



In February 2019, foreign ministers listen to U.S. Secretary of State Michael R. Pompeo deliver opening remarks at the Meeting of the Ministers of the Global Coalition to Defeat ISIS. (U.S. State Department/ Ron Przyucha)

The Business of Terrorism

By Stanley McChrystal and Ellen Chapin

The aphorism “If you’re not growing, you’re dying” has long ruled the American business mindset. This principle, however, is contextualized quite differently by traditional bureaucratic companies and (by-design) volatile startups. Today, we tend to view startups as having a culture all their own, and while they may be plentiful, only the rare few will have the good fortune to thrive for any period of time. Meanwhile, the more plodding hierarchical organizations struggle to match either the notoriety or the innovation that startups produce, taking a longer-term view of company success and hoping not to fail before that success is possible. As businesses evolve, we apply new labels to them accordingly—monopolies, franchises, networks, startups—reflecting a range from fully hierarchical bureaucratic to entrepreneurial networked organizations.

The same principles and roles can be applied to a more dangerous business—the business of terrorism. Two of the deadliest and most notorious terrorist organizations, al-Qaeda (AQ) and the Islamic State (IS), have boasted many of the same structures and utilized tactics common to organizations in the business world. While AQ (having existed and thrived longer) has gradually built a global network of operatives, IS has focused on rapid expansion. Circumstances have forced the two organizations to compete for influence, resources, and success. In this, article we will reconceptualize terrorist groups as business organizations and explore how such organizations can best be countered, based on insights from the business world.

To frame this argument, we will first outline the existing literature on organizational theory and extend that theory to terrorist organizations, viewing them as business and management enterprises. We will apply that theory to IS and AQ, describing how they came to have such different organizational structures. Specifically, while both groups were initially committed to top-down structure and rules, their respective evolutionary paths resulted in quite different organizational models and shapes—IS developing as a startup, and AQ emerging as a well-established global network.

The article will then describe how IS, at its peak, operated like a startup—and how even today, it retains startup characteristics, despite suffering tremendous losses. We argue that the organization’s ideas are tailored to a population’s stated needs, that it relies on disrupting the status quo, and that it builds engaged

General Stanley McChrystal, USA (ret.), is the former commander of U.S. Joint Special Operations Command and the founder of the McChrystal Group. Ms. Ellen Chapin is a Ph.D student at Stanford University and contributor at West Point's Combating Terrorism Center. She previously served as Leadership Fellow and Speechwriter to General McChrystal at the McChrystal Group.

communities to spread its messages. These three priorities allowed IS to develop at a rapid pace; even deprived of its former territory, IS dominates the news cycle and “punches above its weight” to compete with AQ.

By contrast, AQ, after its initial successes culminating in the September 11, 2001, attacks, developed into a monopolistic global network, similar to many traditional large American businesses. While AQ’s central leadership remains shrouded in mystery today, it has pursued the strategic vision laid out by its founders while also evolving in response to the rise of IS. In particular, we highlight AQ’s recognition that its survival hinges on risk aversion, the success of its efforts to make meaningful and long-term connections, and its willingness to empower execution by its lower-ranking members.

As a result of their respective organizational idiosyncrasies, both AQ and IS have vulnerabilities. To defeat these organizations, counterterrorism efforts should be tailored accordingly to address them and their respective weaknesses. First, we must seek to recognize and destroy startups before they enjoy the rapid success that IS had in 2014. However, there is a danger in focusing exclusively on the most visible and seemingly urgent threat. In ignoring the quieter networking of AQ, we risk oversimplifying a broader problem. By balancing our responses to the immediate as well as the long-term threats that these two kinds of organizations pose, academics and policymakers can reshape their understanding of the business of terrorism.

Terrorist Groups: Businesses, Not Just Organizations

Applying organizational theory to nontraditional structures is not novel. From rebel-to-party transformations¹ to jihadist social networks,² many scholars have sought to understand how to superimpose well-known organizational frameworks on otherwise unconventional, violent entities. Jacob

Shapiro’s *The Terrorist’s Dilemma* recognized the commonalities between terrorist groups and more traditionally defined hierarchies, balancing their need for secrecy with their desire to function efficiently and effectively.³ The relevant scholarship on terrorism, though, has focused narrowly on organizational structure.⁴ Few have studied what organizational variance in other sectors, such as the traditional business sector, might tell us about our response to terrorism. To explore this angle, let us examine why terrorist groups can morph into such differently structured groups.

Both AQ and IS began with a certain adherence to structure. According to founding documents, AQ leaders had a hierarchical, rules-based organization in mind when they first conceived of the group.⁵ Minutes from AQ’s first meetings reveal emphasis on the importance of “statutes and instructions” and on commitment to following these rules.⁶ Early AQ documents also contain detailed specialization charts that outline the roles and responsibilities of each individual, committee, and branch.⁷ This zealous emphasis on rules was, in part, an effort to improve upon the efforts of other jihadist groups—in particular, the Maktab al-Khidamat al-Mujahedin—given that Osama bin Laden and others were frustrated with the “mismanagement and bad treatment” that by 1988 had created division in all levels of that group.⁸

