

**LOGNET**  
**Innovating, Developing & Delivering**  
**The Defence Support Network**

on

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Transcribed from the Audio Recording

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**AIR VICE-MARSHAL RICHARD HILL:**

Good morning, everyone. May I add my welcome to the previous speakers. Thank you very much for coming along in the current environment and climate. A very thought-provoking speech, I think you would agree, that we have just heard and a brave new world in prospect. I am probably not going to be quite so thought-provoking and I am not going to paint such a bright picture for the future, I am sure, but what I hope to be able to do between now and the coffee break, which I will endeavour not to eat into too much at all, is just give you a feeling for where we have come from, the problems that we are now starting to make inroads in dealing with and what we have in prospect for the future. If you do not mind, I will not take questions at the end because we are going to speak or take questions as a panel later on in the day when we have heard from General Wardlaw.

This is not my first rodeo but it is my first LOGNET. I have not been here before so I have no clue whether anybody saw this slide last year but I am prepared to bet that most people in the room have seen it once or twice before. Why do I put it up now? I put it up now because somebody spent a very long time thinking about drawing it and trying to encapsulate the Defence Support Network and the good news is that was not time wasted because it is still a relevant picture and

what it paints is that idea of we want a Defence Support Network that does those three things that were in the strapline of being strategically prepared, globally responsive and operationally precise and that was all designed to give us assured support.

My notes say, "But as we heard from CDLS, his thinking has moved on." Well, when he tells us later, his thinking has moved on a little bit but only in really refining what those things mean and what are the root problems that have led to a situation where we cannot be sure that those three things apply today to our Defence Support Network. We will hear more of that later. Just to pick up on some of the things we have heard from the previous two speakers, my sandwiches have not been eaten, unlike the third of the two-stars who will be speaking after the coffee break, but what they have been is laid nicely out on a platter for me now to select from and offer for you to chew and digest.

I just pick up on the word "resilience." Resilience is an increasingly prevalent theme. What we need from our Defence Support Network is absolutely one that is resilient in the contemporary operating environment and it is very, very clear that what we are really needing to do is to be prepared. "Preparedness" is now a watchword in Defence. Preparedness is really a function of readiness and sustainability, so not sustainability in the sense of the green sort of agenda that we were just hearing about but the idea of being able to get a force deployed into the fight in time and then sustain it in that fight. So, speed of relevance, I think, appeared on Andy's slides earlier but the ability to mobilise the Strategic Base, concentrate a force, project it forward, prepare it to undertake operations and then sustain it, all in much shorter timelines in more austere circumstances and against less well understood operational circumstances than we have over the past ten or 15 years in that environment of campaigning from well-found bases. There we are. A bit of context.

We are transforming to allow us to do that and we are absolutely about ensuring that we restore effectiveness to the supply chain. There is a good argument that over many years we have worried more about efficiency and efficiency has really been a code word for cheapness and affordability. So, we want to get back to effectiveness that is assured. We want to then be as efficient as we can be within that effective system and then we must be resilient. Clearly, we do not want to spend any more money than we have to and the Government will not let us spend any more money than we have but that should not be the prime driver. It is, though, important to note that the transformation programme that I am leading and will endure for about ten years is going to make savings as well as deliver other benefits and those savings are important to securing and retaining our licence to operate.

Having said that, what is the compelling need for change? You should not be surprised to see at the top there a figure. Let us call it £14 billion. We spend about £14 billion each year on things that can fairly be described as support across the Defence endeavour and what is not clear to us, and it is important to just mark those words, it is not clear to us whether we spend that money well, whether we spend it on the right things and whether we need to spend all of that money in order to get the same level of performance or could we get more for less? So, all of those questions are extremely valid and we need to be able to answer them and we cannot yet do that and we need to be able to do so.

The demand signal being placed on us is significantly greater than it has been in the recent past. Joint Force 25 and Future Force 20 that we have been thinking about, we are now potentially being required to do things that are even more demanding. What do I mean by that? The NATO Readiness Initiative is all about moving significant chunks of capability into the NATO fight at high speed, so readiness is the key. It is the ability to be ready to go in a short timescale, to move very quickly to the fight and then be able to engage. That is arguably more demanding than some of those other things that we have been planning for in the past. So speed of relevance.

