

Building the Business Case

Dr Robin Miller

Centre for Defence Analysis



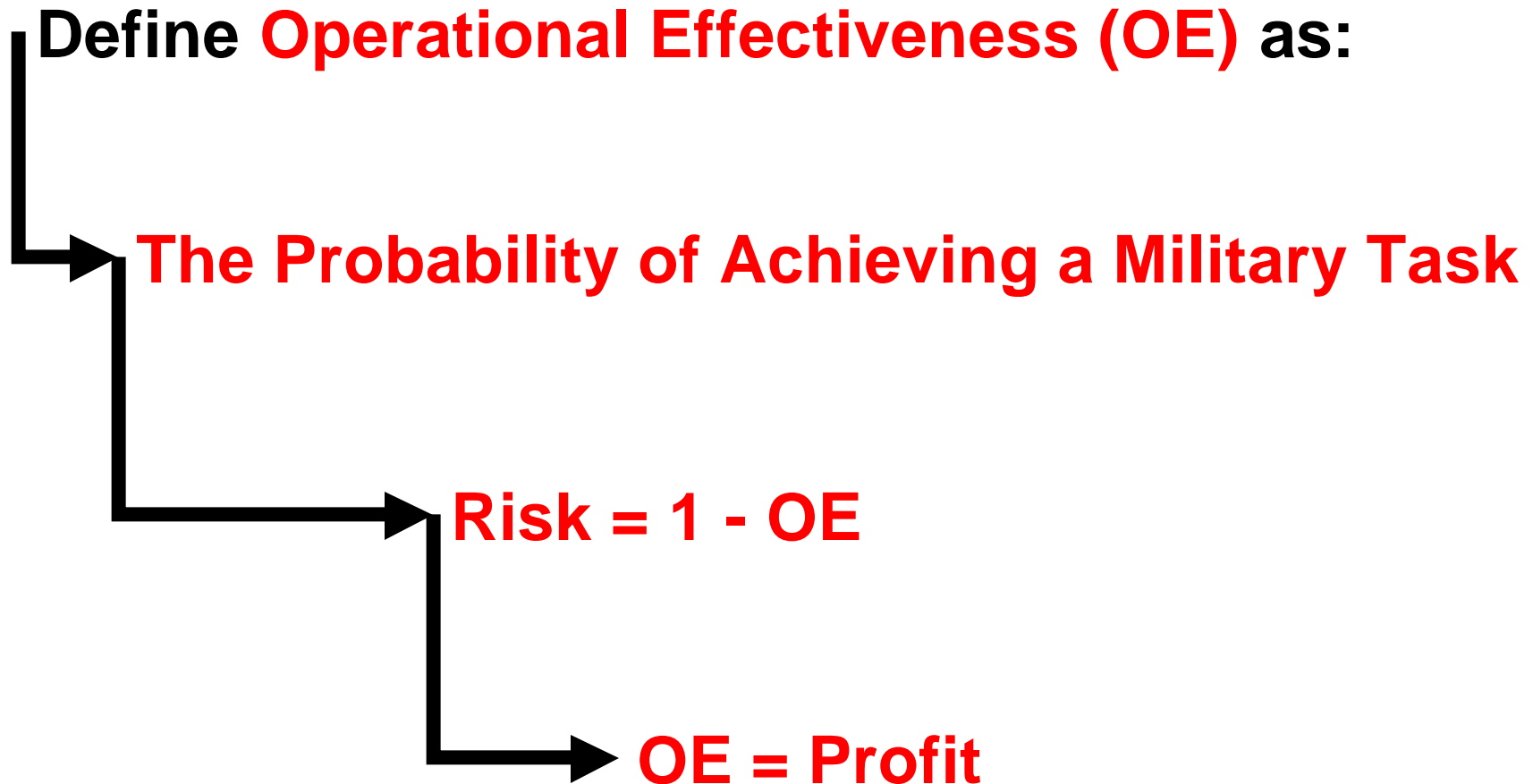
Report Documentation Page

Report Date 15052001	Report Type N/A	Dates Covered (from... to) -
Title and Subtitle Building the Business Case	Contract Number	
	Grant Number	
	Program Element Number	
Author(s) Miller, Robin	Project Number	
	Task Number	
	Work Unit Number	
Performing Organization Name(s) and Address(es) Centre for Defence Analysis	Performing Organization Report Number	
Sponsoring/Monitoring Agency Name(s) and Address(es) NDIA (National Defense Industrial Association 2111 Wilson Blvd., Ste. 400 Arlington, VA 22201-3061	Sponsor/Monitor's Acronym(s)	
	Sponsor/Monitor's Report Number(s)	
Distribution/Availability Statement Approved for public release, distribution unlimited		
Supplementary Notes Proceedings from 3rd Simulation Based Acquisition conference, 15-17 May 2001, sponsored by NDIA, The original document contains color images.		
Abstract		
Subject Terms		
Report Classification unclassified	Classification of this page unclassified	
Classification of Abstract unclassified	Limitation of Abstract UU	
Number of Pages 8		