IS, having grown out of one of AQ’s first affiliates, also recognized the importance of traditional hierarchical and bureaucratic norms at its outset. According to Shapiro and Danielle Jung, the group’s “formal administrative capacity [was] a substantial strength” during its years of prime influence.⁹ IS thrived on being administratively savvy—in 2014, IS administrative officials even went so far as to write parking tickets and to tax those living in their proclaimed caliphate.¹⁰ Since its territorial holdings have dwindled, IS has been less successful in maintaining a central leadership structure. As the

International Crisis Group has described, “Though central leadership claims to directly control every fighter, in practice, local governors ran the Islamic State in individual territories.”¹¹

While both AQ and IS recognized the importance of rules and regulations, they emerged in very different contexts, which determined the course of their diverging structures. Prior to September 11, 2001, terrorism was studied with far less intensity. Even after the 1998 U.S. Embassy bombings in East Africa, few Americans knew of AQ, and even fewer knew of its leader, Osama bin Laden.¹² After the September 11 attacks, AQ was essentially operating in a league of its own, with a monopoly on Salafi jihadism against the West. Because of the secrecy and efficiency that AQ required to survive, a zealously rigid organization was necessary, spawning the classic hierarchy reminiscent of large corporations or a government bureaucracy that remains the organization’s backbone. While some experts argue that AQ is no longer a unified network and now more closely resembles a franchise-based organization,¹³ we counter that a franchise must, by its very definition, operate as a network to grow and survive. Today, AQ’s initial hierarchical structure, which allowed it to spread across the globe, has helped the group and its affiliates to remain cohesive over time and space.¹⁴

By contrast, IS has not retained its original organizational structure. Al-Qaeda in Iraq, as a young affiliate, gave the AQ leadership a tremendous struggle and resisted submission to central control. After the 2006 death of its leader Abu Musab al-Zarqawi, his fighters remained hidden in the foothills on the Syria–Iraq border.¹⁵ Once U.S. forces left Iraq and violence broke out in Syria, those fighters worked with AQ to regroup and reorganize. However, much like al-Qaeda in Iraq had, those remaining fighters maintained their autonomy and pursued the goal of a caliphate of their own. The reincarnated organization developed a new

set of organizational principles and became what we now call IS.¹⁶ Emerging independently of AQ’s entrenched structure, IS was shaped by its effort to behave more like a startup than a bureaucratized, hierarchical organization. Even today, as its fighters survive dispersed and disconnected, the distinctive ideals and operations of the group endure. In that sense, IS is as powerful as the ideas that it seeks to promulgate throughout the world—until its ideology is defeated, the group cannot be truly eradicated.

While both groups began with a similar commitment to structure, AQ and IS look very different today due to the differing contexts in which they rose to prominence. Nonetheless, their evolution and organizational behavior reveal a great deal about their intentions and next steps. We will examine the current structure of AQ and IS and how those structures map onto familiar business models of the 21st century. By so doing, we can apply business solutions to the challenge of terrorism.

The Startup: Islamic State

Both during its prime and even today, IS has shared many of the common characteristics of the modern startup. For example, startups aggressively seek gaps in existing markets, unlike established companies, which are largely responsive to customer behavior. Startups are also known for disrupting the status quo, since they benefit by destabilizing existing industries in their effort to carve out a business niche for themselves. Startups also build engaged communities, where even the lowest ranking members feel as if they have a stake (and a say) in the direction of the organization. These commonalities between IS and a successful startup can help identify the group’s vulnerabilities as they compete with AQ.

Islamic State Aggressively Searches for Market Gaps

Startups must inspire followers to latch on to their movement, either by investing themselves in the

organization or by fulfilling a need that is unmet in a given space. For example, the company Groupon® began as a startup named “The Point,” which hoped to unite individuals around social causes.¹⁷ When a group of users banded together to buy an item in bulk, its founders saw the need for the retail service Groupon became.¹⁸ Such market awareness parallels the ways in which IS has gained prominence, by filling ideological voids that AQ vacated or left unfilled. By so doing, IS positioned itself as a competitor to AQ, despite their founders holding similar world-views and objectives.

Startups often choose an end goal that resonates with many potential followers. IS leveraged the notion of shelter for its citizens to win this resonance. Its stated goal was broad and ambitious—a global caliphate won through a world-wide war.¹⁹ In articulating such an ambitious endgame, IS ensured that its vision would appeal to Muslims across the Middle East. The concept of a caliphate, or more simply a space where politics and Islam are not in tension with one another, has broad salience among Muslim populations.²⁰ While IS has since changed its definition of a caliphate, the prospect of a “historical political entity governed by Islamic law and tradition” existing in today’s world is a powerful idea, “even among more secular-minded Muslims.”²¹ Interestingly, this same idea was one of the initial goals of AQ. In a 2001 video, Osama bin Laden declared that “today, with the grace of Allah, we are redrawing the map of the Islamic world to become one state under the banner of the caliphate.”²² However, despite the similarities in goals, the early IS met a need that AQ did not—immediate dramatic action toward building that caliphate.

Similarly, AQ’s initial popularity was driven by its goal of destroying the U.S.-led Westphalian order. Although the ultimate goal of AQ was to overthrow the corrupt “apostate” regimes in the Middle East and replace them with “true” Islamic governments, its approach relied on pushing the United States out

of the Middle East region.²³ IS recognized that this long-term approach, focusing on the “far enemy,” might be unsatisfactory to some and set more immediate and tangible goals.

