

The Defence Procurement Strategy and the Value Proposition

Balancing speed with “getting it right”

BY LINDA WOLSTENCROFT

An extremist in Industry will say that he can't afford to continue spending money pursuing a contract while the Government takes its time incorporating the new Defence Procurement Strategy and Value Proposition into the procurement process.

Indeed, longer delays in moving procurements forward mean that bidders are spending more money on advertising, business development time and effort, offices, and major trade shows and events. Not to mention that as more time passes, the investment in having a product development team and even a proposal team on standby continues to mount; yet you can't let the capture manager, the program lead or the engineering lead stray too far from the project when the potential rewards are so near.

An extremist in Government will tell you that it's far too difficult to change policy fast enough to have any near-term positive results in implementing the Defence Procurement Strategy. I've even heard the number ten years being bantered about.

The cost incurred by the Government and taxpayer is sometimes overlooked in this debate. While the policy is being debated at the senior level, the Government project team stands ready to receive its guidance. What's the cost of maintaining the team in place for a major program that is stalling because the guidance hasn't been delivered?

Both these views have merit – but it's time we stopped talking about that and start spending time moving the concepts forward in a positive way rather than spending hours and cost whining over this. Let's look for ways to make this work.

AIMP A COMPLEX PROGRAM

The subject of dealing with complexity in major programs is one that the Government is trying to get better at. There are many historic and current examples of this. In the Air Force, the

Aurora Incremental Modernization Project is about as complex as it can get. From my own involvement in this project years ago, I have watched its trials and tribulations, but mostly its successes. This project spans many years, with over a billion dollars, and the need to modify the aircraft four times (!) because the only way to get money was to perform the project incrementally – one phase at a time.

This is a phased modernization that is phased on purpose – and not by accident – this is rare. While it was recognized at the time that modernizing the aircraft would only happen using this unique process - because larger dollars would not be approved - today we see an aircraft that has relevant capabilities and a fleet size that has even increased (or not as severely decreased, depending on which way you'd like to look at it). With the complexity, longevity, and cost of this project, what would the lessons learned be for other projects?

The point here is that for complex projects, if a project team of a significant size is engaged in a complex project, then speed in moving the procurement forward is essential.

In discussions around CANSEC this year, I had the opportunity to speak with a few of our prime contractor bidders who feel that although speed is essential, it should not be rushed at the cost of not getting it done right. Many took this balanced approach. These primes would rather see Canada “get it right”, even if it takes a little while longer (meaning weeks or months, certainly not years).

GOVERNMENT DECISION MAKING NEEDS TO SPEED UP

With the Fixed Wing Search and Rescue (FWSAR) Project being at the draft RFP stage, many predict that the timing of the final RFP will be influenced by the timing of the next federal election. The political capital in this project is enormous. And while this project is quite well-developed (maybe even too well developed and too complex), as of this writing the indications are that there will be another slippage of a few months before we see an RFP.

This is unfortunate because costs expended by both government and industry will rise once more. But on the other hand, if it takes a reasonable amount of time to get it right, then some in industry will be happy. In my opinion, the decision-making process in government does have to speed up. At the same time, government has to get it right – or at least at most of it right - because there never has been and never will be a perfect procurement.

So let's not be extremists: let's work together as a community, within industry and within Government, to achieve the right outcome. Let's be fast, but not too fast. Let's get this right.



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