



ARMY

Sustaining the Force

Affordability in the International Environment

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Scope



- Context
- Equipment Acquisition
- Whole Force Concept
- Summary



Context



- Financial situation – pressure for affordable Defence plan
- UK approach: Fox's 5:
 - Capability
 - Affordability
 - Adaptability
 - Interoperability
 - Exportability
- Fulfil UK's Defence and security requirements through open competition on the domestic and global market
- Work with other countries for 2 reasons: economy of scale and to maximise capability



Equipment Acquisition

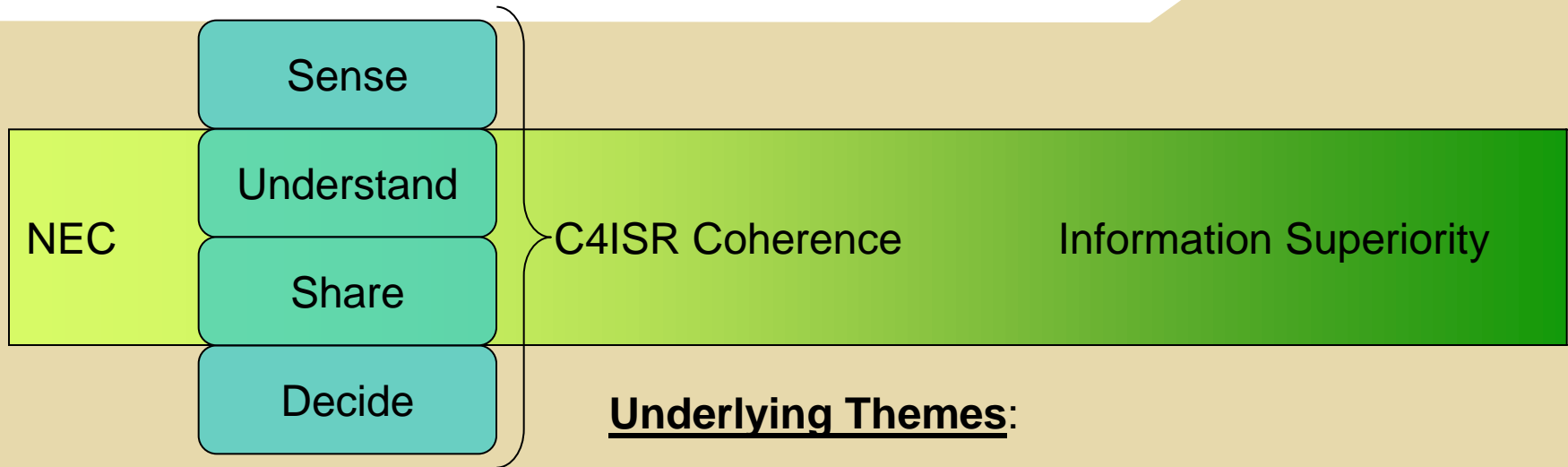


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- Favour Bi-lateral: UK/US and UK/FR:
 - Less complex = less expensive
- Multi-national: JSF, Typhoon combat aircraft, A400M transport aircraft, MLRS
- Additional cost of interoperability at a time when money is tight?
- Capability sharing



Multinational C4 ISR - The Vision



Underlying Themes:

Agility in Acquisition

TLCM

Mission Configurable Systems

Open architecture/ NATO standards

'Need to know' vs 'Duty to Share'

Multinational Interoperability

Very expensive area – traditional under-investment



Whole Force Concept



- Optimum use of Regulars, Reserves and Contractors to produce the greatest effect in the most cost-effective manner.
- Contractors provide capability in both the home base and deployed space.



