

DCBF BRIEF (March 2026)

Incorporating geopolitics advisory into companies' strategic planning

DCBF members of all sizes are increasingly recognizing the importance of geopolitical risks but often lack structured tools to address them. This DCBF Brief is part of a larger DCBF initiative that provides practical frameworks to support companies integrate geopolitical considerations into their strategic decision making, improve risk awareness and support more informed business decisions.

Executive summary

- Businesses face a more complex operating environment driven by geopolitical tensions, technological rivalry, and the growing integration of national security into economic policy.
- For companies engaged in China, geopolitical competence is becoming a strategic capability. This includes stronger HQ–China subsidiary communication and the use of scenario planning to build organisational resilience rather than predict specific outcomes.
- Effective intelligence requires cutting through noise, prioritizing genuine structural trends and chokepoints, and combining insights from subsidiaries, business units, public affairs, and external experts.
- Boards and executive management must jointly define and adjust risk appetite, especially in crises, as geopolitical considerations increasingly influence decisions on partnerships, investments and competitive positioning.

The DCBF Brief is based on discussions in DCBF Focus Groups and meetings held according to the Chatham House Rule.

Introduction

Businesses are operating in an increasingly complex environment. While geopolitical risks have long shaped international business, the current landscape is defined by rapid political shifts, technology competition and the growing role of national security in economic policy. Developments such as Russia's invasion of Ukraine, conflict in the Middle East, China's rise as an economic and technological power, and the resurgence of industrial policy are reshaping the global business landscape. At the same time, governments are expanding the use of sanctions, export controls, and investment screening, creating new risks for internationally engaged firms.

Geopolitics as a Strategic Capability, also in relation to China

Many DCBF members expect to maintain significant engagements with China due to its central role in global markets, supply chains and technological competition. At the same time, Chinese firms are increasingly expanding internationally, intensifying competitive dynamics.

Companies must develop ways to incorporate geopolitical analysis and risk mitigation into their support of senior management. Two tools are helpful in this respect:

- Firstly, effective communication between headquarters and China-based subsidiaries can help unlock the ‘black box’ which China is often considered to be and support decision making vis-à-vis regulatory and political developments before they materialize.
- Secondly, scenario planning and strategic foresight help improve organizational resilience by broadening awareness of possible developments and ways to respond (NB: not a tool to predict the future or identify most likely developments).

Sources of Intelligence and Risk Appetite

Emphasis must be placed on ‘cutting through the noise’ and focus on genuine trends and potential disruptors rather than reacting to every headline. In this context, foresight and scenario planning are valuable tools. These efforts, in turn, must focus on identified chokepoints and prioritized risks as companies otherwise are in danger of spreading their analytical resources too widely. Here, information from subsidiaries in China represent an important element but should not be the only source of information. Other sources include different business units, public affairs division as well as external consultancies.

There is, however, a delicate balance between ensuring that executive management is fully informed and avoiding scenario overload. Striking this balance often depends on how risk appetite is defined—whether organizations set their risk appetite upfront or refine it once specific exposures are analysed. A key challenge is how risk appetite shifts in moments of crisis, and how leaders navigate opportunities and risks as geopolitical incidents unfold. This is a strategic area where boards and executive management must work closely together. Ultimately, in the current environment, geopolitical considerations may weigh as importantly in corporate decision-making as other traditionally prioritized units such as finance and business development.

Finally, in a partnership context, geopolitical competence has become essential. Before engaging with global partners, executive management increasingly require up-to-date briefings on developments in key geographies so they can correctly interpret partner behaviour, signals, and constraints.

DCBF’s work on geopolitical competence

Going forward, DCBF will continue to develop analysis and recommendations concerning the role of geopolitics in Danish companies’ engagement with China. This includes topics such as the 15th 5YP; potential adoption of Chinese AI, technology, automation; working with your team in China on business intelligence; using AI to support improve communication and intel from subsidiaries to HQ; and: What does best practice look like?

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See, e.g., [Geopolitics, risk and corporate decision-making](#)