The other area that we really struggle with is our Logistic Information Services. We have, for a number of reasons over the years for reasons that many people in the room understand even better than me, got ourselves in a situation where we have really quite outdated, not fit for purpose, not very resilient Logistic IS and as a result of that we are not able to exploit the data that they contain, we do not really understand the quality of that data, nor do we understand the completeness or the level of duplication that is represented within that data. So, we just need to get better at exploiting data to provide us with the evidence to support decision-making and give us confidence that what we are planning to do and the systems we put in place will operate as planned and then we are able to review them, see what their performance looks like and take action to adjust as necessary.

There is another aspect to this as well, of course. The people that we now employ, they are different to the person I was when I joined the service some 35 years ago and even than I am now. Smartphones are still a new thing to me. An application through which I can take money from my bank account and send it to one of my daughters or somebody else, that is still new-fangled and quite exciting for me and when I go and sit in a logistics location somewhere out at the frontline, when I see a computer I am still quite excited. The fact it has got a green screen flashing on it and somebody has had to be trained for two weeks to know which three-letter code to put in to undertake a transaction, I do not mind. But the young people that I talk to, they just look at these things and think, "Where did this come from? Why did I join some branch of the

British Museum and I am required to use these antique things to do business in a poor way?" when in the rest of their life they are using smartphones with apps that all work beautifully and do what they need to do. So, we need to get on a bit better.

We heard about CDS. He said, "What do our Support solutions look like and what, by going for just-in-time logistics, have we done to ourselves?" Well, we do not know but we sort of think it is not necessarily a good situation in which we find ourselves. I will hark back to those heady days 30 years ago when we were introducing augmented logistic support services and then contracted logistic support systems where people talked about holes in the wall. You would have a hole in the wall and you would just go to it, the hatch, and the contractor would give you the bit you needed and you would send your repairable through the hatch and it would disappear and it would be fixed.

A number of us worried about what happens when you had so many holes in the wall that there was no wall left. We might be around about that sort of position now. We might have given far too much into that realm on the other side of the wall and we might not understand what that means for our ability to do what we need to do in the future. I am not saying it is wrong. I am not saying we have to reverse it all. I am not saying we cannot use contractors because self-evidently we must but we, on this side of the wall, if you will, I do not mean to talk about that as a boundary, but the people in Defence, in uniform if you will and in the whole Force, need to be able to understand what we need to do, how the thing works as a system, how the data flows, have control of the data and be able to make decisions based upon it. It is all about that data and knowledge.

I just want to talk about support. It is an interesting word. Words mean things to people. If you look it up in the dictionary, it probably does not say anything about the sort of business that we are engaged in. The idea was that we used a... well, not a new word. We use an old word but in a slightly new way so that we did not have people worrying about was it logistics, was it engineering or was it something else? I have put this slide up just to say this is not yet a conversation that is finally resolved. We are very clear that engineering plays a massive part in support and for those of you who are familiar with the CADMID cycle, the cradle to grave of equipment procurement, if you will, but it applies in every other sector of support as well, engineering is important, as we heard from Catherine. Thinking about in designing something what materials are we using? How are they being put together? Is it possible to get easy access to that box that needs topping up with oil every five minutes or do you have to take the thing offline for a week to get there. How do you do it in the field when you have not got a crane and

you have not got a full toolset? All those sorts of things drive directly to the cost of ownership and the cost of supporting that thing and making sure that it is resilient and assured in its delivery.

Engineering has to run across the whole of the endeavour. Self-evidently, logistic support runs across the whole of the endeavour. The discussion at the moment is what about equipment support? I think where we are settling is equipment support is a subset of engineering support. It can only happen at a certain point in equipment's life because if you have not got the equipment, you are not supporting it. The engineering and designing and thinking about it in service equipment support, engineering thinking about disposing of it, logistics underpinning all of that, so that Venn diagram may not exist much longer into the future but those three bits of support are absolutely as relevant now as they were when they were thought about and we are going to cover all parts of them.

On to Defence Transformation as a programme. It is about ten years long. The idea is that it will be the part of the three-legged stool which disappears in about ten years' time leaving the two two-stars supporting CDLS in due course. It has those three features to it and I am going to talk about them each briefly if I can make the technology work, which apparently I cannot. Anyway, when it comes up... There we go. I am going to talk about the Defence Support Operating Model.

