Smart Acquisition Program

From the UK Ministry of Defence Procurement Agency

Smart Acquisition is a long-term MOD initiative to improve the way we acquire defence capability. We no longer replace military equipment, services, estates or business information systems on a like-for-like basis but instead take into account how such a capability will integrate with other capabilities to achieve optimum effect by our Armed Forces. And we adopt a through-life approach to acquisition, rather than concentrating our resources on the initial procurement.

Smart Acquisition is governed through the Acquisition Policy Board (APB), chaired by Minister (Defence Procurement). Detailed information on the tools and processes which support Smart Acquisition can be found on the Acquisition Management System (AMS) website. www.ams.mod.uk

The aim of Smart Acquisition is

"To acquire Defence capability faster, cheaper, better and more effectively integrated."

The objectives of Smart Acquisition are:

- to deliver and sustain defence capabilities within the performance, time and cost parameters approved at the time the major investment decisions are taken.
- to integrate defence capabilities into their environment within Defence, with the flexibility to be adapted as the environment changes.
- to acquire defence capabilities progressively, at lower risk. Optimisation of trade-offs between military effectiveness, time and whole life cost are maximised.
- to cut the time for (key) new technologies to be introduced into the frontline, where needed to secure military advantage and industrial competitiveness.

There are seven principles in Smart Acquisition:

- a whole-life approach, typified by applying Through Life Costing techniques.
- Integrated Project Teams (IPTs) with clearly identified customers.
- a better, more open relationship with industry.
- more investment during early project phases.
- effective trade-offs between system performance, through-life costs and time.
- new procurement approaches, including incremental acquisition
- a streamlined process for project approvals.

People in Acquisition

Smart Acquisition is not just about organisation and processes. It means a fundamental change in the behaviour of all those involved in acquiring defence capability. It requires a more flexible, imaginative approach in which issues are addressed on their merits rather than by reference to what we have done before or rule books. It encourages continuous improvement.
Smart Acquisition has these values and beliefs:

- an empathy with the customer. This supports a commitment to providing a capability that meets the user’s needs, on time and budget.
- the drive to deliver a high level of performance. This is as a result of programme setting and monitoring progress against agreed target milestones.
- a desire to work co-operatively with fellow team members and others. The diversity of the team is valued and the different roles of colleagues are understood.
- a predisposition to share ideas, information, to learn from experience, and the resolve to overcome problems.
- a wish to challenge convention and improve processes rather than hide behind `the rules’ and be satisfied with current performance `norms’.

A set of acquisition-based competences is used to develop people and select leaders in acquisition. We encourage joint training and interchanges with industry. IPT Leaders are selected on merit by competition for each post based on leadership, as well as technical and other skills. We want the best person for the job and our acquisition leaders are MOD civilians, Service personnel or from industry.

**So Does Smart Acquisition Work?**

The annual Minister (Defence Procurement) Smart Acquisition Award Scheme acknowledges and commends the achievements of those teams who have produced outstanding contributions in the field of acquisition by maximising the principles of Smart Acquisition. In 2004 the winners were:

- Project Aquatrine (provision of water and wastewater services).
- Defence HF Communications Service.
- Project JAVELIN (Joint Approach to VC10 Engineering and Logistics Integration).
- Mine Counter-Measures Vessels IPT.
- NITEworks team (an integration experimentation capability).
- Regional Prime Contracting South West IPT (estates management).
- Skynet 5 team (communications).
- Challenger 2 Urgent Operational Requirements Team (main battle tank upgrades).

The Major Projects Report 2004, published by the National Audit Office in November 2004, also cites these examples where the principles underpinning Smart Acquisition have been applied successfully: the leasing of C-17 aircraft to meet the Short Term Strategic Airlift requirement; the Trojan and Titan new armoured engineer vehicles; and Sonar 2087 active detection system.

However the Report also concludes that there is a `failure to apply consistently the sensible principles underpinning Smart Acquisition’ – and that remains our challenge for the future.