterprises, that percentage may be significantly higher.

Boards were advised to designate clear ownership within the C-suite, often the COO, to coordinate global risk integration across the organization. Geopolitical exposure should not be siloed within IT or legal functions; it must be embedded into enterprise strategy.

Director self-education was emphasized repeatedly. Boards are compensated not merely to review quarterly performance but to bring external perspective and macro insight into strategic deliberations. Directors add value by thinking beyond immediate earnings cycles and evaluating long-term positioning.

Historical Perspective and Long-Term Outlook

The conversation concluded with a broader reflection on historical parallels. Comparisons to the 1930s were acknowledged, pandemics, isolationist impulses, tariff pressures, but the speaker expressed cautious optimism. Unlike earlier eras, today's leaders operate with faster information flow, deeper global interdependence, and stronger institutional frameworks.

Three sources of long-term optimism were highlighted:

1. Technological advancement, including AI, energy innovation, biotechnology, and quantum computing.
2. The rise of the Global South, particularly India and Brazil, contributing new human capital and economic growth.

3. Expanding leadership diversity globally, including the increasing presence of women in senior leadership and board roles.

While geopolitical uncertainty will persist, directors were encouraged to approach the environment with clear-eyed realism coupled with disciplined optimism.

KEY TAKEAWAYS:

- **Embed Geopolitical Risk into Enterprise Strategy**
Boards should require structured geopolitical scenario planning as part of annual strategy discussions, including trade exposure, supply chain concentration, sanctions risk, and regional instability.
- **Rehearse High-Impact Disruption Scenarios**
Directors should ensure management has tested contingency plans for events such as Taiwan supply disruption, cyberattacks, sanctions expansion, or market closure, including communication and disclosure protocols.
- **Evaluate Both Risk and Opportunity**
Beyond downside protection, boards should assess potential upside developments—such as defense spending growth, energy realignment, reconstruction markets, and expansion in the Global South.
- **Elevate Board-Level Literacy and Oversight**
Directors must commit to ongoing self-education and designate clear executive ownership of global risk to ensure geopolitical developments are integrated into long-term strategy, not treated as episodic events.

MODERATOR:

Ellen Richstone, Independent Board Director

SPEAKER:

Admiral James Stavridis, Partner and Vice Chairman of Carlyle