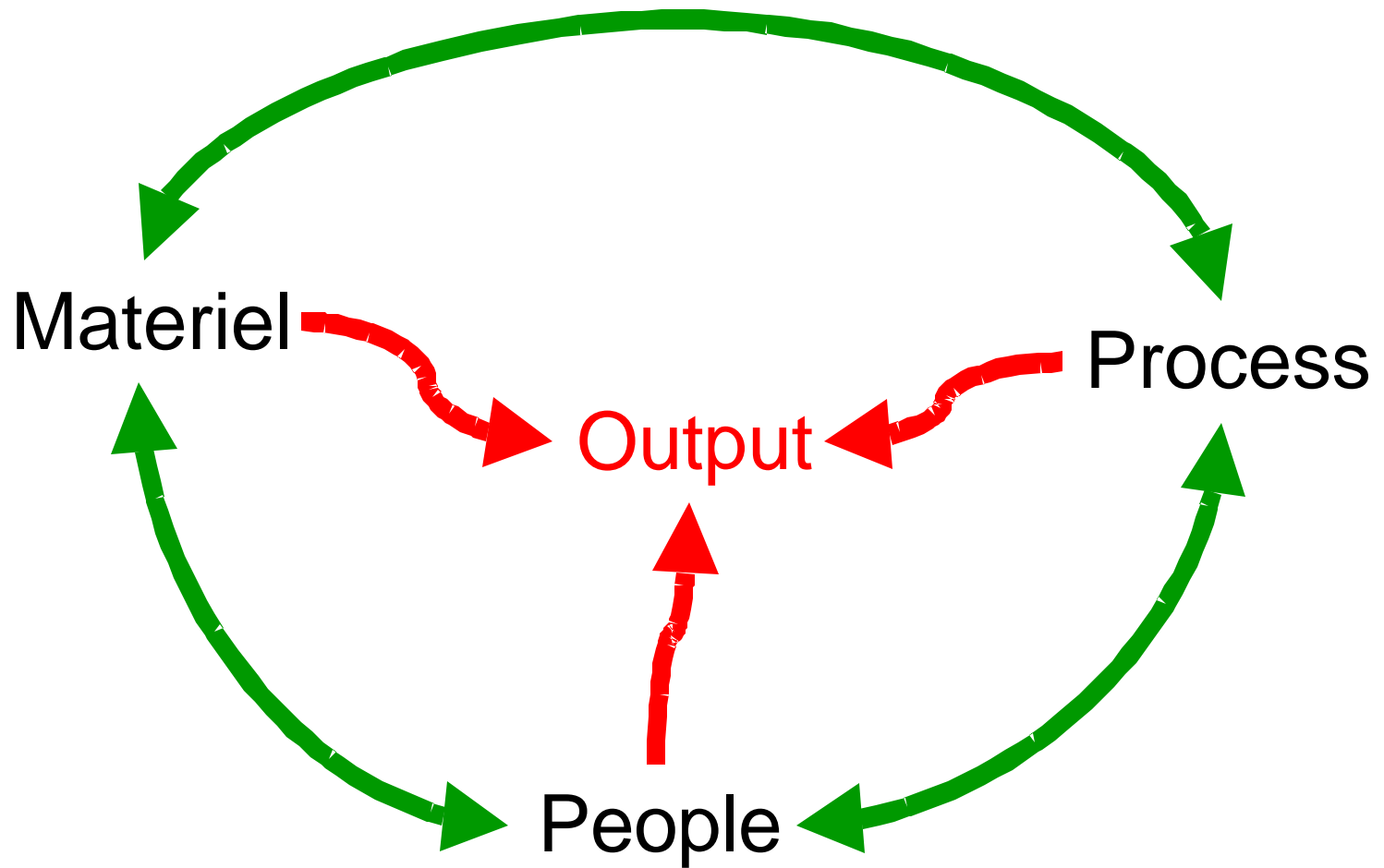
SBA Problems

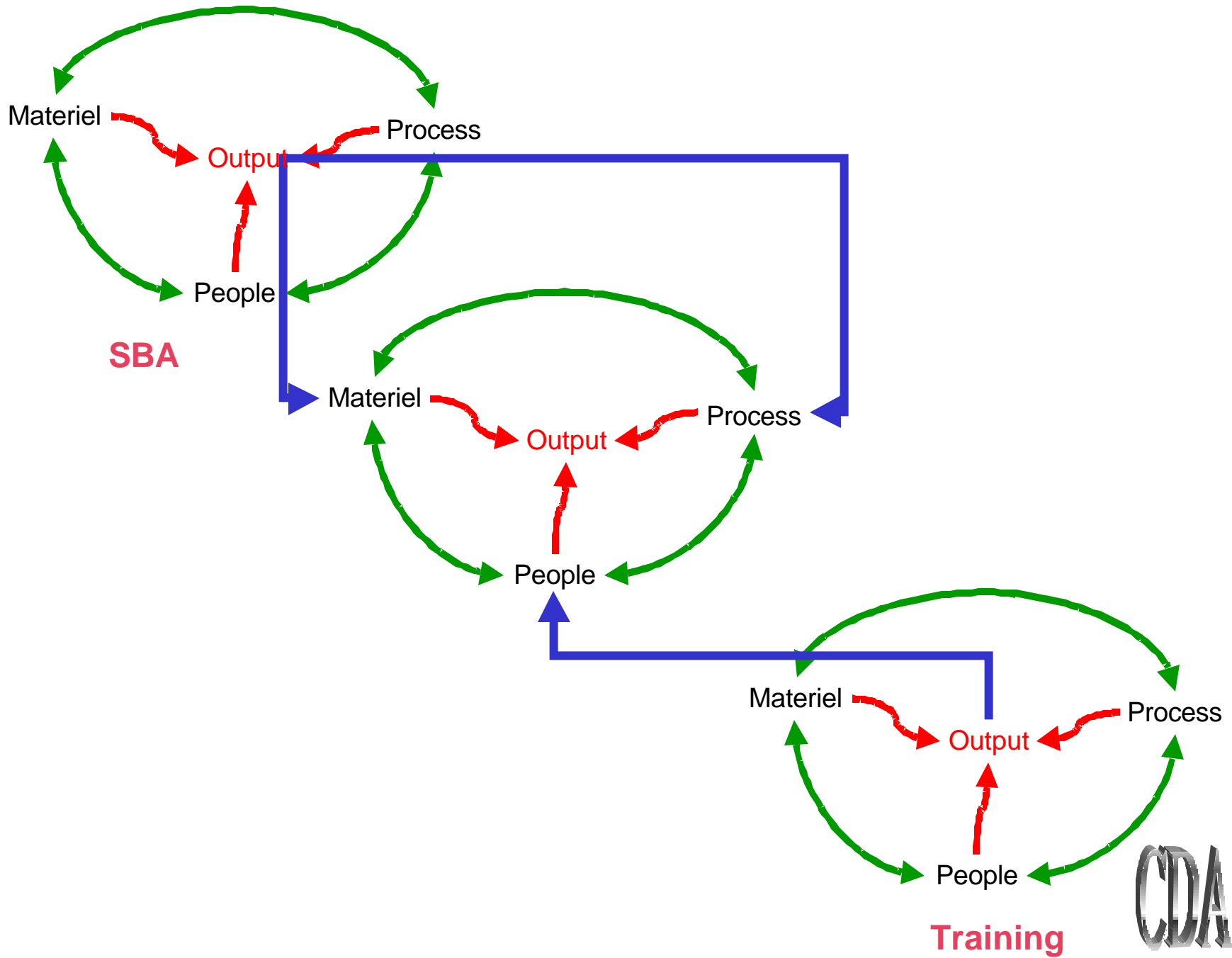
- **SBA is supposed to be “lust to dust”**
 - BUT seems to affect only Programme Managers
- **SBA needs culture change**
 - BUT seems to affect only Programme Managers
- **Result**
 - Initiative fatigue
- **Unless SBA starts at the top it won't work!**

RoI at Board level



The Enterprise





- **MoD/DoD have to maximise OE by**
 - **estimating it - now and in the future**
 - **deciding how to invest in men and/or materiel and/or process to fix politically unacceptable shortfalls**
 - **ensuring that a mechanism exists to ensure coherence between investments in these three areas**

Managing OE

- **Two ways of doing this**
 - Implicit modelling aka pure judgement
 - Explicit modelling
- **Benefits of explicit modelling**
 - All stakeholders see all points of view
 - Trade-offs between men/materiel/process can be made coherent
 - auditable links to operational risk can be maintained



Business Case Challenge for SBA

- **What is likely reduction in operational risk arising from investment in M&S at MoD/DoD level?**
 - From understanding the risk better?
 - From more coherent remedial strategies
 - From providing PMs with top-down targets for materiel performance?
 - From providing PMs with explicit insights into how men/process improvements will affect their programmes?
- **Reduced Risk = Less operational cost**