IS sought (and currently seeks) to remove “apostate” regimes in the Arab world—namely, the Bashar al-Assad regime in Syria and the Haider al-Abadi regime in Iraq.²⁴ Rather than attacking well-guarded Western targets in the Middle East, IS leveraged the tribalism of the region and provided an opportunity for individuals to turn against neighbors with whom they disagreed. IS encouraged adherents to attack anyone, including fellow Muslims, who disagree with its efforts to pursue a caliphate. In the first issue of its propaganda magazine *Dabiq*, IS listed a five-step process to creating a caliphate. Unlike any process articulated by AQ leadership, *Dabiq* instructed fighters to focus on wreaking havoc on local populations rather than on targeting international troops. The message was that “this has always been the roadmap toward *Khilafah* (caliphate)” and that all IS members should be critical of “other famous jihad groups” that did not attempt to capture and rule territory.²⁵ Like a startup, IS recognized that it could tap into the population’s unfulfilled desires, all the while tailoring those desires to its own end goals.

Islamic State Demands a New Status Quo

Startups also are intentional in their efforts to disrupt the status quo in any given industry. They lean into innovations that change the landscape for its competitors so they can exploit emergent opportunities in previously stable industries. Before the appearance of Instagram, IS delivered its disruptive impact through Facebook and eventually carved a niche that drove traffic to the new Instagram app when it became available.²⁶ Today, the social media landscape looks very different than it did even a decade ago.²⁷

In order to gain followers (and loyalty) from Syrians and Iraqis, IS recognized that it needed to

exploit the conflict that disrupted the daily lives of everyday men and women. In June 2014, IS forces shocked policymakers when they swept across Iraq, “capturing important resources like hydroelectric dams and oil refineries, and several strategic border crossings with Syria.”²⁸ This also bolstered its financial capabilities, as IS fighters seized banks and financial institutions along their path.²⁹ Suddenly, IS controlled not only land, but also jobs and resources—tools it could use to gain inroads with the local populations and to remove a level of disruption from their lives.

But IS sought to do more than disrupt its foes—it also sought to disrupt the broader landscape of terrorism by refusing to align with AQ. With newfound territory and power, IS fighters saw no reason to remain under the umbrella of what had become the world’s most-discussed terrorist organization. Like a subsidiary frustrated with the rules and bureaucracy of its parent company, IS struck out on its own. Its ability to do what AQ had never seriously attempted—holding territory and governing—gave IS newfound confidence. Within a month, IS officially declared the establishment of a caliphate in the territory under its control, naming Abu Bakr al-Baghdadi the caliph and “leader for Muslims everywhere.”³⁰ Baghdadi rejected AQ’s authority and split the already fractious jihadist movement. Rather than partnering in a joint venture, IS sought to outperform AQ in a new era of terrorism, much like a modern startup might do (we know today that they did so with mixed results).

Islamic State Engages Followers and Communities

Startups require their employees and followers to be invested in their cause. As a newcomer to San Francisco in the early 1990s, former IBM employee Craig Newmark created an email list for local events to help him meet people—from this small following came the behemoth of crowdsourcing, Craigslist.³¹

In the same way, IS has used its movement to build an engaged community of fighters and followers, often embedded in unexpected locations and reaching far beyond the Middle East.

An effective way to inspire confidence in a mission is a pattern of strong performance and success. Investors want to make a safe bet, and employees want to join an organization that is in the best position to achieve long-term viability. IS boldly signaled its strength, especially in its infancy, to any potential recruits. Its online propaganda system uniquely sought to make the concept of jihadism “go viral”³² and detailed its operations in spaces where anyone could follow.³³ Similarly, celebrating its progress in Syria, IS hung black flags in every neighborhood to signify its victories.³⁴ This gave the impression that IS was a winning team, one that promised success upon joining. Quickly, foreign fighters flocked to the region to receive an assignment from IS. Today, while having been declared “defeated,” IS still retains an enduring following—experts estimate that thousands of fighters remain committed to IS in the Middle East alone.³⁵

This foreign fighter connection is especially important in the wake of IS losing its territory. The United States, the United Nations, and any other outside power likely is only a temporary presence in the Middle East. By contrast, IS is committed to its staying power, with or without the territory it held at its peak. One way that IS has continued to signal its strength is through the use of shock and awe tactics.³⁶ Public beheadings and suicide missions are not simply acts of brutality. Such violent incidents send a clear message to followers and to potential recruits: “Our organization is as strong as ever, and we will stop at nothing to achieve our mission.”³⁷

With this “staying power,” even without the same level of success it enjoyed in 2014, IS continues to inspire those who hope to live in its eventual caliphate. As Abdel Atwan writes, IS uses propaganda to describe the organization as “an emotionally

attractive place where people ‘belong,’ where everyone is a ‘brother’ or ‘sister.’”³⁸ The “most potent psychological pitch” of its media campaign, though, is “the promise of heavenly reward to dead jihadist fighters.”³⁹ For some Muslims in Europe who feel marginalized and do not experience a sense of belonging in the countries of their residence, this could be a particularly compelling alternative.⁴⁰

Like a startup, IS carefully connects to and cultivates its followers to survive and to expand its power and influence. In each of its organizational choices, IS intentionally highlights the new world order that it seeks to create. IS has focused on meeting the need for a new and long-term status quo—a level of stability that it controls. In the Middle East, a region that has been plagued with turmoil and unpredictability for as long as many of its young citizens have been alive, this is a powerful notion. The promise of a caliphate that governs legitimately is a prospect that could have far-reaching impacts for a long-term investment. IS relies on these investments to stay competitive with the better established AQ, especially as its perceived strength has diminished.

