Reviewded by Roger Green, Principal Reviewer, U K Defence Forum

Anyone reading the newspapers over the last two decades could not help but notice that UK defence acquisition is in a parlous state. It became obvious that a cosy relationship existed between the MoD and defence companies and that with cost-plus contracts and 'requirements creep' the government was being ripped off. The many large scale studies in the 1990s resulted in little change to procurement, defence contracts remained subject to delays and huge cost overruns, programmes ran for years and years with minimal progress and the end result was often a procurement that no longer met the original requirement and was poor value-for-money. The initial effort in 1998 to introduce procurement programmes that

were "faster, cheaper and better" was known as the Smart Procurement Initiative (SPI) but that foundered and in 2005 a new plan was introduced called the Defence Industrial Strategy (DIS). Unfortunately, that stayed just a plan and there was no real high level determination to implement it.

It is from a starting point of around 1985 that Kincaid analyses all that has been wrong with procurement since the early 1980s. This book lays bare why these initiatives failed and, more importantly, exposes the underlying culture that is in place in government, the MoD and industry that endeavours by intent or default to thwart all attempts to resolve this issue. Is it important? Kincaid gives clear and irrevocable reasons: the servicemen who put their lives at risk at the behest of politicians and a £35bn defence budget of which 40% is spent on equipment; the latter being bedevilled by defence inflation that runs at twice the national level.

Kincaid lays out his case is a straightforward way. He looks at the historical background and the efforts under the SPI to achieve organisational change. Inevitably, the MoD was not happy with the changes required and it was evident that strong political leadership was required. Kincaid sets out the elements of SPI with a balanced description of the good and bad influences on it as well as the new ideas on empowerment that were integral to the procurement structure. However as he demonstrates with much supporting detail, the underlying MoD culture and stultifying process was ever present to derail any element that was considered too radical, with good people becoming disillusioned and leaving. What progress was made was due to strong political leadership but ultimately smart procurement was unable to change the culture, implementation stalled and was to some degree reversed.

The core of the book addresses the DIS. In 2005 Lord Drayson became Minister of Defence Procurement at a time when relations between the MoD and the defence industry were at a seriously low level. He set about very quickly introducing the DIS to provide a clearer way ahead with teeth and it took as its starting point the future of the British defence industry and its relationship with the MoD. It adopted a new and innovative approach introducing the idea of strategic partnering and a range of wholly new initiatives that represented a considerable challenge to both the MoD and industry. It identified a need to improve the MoD's planning

system and that of the governance of the procurement process. However, as Kincaid points out there were two glaring inadequacies firstly, that Research and Technology was poorly covered in that it only identified the challenges to be met by the MoD in updating its Defence Technology Strategy. Secondly and critically, there was no mention of the cost of DIS or how it was to be met. Also crucially, it failed to explain how success was to be measured. There were other very relevant issues not the least of which was the need to introduce greater agility into procurement and the need to cut the cycle time by half. It was well recognised that the UOR mechanism worked well and that there was great potential advantage if part of that culture and process could be imported into normal procurement. The argument for adopting Through-Life Capability Management (TLCM) is well made but for this major change programme to be achieved there are issues that Kincaid argues need to be resolved namely, top level organisation and accountability, culture change and the overheated defence programme. Finally, there is the need to shift the emphasis from process to delivery. A lot of the supporting detail is contained in the RUSI Focus papers that are included as part of this work.

Clearly the culture and the people underpinned the whole DIS concept. Regrettably, although the DIS stated the importance of culture change it never tackled the necessary change adequately. When starkly laid out in writing by Kincaid, the list of cultural problems makes abysmal reading and one wonders whether a Whitehall department of state could really be that bad. It covers an almost unbelievable spectrum of inadequacies from bad leadership, through a fear/blame culture to a refusal to learn from experience. The change management needed is clearly spelt out as are the areas of necessary skill improvement in the MoD workforce. However, the most important driver of change is a new mindset at the very top. The component parts of that new mindset are in many cases obvious whilst much of it is down to sound, committed and well-motivated leadership.

Kincaid spends some time in looking at the first two years of DIS implementation in terms of progress and stagnation. He concludes that there is little evidence of culture change or change-strategy and describes the outlook as gloomy. He notes that time and costs continue to overrun badly and that figures are massaged to present a false picture. The reorganisation that has occurred has not necessarily been for the better and that in the field of strategic partnering less progress has been achieved than had been envisaged. And still there is no clear metrics in place to measure success.

As a penultimate standpoint on this complex topic Kincaid takes a view on the crisis in defence spending. It is evident that governments see few votes in defence and the present government in particular has ignored the problems of the Armed Forces and has tried to muzzle their leaders. As he says, it is clear that 'politicians today do not attempt to have proper dialogue with the military - they try and avoid them'. Government claims of increases in defence funding have actually been a cut of 1.5% per year in real terms, in turn made worse by defence inflation. The inevitable consequence is that unless something drastic is done the defence budget will buy less year by year. He highlights the ongoing debate of quantity versus quality that produces little agreement. Logically there is an absurd limit to the extreme of this argument but put more simply it is not possible for a frigate to be in two places at the same time. The problem is that the debate has avoided the arguments of critical mass. The improvements in quality through technology maintain the qualitative edge in combat; they do not directly equate to reductions in

front line numbers. To argue otherwise displays an ignorance of military history and is fallacious. Furthermore, Kincaid is very critical of the MoD solution to the increasingly difficult Planning Rounds (PR) by moving programmes to the right. This creates a tsunami bow wave that threatens to sink the entire equipment plan and is of course a direct result of all the deficiencies in high level organisation and management within the MoD that he has gone into great detail to identify. He argues strongly that decisions are not being based on military priorities and predicts that whatever happens in PR09 it is bound to undermine the DIS even more.

As a final commentary Kincaid chooses to look at where acquisition is today (i.e. late 2008), at the price of failure and the essential actions needed without further delay. On the evidence he rightly questions whether the MoD has the understanding and determination to implement the DIS successfully. With Lord Drayson having moved on the question is open as to whether the DIS Part 2 he intended will ever happen. If it does not then in Kincaid's judgement the original DIS will almost certainly die. If that happens then we will lose appropriate sovereignty and operational autonomy. Furthermore, there is a real risk that the MoD will settle back into its comfort zone as the DIS, the defence plan and defence budget unravels around them. Apart from the waste of increasing amounts of public funds, the real price of failure is the greater loss of servicemen's lives. The book closes with a list of essential actions arising out of the key problems that might just stop defence descending into a death spiral.

Readers of this book cannot help but be left with the indelible impression that the core of the problem is the sheer size and complexity of the Whitehall procurement organisation and that it is bedevilled by wayward cultures, stifling process and departmental agendas. This book will be uncomfortable reading for many who were in senior government, the civil service, military and industry during the period and who on reflection may feel that they have fallen short in their duty. It should be compulsory reading for all those who are currently in post.

Changing the Dinosaur's Spots: The Battle to Reform UK Defence Acquisition by Bill Kincaid

is published by RUSI Books (ISBN: 0-85516-138-8)