What is this? This is about organising ourselves in the right way to do support for Defence. Why do we need to do this? I would argue because in the recent past we have allowed ungoverned space to develop and in that ungoverned space a bunch of individual fiefdoms have largely got on with doing their own thing and their own thing that they have done is wittingly and deliberately ignore the direction and guidance that is out there about how to do support. Now, there are very good reasons for why that has occurred because people trying to get a programme approval over the line often have not got enough money to do so and they often do not have enough time to do all the work to support a business case and if you are not too worried about your logistics and support and there is not somebody there called the Chief of Defence Logistics and Support nagging away and being a conscience around Support issues, then it is quite easy to make arguments which say, "Do not conform to the system. Do not have a NATO stock number. Do not use the approved processes. Do not worry about the Joint Support chain, the Joint Supply chain. Do your own thing."

All of that means that the Defence Support Network has a devil's own job in trying to operate as an effective system or systems because whilst there are those systems which are well understood and fit together reasonably well, the individual support solutions for equipment and

other things do not necessarily conform to them so that is a challenge. So, we are in a bit of a mess and we need to get better. Putting in place a support solution and an operating model that works well for Defence and for the whole of Government endeavour and then making sure that people conform to it or have a very good reason not to, properly evidenced and accepted by people who know what they are talking about is what we need to do.

But what we need to do is make sure that we do not do that normal thing of saying, “We know what the problem is. We have thought about this over the last few weeks whilst we have been doing other things and so let us have a kneejerk reaction and come up with a brilliant solution,” because what we tend to do in the military and in Defence is we go straight to box number 7, which is wiring diagram, how many people can we have at senior level then how does that rattle down through the organisation?

We went to some people in industry who know about this, so a consulting industry, and they said, “You need to follow a framework,” and the framework we selected was this 12-box framework and I should just say at this stage we ignored the technology layer because we are doing that separately, as I am about to tell you, as part of BMfS but we are least thinking about it. What we have done is we have worked our way, not slavishly but quite in an agile fashion through this and come up with a Defence Support Operating Model which is now starting to come to fruition and I will show you in a moment that on 1<sup>st</sup> April we will arrive at a thing called Transition State 2 and that is really the start point of this new Defence Support Operating Model getting its teeth into the problem.

Key to this, though, is about performance excellence and performance management and what I have found already is that having run one iteration of the Defence Support Performance Board, which is essentially a cabinet of all the two-star Support Champions across Defence, we are already starting to see how behaviours change when you confront people with a new reality. You get a sense of collective responsibility. You are able to provide a dashboard full of quite useful performance indicators. You do not hold individuals to account. You hold the collective to account for failures and weaknesses in the performance that is demonstrated by the dashboard and you move forward together. After one iteration we are already seeing the power of having a properly organised Defence Support Operating Model and the ability to reach and see how it is performing and take steps to take corrective action so that is all good.

There is a bit of detail on the slide - you do not need to look at it - you will see see “support pillar” appears a few times. The support pillar absolutely now is referred to the Defence Support organisation (“organisation” with a small initial “o”) and that is the thing for which CDLS has direct

responsibility rather than the Defence Support Network, the Defence Support Enterprise, many bits of which belong to other people that CDLS has responsibility for cohering as a function.

You will also see that we are not resting on our laurels. Transition State 2 would suggest we are transitioning to something. Well, we are. We are transitioning to a Target Operating Model which should be in place in October 2021. We will have a further Transition State in 12 months' time, so April next year, and the consolidation that will take place during the 12 months from Transition State 2 to 3 will be very important just to make sure that we did not get it completely wrong on the first attempt, accepting that we will have to test and adjust as we go through that first year.

At the bottom underneath a couple of the boxes there, there is a DSOM review called out. We are just about coming to the end of that. The displacement activity that I undertook last night rather than changing my bed in my flat was to write the changes to that paper and send it out because it has got to go to the Transformation Board next week but essentially that was saying, "Can we go further along the DSOM continuum of control and improvement and if we are and could, should we do it more quickly and what would the benefits be?" and I will tell you more about that in a few slides' time.