Al-Qaeda: The Hierarchical Global Network

AQ never operated like a startup—after its epochal attack of September 11, 2001, AQ had to organize itself rigidly to maintain the secrecy it needed to survive. Those members of AQ who did treat the organization as a startup (under the umbrella of al-Qaeda in Iraq, or AQI) ultimately became the founders of the breakaway IS. Instead, AQ has used its hierarchical structure to create an entrenched global network. It has used this structure to its advantage, permitting IS to grow at a rapid pace and (almost entirely) burn itself out. Today, AQ resembles those companies that have ruled their industries for decades. AQ prioritizes long-term goals over present growth and innovation, makes meaningful

connections over time, and seeks to build leadership through empowerment.

Al-Qaeda Prioritizes Long-Term Survival over Short-Term Innovation

Historically, successful companies are more cognizant than others about what they stand to lose from failure. Dacey ventures appear less appealing, and a reliance on stability rules. There is a reason that Amtrak is focused narrowly on keeping its existing trains running—the company depends on its status as the reliable, go-to alternative to aviation.

AQ’s September 11, 2001, attack was a tremendous risk—no matter how much meticulous planning AQ leadership had done, every phase could have failed in multiple ways. AQ has sought to capitalize on its existing reputation rather than embracing further risk with new operations. Unlike IS, which hopes to destroy the status quo, AQ wants to retain ultimate control, keep the status quo, and advance its position therein.

AQ’s emphasis on long-term survival is evident in its earliest literature. As one of bin Laden’s foremost radical Islamic mentors, Abdullah Yusuf Azzam, argued in *Join the Caravan*, the Qur’an mandates that there should be a vanguard that sets out and then keeps walking along the path of faith.⁴¹ This principle was at the core of AQ’s foundation—a long-term effort to sustain the walk to faith would be the organization’s main priority. Azzam further laid out that the vanguard would serve as the “beating heart and deliberating mind,” providing strategic and ideological guidance to the *Ummah* (the community of believers).⁴² Ayman al-Zawahiri, bin Laden’s successor, has publicly spoken on this concept as well. In his treatise on jihad, he states that AQ is the vanguard of the Islamic revolution, or “the organization leading change.”⁴³

While AQ’s current organizational structure is shrouded in secrecy, it is clear from its post-9/11 development that it sought to build a robust

organizational structure to fulfill its mission. Its “command and control” structure ensured that the leadership was (and remains) responsible for its grand strategy but also ensured that AQ priorities have true global reach—a true networked approach. The heart of the organization’s leadership contained a *shura* (a consultation council) that discussed and approved major undertakings, including terrorist operations.⁴⁴ It also retained committees for military operations, finance, and information sharing at the center of the organization.⁴⁵

Today, there is a perception that AQ’s true strength lies in its affiliates across the globe—but it would be naïve to think that these affiliates are operating without some direction, suggestion, or advice. As terrorism scholar Bruce Hoffman notes, AQ is busily rebuilding and marshaling its core to continue to shore up its global position.⁴⁶ When affiliates were first formalized, AQ “required [those affiliates] to consult with the core leadership before carrying out large-scale attacks,” as the “center” should evaluate the operation’s strategic logic and likelihood of success.⁴⁷ Even if, as some have argued,⁴⁸ the influence of the AQ core has diminished, its affiliates have stayed in line with the central AQ mission—a testament to the organization’s ability to network its ideology and strategy to foot soldiers around the world.

Bureaucracy may slow down progress or innovation, but it also ensures that rogue affiliates do not damage the group’s credibility. By contrast, the nimble startup IS, in seeking to grow so quickly (and at any cost), has struggled to direct its affiliates abroad.⁴⁹ Observing the danger of rapid expansion, AQ’s adherence to its hierarchical structure makes sense—while it may decrease the speed of AQ decisionmaking, it ensures that every decision is aligned with overall AQ goals, both ideologically and practically.

Al-Qaeda Makes Meaningful Connections

Large organizations, especially in the age of startups, are always looking for their next partnership

and collaboration to bolster their overall strength. Google knew it would need to market a smart phone, so in 2014 (as the iPhone was beginning to achieve market domination), the company purchased Andy Rubin’s Android team—after Samsung had “passed on the opportunity.”⁵⁰ In a similar way, AQ has leveraged the emergence of IS “into a strategic opportunity, pivoting off of [IS’s] brutality and doubling down on a more low-profile and sustainable approach to growth.”⁵¹ More simply, IS has distracted the world with its shock and awe tactics, in part to its advantage—but also to the advantage of its predecessor.

