Chapter 9

Defence Acquisition: A New Beast or a Dinosaur?

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ABSTRACT

Through the lenses of Strategy and Change management academic theory this chapter presents a view of the evolution of defence acquisition using the UK Ministry of Defence (MOD) as the vehicle and assesses the impact of disruptive technologies. The chapter proposes a number of changes that need to be embraced by the defence acquisition community if it is to be able to meet the needs of the nation now and in the future. The chapter concludes that the UK MOD must accept that the old model is now flawed and that in order to bring about the necessary changes a shift in mind-set is a sine qua non and that this change will take time. The envisaged way forward with a fundamental change in the way defence capability is acquired will result in a smaller, more agile and more professional organisation if, and only if, the required transformational change can be implemented effectively.

INTRODUCTION

Militaries around the world are facing challenges because the pace of change in technology in general and digital technology in particular has the potential of influencing a number of power balances on both a national and global scale. When linked to the financial pressures and the reducing defence budgets this places a premium on how MODs around the world approach the process of acquiring military capabilities. Bearing in mind that most Western nations have a long history of dealing with a Cold War scenario it should not be surprising to find that this has shaped the mind-sets and business models that have been adopted. However, the nature of the threat now being encountered from a range of terrorist groups is predicated on ideology. Their access to new technologies through an accelerated technology diffusion process facilitated by the digital advances suggests that a fundamental review of the approach to acquisition of military capability needs to be undertaken.

The rate of change in technology is a key factor and according to FitzGerald & Sayler (2014) there are a number of causes of ‘Creative Disruption’. In the case of the UK MOD the rapid expansion of

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digital technology and its ease of diffusion mean that the old paradigm of defence acquisition has become outmoded. Actually, it has not been fit for purpose for some time but the recent burning platform of a financial black hole in the Equipment Procurement Programme (EPP) has made the need for a paradigm change uncomfortably visible.

This chapter aims to draw together a number of strands of thought that link the nature of the threat, the changes in technology, the defence acquisition paradigm and the academic theories that pertain to strategy formulation/change management. Using the UK MOD as the vehicle, the chapter will shine light on some of the reasons for past failure to deliver change and propose solutions to ensure that future change has a greater chance of success. In order to achieve this, the chapter will also highlight the gaps in our understanding and the need for a research agenda to close the identified gaps. Essentially the chapter presents a forward look to a number of areas that are likely to evolve such that the current thinking in Defence Acquisition has not only become outmoded but it will actually result in a significant increase in the strategic risk to the UK.

BACKGROUND

As long as man has needed to deal with conflict situations he has sought solutions that adversaries could not match to ensure victory and/or survival. In more recent times this has been reflected in guns with greater range such that they could be fired without the threat of incoming shells. Aircraft that could fly higher and faster than the enemy, submarines that could not be detected. In most cases a nation was looking for victory within the context of state-on-state war and to that end in pursuit of survival very large sums (or % of GDP) were spent on defence. This can also be viewed from the perspective of providing an insurance policy aimed at deterring a potential adversary from attacking. In very recent times the likes of the USA and UK (amongst others) have found themselves deploying military capability in support of one cause or another and in the most recent cases it has been to maintain security in the home nation from fundamentalist terrorist groups or in support of ‘democracy’ in other countries such as in the case of the Arab Spring uprisings.

It can be argued that during the period of the Cold War, the US applied an imposition strategy on the USSR by virtue of significant R&D investment in military and space technology. The resultant arms race was one that the USSR was never going to win for the simple reason that it did not have a strong enough economy to continue to bank roll the military and space investments in a sustainable way. However, the long term downside of this is that it established business models and mind-sets in the US (and to a certain extent in Western economies such as the UK) which was thought to provide the ‘silver bullet’.

One might argue, based on some of the findings reported by FitzGerald & Sayler (2014), that in the future the USA could find itself on the receiving end of such a strategy being applied by China – only time will tell.

In pursuing military objectives overseas in recent decades, i.e. Iraq, Afghanistan and Libya as examples, it has become apparent that a number of military assumptions have been challenged. For example, the notion that success could be achieved through air superiority without having ‘boots on the ground’ was certainly found flawed. In part this idea was thwarted by the tactics employed by terrorist groups such as Al-Qaeda and the Taliban when they embed themselves within the local community within a country thus making it very difficult to identify them even with ‘boots on the ground’ let alone from a drone aircraft at 15,000 ft. Within this context, technology has had a major role from a media perspective, bringing