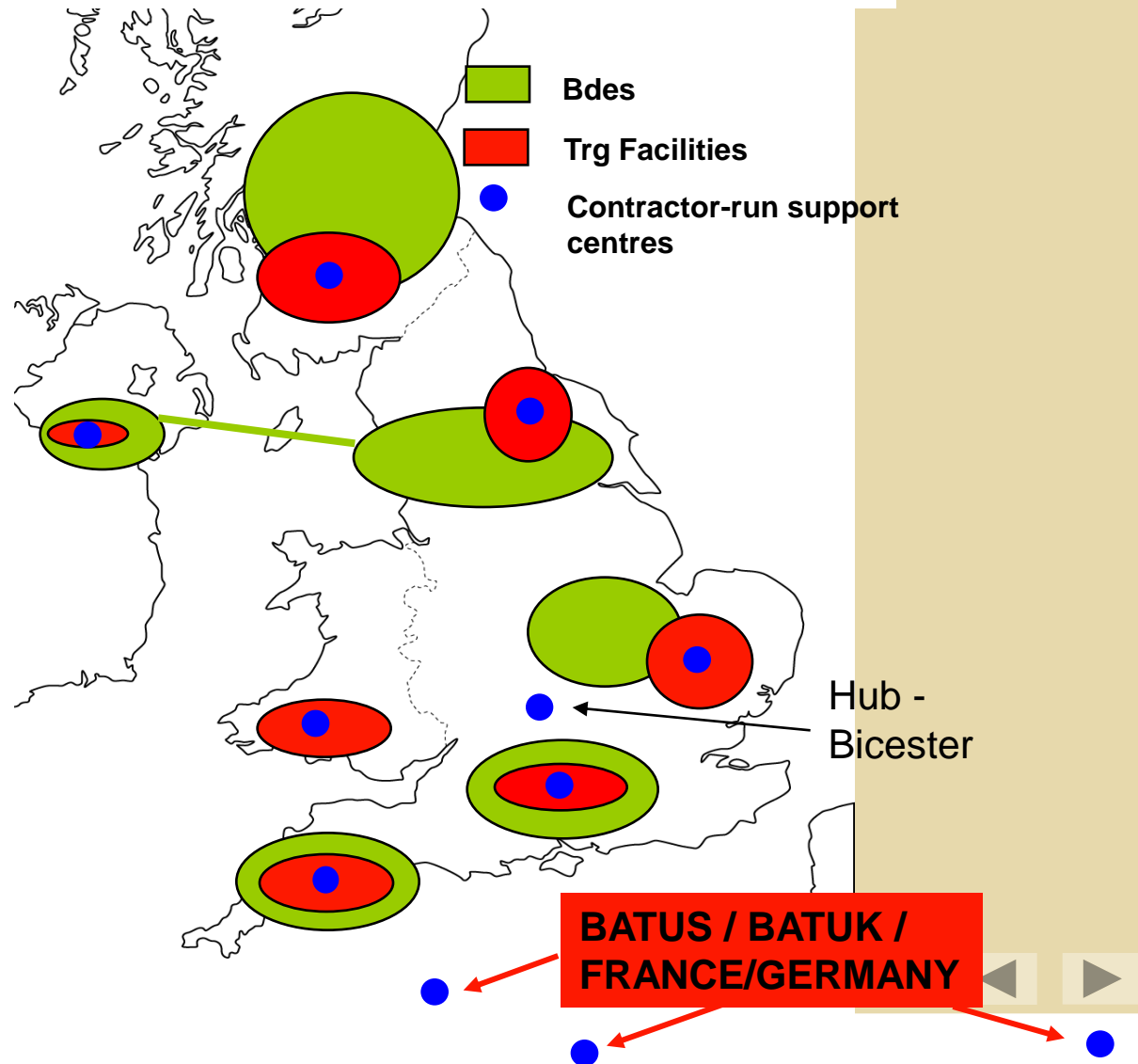
ARMY OPERATING MODEL – ILLUSTRATIVE

CONTRACTOR-RUN SUPPORT CENTRES



Contractors provide:

- Real Estate management
- Infrastructure
- Guaranteed availability of vehs and other eqpt (radios, wpns etc)
- Guaranteed availability of commodities (fuel, ammo, rations)
- **Deployable capability at agreed readiness**



Multi-National Contracts



- **Multi-National contractor support solutions:**
 - Require compromise and foresight.
 - Best-suited to requirements where demand profiles are more predictable and substantially similar amongst nations (fuel, feeding, infrastructure / accommodation, medical)
 - To fully appreciate the potential benefits, an assessment of the whole value array is required



Analysing 'better'



Premier militaries maintain a comprehensive set of capabilities – but even the best-funded defence departments cannot do all things in all circumstances; contractors can help with capability gaps such as 'black top' road construction, renovation and repair

Strengths

- Contractors provide specialist and experienced staff at relatively-short notice, through their extended-enterprise

Weaknesses

- The requirement for real-cash-flow can be challenging for budget staff
- Military forces can be 'fixed' with a Force Protection requirement
- Resilience in non-benign environment

Opportunities

- If well-managed by government military or civilian staff, can be more efficient than full/fixed-costs of maintaining an in-house defence capability

Threats

- Military and civilian staff skills for quality control and financial control
- Corrupt practices can counteract the achievements of the local military commander



"The contractor is moving along very well," Jorgensen said. "Because the company is so good, we can move along with the project. It's probably the best highway project I've seen from Qalat to Spin Boldak's border; it's going to be a good road."

Extracted from 'America's North Shore Journal, accessed 16 Mar 12

Analysing 'faster'



*When existing military capabilities are already fully-committed to the fight, or required to maintain the minimum necessary reserve capability, **contractors can quickly generate solutions to capability gaps**, such as with rotary wing air transport support in Afghanistan*

Strengths

- Rapid force generation from a pool of tailored aircraft and experienced aircrew and support staff

Weaknesses

- Inherently less-flexible than military aircraft and crews

Opportunities

- Use of contractors can de-heat commitment cycles/reduce excessive over-match of military aircraft and crews

Threats

- Contractor fratricide, in the absence of a multinational contract, where the commitment to participation with other nations provides a restraining discipline



“After a faltering start in 2008 ICAT is now performance brilliantly. In many ways it’s weaknesses are its strengths; it will carry the important if not the vital, the urgent if not the immediate, and the valued if not the sensitive.”

Lt Col M L Haywood, Chief CJ4, HQ RC(S), 14 Mar 10



Analysing 'cheaper'



In multinational operations nations can collaborate to generate higher aggregate demand for similar requirements. Multinational contracts through organisations such as NAMSA provide a platform for successful collaboration, by promoting good behaviours amongst participating nations and enabling each nation to benefit from economies of scale

Strengths

- MN contracts will achieve economies of scale for substantially similar requirements/reduced contract management staff overhead

Weaknesses

- Requirement to negotiate amongst multiple stakeholders can reduce contracting tempo.

Opportunities

- If well-prepared and well-managed, reduces/frees up nations' cash flow, **20% savings are considered typical**

Threats

- Requires an informed and educated view in each nation, to enable effective compromises that are required by all participating nations, to get to the requirement-vs-opportunity 'sweet spot'



KANDAHAR AIRFIELD BASE, AFGHANISTAN

NAMSA provide 4 DFACS, each styled to appeal to different national and cultural aspects of the ISAF personnel at KAF

Nations benefit from a reduced management overhead and an improved purchasing position through the benefits of aggregated demand

Summary



- Money is tight – UK looking at multi-national options to make it go further
- Scope in equipment acquisition and multi-national contracts
- Success of NATO framework contracts in AFG
- UK focus on Whole Force Concept:
 - Should there be more MN focus with WFC?