Interestingly, IS emerged at a rather fortuitous time for AQ. As is the case with much of U.S. foreign policy, attention wanes on any given issue, and short-term concerns receive the preponderance of focus and finance. Following September 11, one major component of U.S. national security strategy focused on shutting down the financial networks that supported AQ and its offshoots.⁵² However, as Daveed Gartenstein-Ross writes:

*With several states now openly aiding al-Qaeda in Syria, and elsewhere, opportunities for nongovernmental and quasi-governmental organizations that support al-Qaeda to expand their assistance to the jihadist group have magnified.*⁵³ *As the United States turned its attention to IS, AQ has silently refortified its support system, financially and beyond.*

During the IS march across Syria, AQ quietly (but quickly) gained ground in conflict zones across the Middle East and North Africa. In places such as Yemen, Syria, and Somalia, AQ reaffirmed and deepened its connections by presenting itself as a more stable (and patient) investment than IS. While both are in favor of the re-establishment of a caliphate, AQ was quick to point out that IS is too hasty, “announcing the return of the caliphate when

the foes of jihadists were still strong enough to bring their ‘state’ to ruins.”⁵⁴ Promising better results in the long term, AQ quietly embedded itself within local communities, essentially lying in wait for the best moment to make its move.

For example, after seizing an important port city in Yemen, al-Qaeda in the Arabian Peninsula (AQAP) governed its new acquisition in line with AQ’s long-term strategic objectives. As Ayesha Amr describes, AQAP “adopted a gradualist, somewhat lenient approach to the implementation of sharia, though it eventually began cracking down more heavily on sharia violations.”⁵⁵ Unlike IS’s immediate punishment for any transgression, the first few months saw AQAP working to introduce sharia over time and forgiving individual missteps along the way.⁵⁶ This allowed AQ, in its early months of governance, to win over local Yemenis while distancing itself from the brutal practices of IS.⁵⁷ AQ leadership used the same approach with its relationships in Somalia and Syria, building up a coalition of support and leveraging the weaknesses of IS.

Scholars note that as of 2018, AQ is numerically larger and more present in more countries than at any other time in its history.⁵⁸ AQ is not planting these seeds without intention—it has long favored large-scale, dramatic attacks against strategic or symbolic targets. But in order to carry out such attacks in the future, AQ recognizes the need to build its capacity and grow its network. In so doing, AQ will be able to back a variety of smaller terrorist attacks and can train its recruits for the fight to come. Like a well-established business, its efforts to make meaningful connections are all about preserving its status and long-term goals.

Al-Qaeda Seeks to Build Leadership Through Empowerment

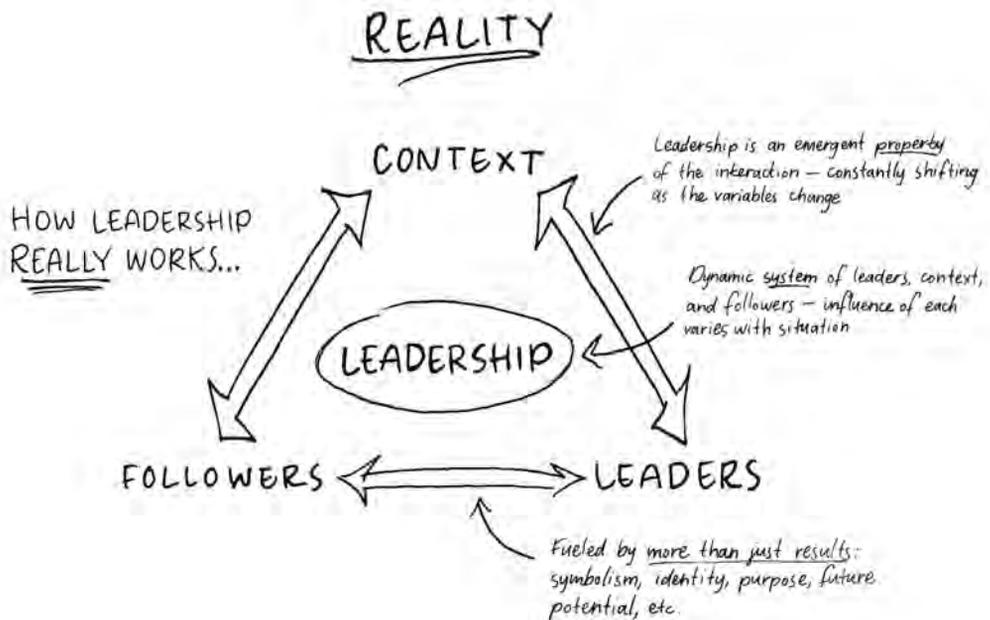
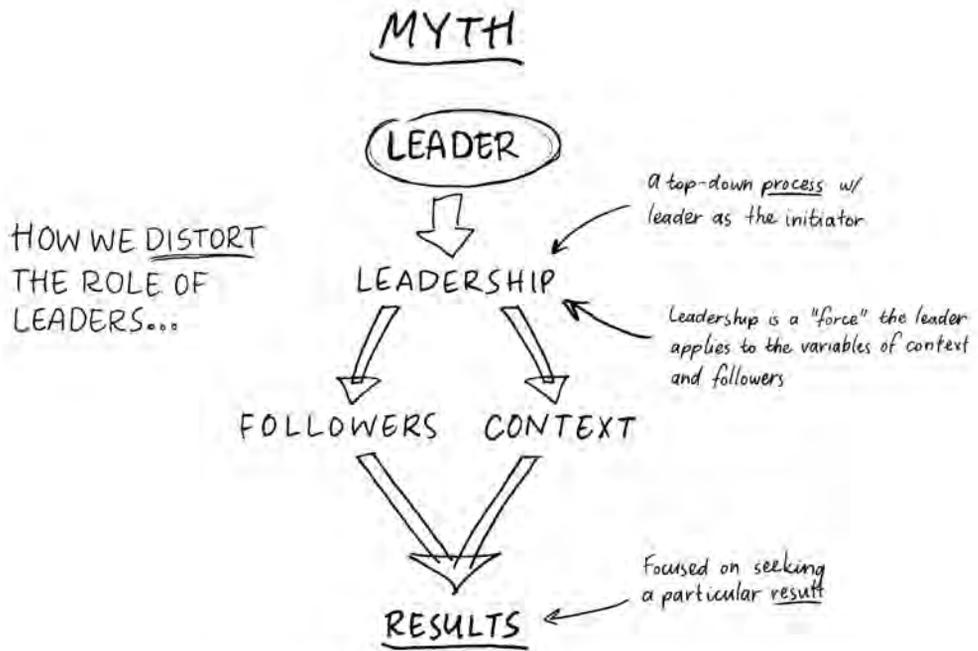
AQ’s structure also highlights the operative trust it places in those commanders who do not serve in the centralized, core strategic leadership. From the

