

A limited number of copies of Dancing with the Dinosaur are still available. Email UKDF@north-house.com for further information.

Ships, aircraft, missiles and tanks are complex and costly. Each year the Ministry of Defence spends well over £10 billion on the design, production and support of weapon systems. Each year there are hefty cost overruns and long delays which add further to the cost.

Who loses? Not the Government. It is the taxpayer who foots the bill and the serviceman whose life is placed at greater risk, while Ministry officials wind red tape ever more tightly to protect their backs.

When Labour came to power in 1997, George Robertson announced the Strategic Defence Review which was to include a Smart Procurement Initiative (SPI) to "try and eliminate the kind of cost overruns and delays that have characterised some defence projects in the past". A year later he proclaimed how the Smart Procurement Initiative was going to achieve the "faster, cheaper, better" procurement that was needed if historical overruns were to be eliminated through a whole life approach, incremental acquisition, partnering with industry, personal accountability, integrated project teams and streamlined procedures.

Many of these approaches had been foreshadowed in Bill Kincaid's earlier book A Dinosaur in Whitehall and the changes proposed within the Smart Procurement Initiative were widely welcomed. However, initial progress was slow. By late 1999 very little genuine progress had been made and there were increasing signs that many of the announced changes with the greatest potential for improvement were stuck firmly in the "too difficult tray". At that point Bill Kincaid launched Dancing with the Dinosaur. The aim of the book was to look at the Smart Procurement Initiative and to answer several questions of central importance:

- What exactly is Smart Procurement?
- How is it to be fully implemented?
- What are its difficulties and weaknesses?
- How will it affect the 400,000 people who work in the defence industry?
- How must businesses reshape themselves for life under Smart Procurement?

The book looks first of all at the major planks of the Smart Procurement Initiative. The first of these was the reorganisation of the key acquisition divisions in the Ministry. Here, much effort was being expended by turning the old Procurement Executive into the Defence Procurement Agency (DPA) with the increased autonomy bestowed on it by 'agency' status; by joining the three Single-Service logistics organisations into the joint Defence Logistics Organisation (DLO); and by empowering the old Operational Requirements divisions with authority over the funding of the equipment programme.

All this was pursued with vigour, but with little joined-up thinking. How was the through-life approach going to be driven across the gap between the DPA and the DLO? How was the Service Customer or end user going to influence procurement decisions that significantly impacted on future in-service support? And, most importantly, how was the required 'taut relationship' between the Equipment Capability Customer, the Service Customer, the DPA and the DLO going to be achieved? Much had been made of the new Acquisition Cycle which was to replace Downey, but in truth there was little fundamental difference. Was this really new wine ... or just new labels on the old?

Central to Smart Procurement was the call for "a new relationship with industry in which both sides can operate to their strengths and which provides industry with the greatest incentive to perform." But competition was to remain a primary tool, so the opportunities for the much-heralded partnering arrangements of mutual benefit were, from the start, severely constrained. Competition and partnering, although not mutually exclusive, are obviously difficult bed-fellows. There was, however, little sign that this central issue was being grasped, and it remained 'business as usual' with all its trappings of distrust, adversarial posturing and contractual stand-offs. The Smart Acquisition partnering vision was being

revealed as nothing more than a mirage. The book looks, too, at efficiency in support and private financing in Public Private Partnerships. It exposes international collaboration as a recipe for disaster, citing numerous 'failed' projects in support of this view. It charts the dangerous fall in the funding of research and technology and the related decline of expertise in the UK defence research base, made even worse by the proposals to privatise the government-owned Defence Evaluation and Research Agency. The situation was "close to terminal".

Changes in organisation and process will produce little change on their own. Culture change an essential prerequisite. And culture change requires time ♦ rather a lot of it. Although an early swallow had been spotted, the "Smart Procurement summer desperately needs more swallows" if we are to believe that it is coming.

Summing up initial progress, the author is not too hopeful. While acknowledging that some progress has been made, he is clear that much remains to be done: "Unless Smart Procurement is driven through to the end, it will falter and there will be little or no improvement in output ... We cannot afford to falter after the first few steps."

The author then considers the implications for industry: in the Concept Phase, in competitive phases, in partnering arrangements and in support. In particular the implications for small and medium-sized enterprises (SMEs), as well as for very small enterprises, are examined: "Smart Procurement will not succeed without the full involvement of the whole supply chain, and both MOD and the primes, as well as the SMEs in the supply chain, have a responsibility for making it work. For MOD, the success of Smart Procurement is at stake; for the primes, long-term profits are at stake; but for SMEs their very future is at stake. They all need to contribute to a SME success strategy."

The book then covers industrial culture, international competition and winning proposals. Defence companies are, by and large, very poor at writing proposals that are likely to persuade MOD to choose their solution, yet the correct approach is not difficult to achieve. The book devotes a whole section to describing a winning formula.

The book has become to be regarded as the definitive analysis of the problems of defence equipment procurement and their solutions.

The author served in the Army for 36 years, half of which time was spent in the Ministry of Defence in a succession of posts within the acquisition community. His last job was as Director of Operational Requirements for all land systems equipment. Since 1995, he has headed TheSAURAS Ltd, a consultancy specialising in aspects of equipment procurement. He has chaired conferences and lectured for the MOD, the Royal Institute of International Affairs, the Royal United Services Institute, the Royal Military College of Science, the Joint Services Command and Staff Course, Cranfield University, Southampton University, the Defence Manufacturers Association, the British Marine Equipment Council and at many commercial conferences. He has taken part in working groups of the Defence Scientific Advisory Council, in technical audits of DERA teams and in many industrial red teams. He is an Associate Fellow of RUSI, a member of both the UK Defence Forum, and the Strategic and Combat Studies Institute. He writes for many defence journals and is Editor of RUSI Defence Systems.

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