The Target Operating Model, this is deliberately not a wiring diagram. You probably cannot... you may be able to read the detail on it. It does not really matter. What it shows you is those three legs. The one in the middle - the much shorter leg, [REDACTED] [REDACTED] is the area that I am running, the Transformation Programme. The bit on the left-hand side is ACDS Support Operations which is reorganising around the ACDS Logistic Operations leg that we currently have, so Admiral Andy spoke this morning and you are about to hear after the coffee break from General Simon Hutchings who is the new, as of the start of this week, I think, Director of Joint Support.

You will see underneath that a reorganisation of what I will hope you will agree here to be sensible things that need to be done within the Defence Support Operating Model, largely brigaded into those direct, deliver, develop and enable groupings. So, all of that seems to have landed quite well with a few teething problems and the odd bits of friction across boundaries and interfaces which we will need to work on over the weeks and months to come.

The Review, I have already spoken about. The idea was to pull forward and the exam question was could we do more sooner to make the Strat Base even better and more assured? We were invited to look at three things. They are listed and, just giving you a tantalising glimpse of where we think we will go with this, starting from the bottom CDLS does need to be able to make sure

that the training colleges train the right things, educate Support personnel properly and provide an output that is usable in the Defence Support Operating Model to deliver the effect that is required. In order to achieve that, the judgment is at this stage he does not need to own the colleges and “own” is an interesting word but let us not unpack it too much at the moment. He probably needs to own the training requirement and he needs to have an ability to assure the effect delivered by the training that is delivered to meet that requirement and he needs to have a loop back to say, “You are not doing well enough,” or, “You need to train on something new. Please do so.”

The Mounting Centres and other Joint Logistic Enablers, now to be called Joint Support Enablers, we have concluded that they are so intertwined and they are so integral to the system or systems that CDLS really ought to take ownership of those. Now, again, ownership is a simple word for a very, very complicated range of options and so for each of the individual Joint Support Enablers and Mounting Bases there will need to be an almost bespoke arrangement where across each of the Defence Lines of Development, so the DLODs, there are a different approach for each of those, for each of the JLEs potentially. Just to make sure that nobody runs away either excited or upset, we have acknowledged that the primary Defence APOE (the Airport of Embarkation) at Brize Norton is just so different because of the way that it is embedded and intertwined within RAF Brize Norton and the Royal Air Force that at this stage ownership of it cannot and should not transfer. We need to deliver the effects that CDLS requires in a different way and we are working on that.

Then at the top, the first bit around the enterprise-wide support services, again, interesting range of words, means lots of different things to different people but we are essentially saying that there is an option there to segment those into two things: those which are currently subject to the unallocated EP that do not, therefore, have a customer and the customer does, if there is anything like a customer does not have any money, we need to fix that by creating a customer and making sure that customer has money and that customer will be CDLS so that is where we are taking that review recommendation at the moment and so far we are doing pretty well at landing support for that.

The second bit is Business Modernisation for Support. [REDACTED]

[REDACTED] Anyway, Business Modernisation for Support. What is it? It is a fundamental review and change of our business processes in the Support space. What is it not? It is not an IT programme. Some people, I think, have the view that this is about replacing the constellation of IS that is currently in the FLIS space. It is not. What we are going to do, though, is we are in a timeframe out to about 2026, understand what will go forward when what we currently know as

FLIS is no longer what we rely upon and in order to do that we have got to do three things. FLIS has absolutely got to keep delivering, as it does now, those critical services on which Defence Support and consequently Defence relies. So there is a FLIS sustain element but in sustaining it, we also need to reduce the number of individual spreadsheets, bits of software, applications that we have and we need to start to wean people off separate bespoke processes, many of them that are essentially the same thing.

Whilst we do that, therefore, rather than sit on our laurels we will also do, through a thing that is called "Bridging the Gap" - again, unhelpful words because FLIS will not stop and BMfS will not start and there is a gap to bridge - there is a continuum of activity that will run on so if you think about bridging the gap as being something which is about modernising sensibly the most flaky elements of the current FLIS constellation and in modernising them we will be able to concentrate onto a smaller number of applications, that smaller number of applications will be modernised and become more resilient and if we do it sensibly it will be consistent with the enterprise architecture that we are designing for the BMfS period and will endure into that BMfS period. Meanwhile, BMfS proper will start to build the new data environment, start to curate properly the data, assure it and allow those things that we are creating in the modernised Bridging the Gap space to endure and for new applications to be developed. Then BMfS will be in and it will continue.