outset, AQ adopted a unique organizational design in which its senior leadership outlined a strategic course for the organization, while empowering mid-level commanders to execute this strategy as they saw fit.⁵⁹ Experts have called this approach “centralization of decision and decentralization of execution.”⁶⁰ This structure, like a growing network, can facilitate a culture in which even junior individuals feel that they have something to offer the organization, which ultimately favors organizational effectiveness.

Large business organizations are at their strongest when they build trust and common purpose. Like a successful business, AQ endeavors to give each member of its organization (at every level) the ability to articulate how their daily actions advance the organization’s goals. A strong organization relies on the dedication of its followers to a single mission—each component moving in concert, to advance the organization’s ultimate cause. This deeply contextual kind of leadership highlights why AQ has been so successful; even with leader turnover, the organization draws its strength from the relationships that the core builds with its followers.

This is an especially important point—the way we define leadership, in business and more broadly, is incorrectly rooted in the assumption that a good leader is successful because he or she possesses the quality of “leadership.” If a leader has “leadership,” we believe that person therefore can shepherd any organization to its desired destination. If this were the case, though, effective leaders should be successful in any (and every) context. Would Zawahiri have been able to catapult AQ into global prominence without the charisma of bin Laden? Would AQ have survived under the radar for so long with bin Laden at the helm? Evidence suggests that, in both cases, AQ benefited from two different kinds of leaders at two drastically different historical inflection points. The role of the leader, then, is less about an individual’s character traits—and more like balancing a delicate chemical equation. Leadership is an emergent

FIGURE 1: Leadership as an Emergent Property.



Source: Stanley McChrystal, Jeff Eggers, and Jay Mangone, *Leaders: Myth and Reality* (New York: Portfolio, 2018).

property; the result of a complex relationship between a leader, followers, and a given context.⁶¹

AQ has been able to retain its structure while balancing the role of its leader, its context, and its followers—a feat of organizational effectiveness that rivals many Fortune 100 companies. It has long recognized the importance of cultivating a “deep bench” of tactical leaders and leader development within the ranks of the organization.⁶² For example, the idea of the September 11, attacks was not bin Laden’s—it was proposed by a lower-level commander. Khalid Sheikh Mohammed first approached bin Laden in 1996 with a plan to hijack planes and crash them into buildings in the United States.⁶³ Bin Laden initially rejected Mohammed’s proposal, reportedly because AQ lacked the necessary funds.⁶⁴ Three years later, though, after AQ had received significant financing in the wake of the East Africa embassy attacks, Mohammed finessed his initial plan—a plan that ultimately came to fruition and tragedy.⁶⁵

With this recognition that junior officials are the future, AQ has, in the past, often given these young combatants assignments that far exceeded their experience and knowledge.⁶⁶ This acted as a sort of developmental test for these individuals, grooming them for the path that they would take in the coming years. But more importantly, this approach also produced “experienced young officials capable of filling a leadership vacuum should their superiors be removed from the battlefield.”⁶⁷ Because AQ intends to exist in perpetuity, its leaders must be prepared for a time when someone else will need to fill their shoes. That is the mark of effective leadership—the cultivation of an environment in which the next generation can thrive.⁶⁸

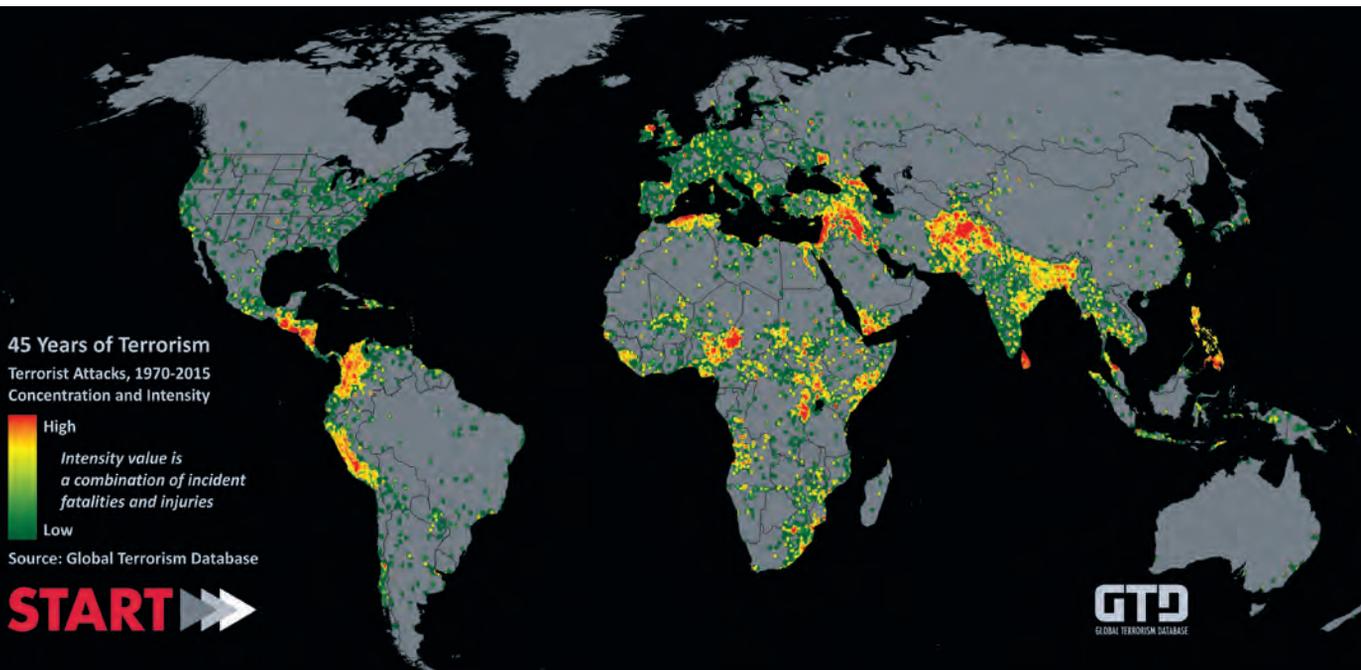
Policy Implications and Conclusion

If we accept that AQ and IS are run like businesses, albeit with different organizational structures, we can reframe our approach to counterterrorism

accordingly through a business lens. In so doing, we can shape a new approach, recognizing that each group uses different methods to control the landscape and eliminate competition along the way.

Perhaps most urgently, we must re-examine whether IS is truly “defeated” and re-evaluate our military priorities and tactics. Startups do not generally give up after running into obstacles, especially if they have the support and funding to continue. Even when startups lose their initial market share, or slow down after an initial burst of success, it is unwise to count them out. The company Slack, now worth \$1 billion, was rejected by several investors before the final app was released, and it struggled again as it tried to scale the product upward with a larger team and a wider demand.⁶⁹ IS has certainly not been destroyed—it may no longer hold large swaths of territory, but it is very much active and alive. One need not look any further than its history to know this to be the case—when AQI was dismantled and the United States left the region, the remaining fighters were able to return stronger. The organization will not be defeated until its motivating ideas are defeated. Learning from our mistakes is more important now than ever; as U.S. soldiers continue to be killed by IS, our work in Syria clearly is far from over.⁷⁰

Some scholars have recently argued that AQ’s leadership is no longer a serious threat and that we should turn our attention to the AQ affiliates spread around the globe.⁷¹ However, this is a dangerous approach; as many other experts have observed, the longer the international community underestimates AQ’s planning and potency, “the more entrenched the group will become, and the more difficult it will be to uproot.”⁷² There is a real danger in thinking that once IS is defeated, AQ will continue to operate silently under the radar. The quiet moves that AQ has been making could echo loudly in the void of any real competition. Many counterterrorism analysts now believe that AQ’s weakness is that it is looking to win a second Super Bowl—to match



University of Maryland's Global Terrorism Database map displays terrorist violence that occurred worldwide between 1970 and 2015. (University of Maryland START)

September 11, 2001. While the United States is, no doubt, better prepared to fend off such an attack, AQ's global reach and networked structure could mount an attack of equal magnitude, but with new methodology: a coordinated strike across borders, a foray into cyberterrorism, or the capture of a geographical caliphate of its own.

So, what to do? From a business perspective, the first step is to identify what about the terrorism industry breeds the success of both startups and larger organizations—in this case, what conditions have made it possible for both AQ and IS to arrive and to thrive. This requires that the United States look in the mirror and question the role it wants to play in the world, not just for the nation's own safety, but in shaping the way the world will look in a few short years. Until we address the contextual issues that allowed these groups to gain so much traction—namely, the United States' lack of staying power in the region and our resultant struggle to pick off select nodes of an organization, rather than

focusing on the center of gravity—our counterterrorism operations will fall short. As then-Secretary of Defense James Mattis articulated in 2017, “If you don't fund the State Department fully, then I need to buy more ammunition.”