Because those three strands of activity, [REDACTED] there are the three strands about Business Modernisation for Support. I think there is nothing else that I wanted to cover on there except to make the point absolutely that when you see the acronym "LOG IS," so that abbreviation, make sure you think in your head that that second "S," so the "S" in "IS," is "Services" and it is not "Systems." We are planning not to buy any computers, not special ones anyway, and we are planning not to buy any systems. We are planning to have services delivered to us, probably software as a service, COTS-type package, but we need to understand that better in the future.

The next point is that this requires us to think differently about how we are going to deliver this because we need to do it in a different way. It is not just replacing FLIS, so we are not going to write a specification that says, "We do all this stuff currently. Please, somebody, come along and bid and give us a solution, fully costed, to deliver what is over there." So, we are adopting an approach which needs these types of agents within it but important is that we, as the authority, continue to understand what it is we need, what we want delivering and how it is going to be delivered. What we do not want is to say to some company, "Please tell us what we want, tell us how much of it we need and tell us how much it is going to cost."

General Richard talks repeatedly about a client socket. We are going to have a very, very robust client socket, so an intelligent customer, so we know what we want and we are prepared to engage to make sure we get it and then into that we will put that industry ball of people who know how to get there, have experience of how to do it and are able to use a lexicon that we do not use, know what it means, tell us what the results will look like but we do not want to lose that ability to keep a degree of control and understanding, intelligent customer understanding where our data is, what that data tells us, how we might be able to exploit it in the future. That is critically important.

A number of you will be very interested in the audience about this. It is not a detailed timeline. It is deterministic. It does not have any dates on it. It is not even the most up to date one. The reason for that is because we are about to enter a period of commercial activity so I am not going to tell you too much about this, nor am I going to answer any detailed questions so please do not waste your breath later asking detailed questions. I will leave you to decide what I mean by that but the big idea is we are about to launch our Strategic Outline Case. This will say to our approvals community, "Please allow us to get on with 14/18 months of activity, really understanding what this thing should look like in the future," and in doing that allow us to run potentially a series of trials. Those trials will form part of that modernisation activity that I am talking about and we will end up with a bunch of pilots and in a sort of agile way, if those pilots go as well as we hope they will, they will both be good user cases, they will show us how they could work in the future and how we might take this forward but as well as that there could be things that we scale then massively and start to get better services into the hands of our people immediately, delivering effect, creating a clamour for more and getting people bought in at the lowest level as champions of this change.

In terms of the timeline then, at the end of that period we will go back with another business case. That business case will be designed to get us onto contract with that partner that we will then go forward with over a number of years. You will see in the middle there is a bunch of other things that we think we need to do. They will be the subject of yet more business cases in our slightly byzantine process but the aim is to make it all work as slickly as possible, not to be on the last minute all the time. Some of those things could happen much earlier than they appear to occur on the timeline as it is shown but the end result will be a partnership arrangement, we hope, with somebody for a good number of years to deliver what we think we need. What I did not say in all of that which I should do is the Strategic Outline Case is designed to have that first contract on contract late summer/early autumn this year, so this is going to start moving really quite quickly.

The third bit is the Support Transformation Portfolio. I call this the “stable of bright ideas, stable of discovery projects,” and we have loads of them at the moment. This is important. You should learn all the detail because I will ask... no, I will not ask questions later. It is just to give you the idea that we are thinking about a number of things and I am going to just talk about two of them in slightly more detail, living to my promise not to eat too much into coffee.

The Defence Fuels Enterprise Strategy, this is now moving forward really quite well. There are people out there who say, you know, “How much studying do you need to do? Simple, isn’t it? You just need to do something different,” and the different is readily understood because lots of other people have been there before you. There is a grain of truth in that but, as I said earlier, this is a bit like a microcosm of the DSOM. We all think we know what the problem is. We all think we know what the solution could be but when we go and talk to colleagues around the world and partners who have been down this road, there is just enough of a moment to pause, to think, “Go slightly more deliberately. Think about how to do this,” to make sure you are really fixing the root cause issues and aiming off for what you want to achieve in the future and that you are fully meshed with everything else that you are seeking to do across the Defence Support Enterprise.