Efforts that focus on improving the status quo in insecure regions are an investment in the fight against terrorism rather than a quick fix. We have inadvertently helped to create an environment in which IS provides a compelling alternative to Western democracy and culture. If we want to, at minimum, stem the violence that IS seeks to create, we must clearly define a business plan of our own—one in which we understand how stability can prevail in the modern Middle East, and the role that we and our allies should play in bringing that stability to fruition. This may be a political and ideological task, but it is much more important than anything we do on the battlefield.

The next step is to analyze where the center of gravity for each group lies and to exploit any

weaknesses. IS's rapid growth proved to be unsustainable. Without setting any preconditions for the caliphate's expansion outside of Syria, affiliates consistently spun out of control, making IS vulnerable to competition from startups they inadvertently created. Organizations such as IS can be destroyed from the outside in; simply put, the elimination of IS depends on the elimination of its affiliates. Without a solid core or centralized leadership structure (which the group sacrificed at the expense of expansion), destruction of IS appendages will damage its credibility and erode the trust of its followers. Additionally, shutting down smaller IS affiliates may, as a side effect, deter AQ with regard to continued expansion of the global AQ network. Perhaps most importantly, though, it will prevent IS affiliates from becoming effective startups themselves and enjoying the horrifying success that the caliphate enjoyed during its prime.

But how can this be done? An outside-in approach requires us to prevent a startup's ideas from gaining followership and influence—which can be achieved by attacking its central tenets. To erode (and erase) the impact of IS affiliates, our armed forces must pair any kinetic efforts with a long-term investment in combating the ideology of IS. American foreign policy can and should learn from past mistakes; we failed to prevent the success and expansion of IS in 2014. Now, we should seek to prevent the success and expansion of IS affiliates, this time with the added benefit of our insights into current IS followership and the context in which the group was able to claim power and influence. This means, first, a targeted countermessaging program to deter extremism in areas that IS seeks to cultivate. Without a pocket of available followers, new affiliates will not be able to recruit local members, and more established affiliates will struggle to increase their influence. Additionally, our military efforts to secure a given region must be augmented by support from the development community. Building

economic capacity and infrastructure will help create physical barriers to entry for new and existing IS affiliates and will allow our military to eliminate individual cells with a lesser risk of resurgence.

We must also respond to AQ directly and confront its global network by destroying it from the inside out. Much like businesses that seek to optimize efficiency, AQ will need to continue finding ways to connect the leadership to the foot soldiers. AQ core leadership is aging, and while they are grooming young foot soldiers to fill their shoes, the bulk of the strategic thinking stems from Zawahiri and other founding members. Destroying AQ's highest leadership level could kill an organization that relies heavily on top-down direction. More than a simple kinetic military operation, this will require intense collaboration with the Intelligence Community. Dismantling the AQ communications structure will require a counterextremism presence online and an effort to turn AQ's reliance on information technology into a vulnerability.

Destroying AQ from the inside out will require our counterterrorism forces to exploit the relationship between AQ's foot soldiers and its leadership. While AQ Central empowers its lower-ranking members to perform critical tasks, there is no evidence that the core gives these members any decisionmaking power. They are empowered for the execution of assigned tasks but lack what we would call "shared consciousness," the syncing of strategic, operational, and tactical branches in an organization. For example, in the military there is the idea that any given individual must execute the order—however, a good commander has built enough trust and camaraderie with his or her team that "execute the order" can shift into "if the order we give is wrong, execute the order we should have given you." Without this latitude, AQ operatives across the globe are heavily dependent on strategic marching orders from the core, acting only as tactical operatives with no insight into the

leadership's mindset. Operationally, this means that an inside-out destruction of AQ will rely on severing lines of communication that the core has come to rely upon. Without guidance from AQ Central, its affiliates will atrophy or make costly mistakes. Simultaneously, AQ's core may lose influence and power with its affiliates. In combination, cutting the core off from the network is the first step to dismantling its hierarchy entirely.

In either the outside-in or inside-out approaches, though, the United States must also learn a critical business lesson—no single branch or agency can solve the existential terrorism problem alone. Regrettably, the U.S. Government has stopped operating like a team of teams or as a team at all. Multiple ongoing but separate efforts to undermine various portions of IS have proven insufficient—instead, there must be a more coordinated and tailored approach to simultaneously eliminating IS fighters and IS ideals. In the past, our most effective counterterrorism operations relied on a joint approach, with the free flow of information across channels and agencies. At any given moment, any individual working on the IS problem should have all the knowledge they need to do their job. As our military, our Intelligence Community, and our State Department have grown further apart and siloed back into themselves, we are only providing the time and space for extremism to grow.

Hitting IS and AQ as a team of teams is the most important component of an effective global counterterrorism strategy. What these two businesses have in common is that they are selling an idea—a vision of what the world could be. We must make a coordinated investment in illustrating that the world they imagine would harm more individuals than it would help; at a minimum, we must help to envision what an alternative world might look like. Whether startup or sophisticated network, we cannot afford to rest on a static understanding of terrorist organizations. AQ, IS,

and emerging terrorist groups can operate more quickly and quietly than ever before—and their profit will be our loss. **PRISM**

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