However, it is clear there is a case for change and doing things differently and what we are probably... what we have decided is that fuelling, so fuelling, not fuel the wet stuff, is different and it is sufficiently different to be treated as a capability in and of itself and that is almost certainly the approach we are going to take and you can see on there some more activity that we are going to undertake to make sure that we have all the ducks in a row before launching finally that strategy forward.

Something that is moving much more quickly is forecasting and resource planning. I was quite shocked to learn when I saw this that it is not already commonplace. What it essentially does, it says if you have got a thing, more often than not an equipment type, do not look at it down a series of stovepipes, particularly where those stove pipes essentially are budgetary cylinders of isolation, if you will. Look at the whole thing end to end and in looking at the whole thing end to end, find the bits in that end to end support and use and operation process to find where the real problem is and, more importantly, where is the real problem that by spending some money or putting in some additional resource or doing something differently you get an improvement overall. That sounds easy. It sounds common sense. Not really been applied in the recent past and what it does mean is that there is a degree of nervousness out there to open the books and allow people in and provide the access to get all of that information across organisational and budgetary boundaries but what it also means is sometimes you need to spend some money in one place where there is no money so you have to then go and get the money from across the

endeavour by making the case that by spending the money here where nobody has the money to spend, overall it is better for Defence and that is the right thing to do.

What is good news here is we have had such early success that we are now victims of that success so there is that perfect customer clamour saying, "Please will you come and apply your toolset to this thing that we think is a problem and we would like you to get after." We have done a bit of that because, of course, nurturing that customer clamour, stoking it up such that we have three-stars, particularly in the air environment but I think increasingly in the other environments who are saying, "This is brilliant. We need more of it. When can you come and look at my pet problem?" means that we are starting to make the case.

Even more importantly, we are getting to a position where frontline commands are prepared, and you can imagine how reluctant they have been, to sit at a table, shake hands, knock the table and agree savings flowing directly from investigations under F&RP, financial, cashable savings, that they are prepared to say, "We agree that those will be delivered and you may now put them in our accounts as a line of savings." Now, that is a big step and the more we are able to do that and deliver with confidence that when we say X millions will turn up, they actually do and that nobody is disappointed in the getting to that saving of X millions, then we will be able increasingly to wash our own faces and Transformation will begin to pay for itself, we are supremely confident, from year 4 which is a good thing.

Why can we not do more of it? We can we not go further? Why can we not go faster? The answer is we just do not have the resource. "So, why don't we just go and buy the resource in?" you would say. It is because it does not exist because the way in which we do an F&RP, the way that we use our techniques, the tools that we use, the way that we can hold the data, I am told, is unique and there just is not a market out there that has the resource within it that we can go and buy. What we are trying to do now is work out ways where we could stimulate that market, if you will, market our product, create an environment in which we get a... not an organisation. We get a population of people who are able to deploy our skillset and then buy it in to use them to provide the resource that we cannot grow ourselves quite so quickly. That is early days and a different model to one that we would normally use but I think there is real opportunity there.

I try not to put too many slides up with figures on. I spent four years doing that in the Air Force and I still bear the scars so I try not to do this but it is important. We have to have a licence to operate despite the fact that we are going to deliver betterment for Defence, particularly in the Support environment. We would not be nurtured, we would not be loved if we were not demonstrating benefits and benefits in the sense of financial savings. So, I put those up just to

demonstrate there are some big numbers there and we are really confident that they will turn up. They are not pie in the sky and, as I say, from year 4 we will be paying for ourselves.

In summary, just a little bit over for which I apologise, we understand the challenge. We have got a plan for delivery. We have made a lot of progress to date and although there is still a lot to be done, we are really confident that we now have the skills, tools in the bag to get on with doing it. Moreover, as we heard, Defence is behind us. Support is now a thing that is seen as being important to the ability to do our Defence business properly in the future and because we are demonstrating the ability to create savings, that is a perfect, perfect position in which to be and on that positive note, I shall leave you to it. Thank you very much.

*[Recording ends]*