



Three Defence Reviews in Two Years

Lessons in the use of analysis to inform strategic decisions

Andy Caldwell & Rob Solly

Senior Principals

Dstl Policy and Capability Studies Department

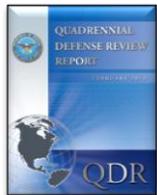
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Two years of good fortune or punishment?

Working on three consecutive Defence Reviews

- The authors: Andy Caldwell and Rob Solly
 - Engineering degrees
 - Senior Principals with 15 and 20 years experience of OA in Dstl
 - Seconded to the UK MOD's Policy Area
 - Seconded to the US (CAPE and Policy)
- Aim: to share the lessons we learnt working on



**US Quadrennial
Defense Review**
2009 / 2010



**UK Strategic Defence
and Security Review**
2010

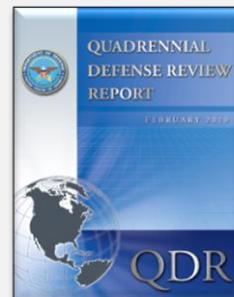


**UK Defence
Reform Review**
2010/2011

- This presentation contains the personal views of the authors and does not present the official position of either the UK MOD or the US DOD

The three reviews presented a range of different requirements for analysis

	QDR 2010
Political direction	Balance across 4 key themes
Review team and their structure	3 organisations, led by Policy
Analysis conducted by	Analysts within each organisation
Time available	9 months
Type of analysis	Scenario-based force structure analysis, Wargaming
Analysis informed (primarily)	Force sizing construct, policy priorities



*“In order to determine the mix of military capabilities best suited to supporting the nation’s defense strategy, **the QDR was analytically grounded.** The Secretary, advised by other senior civilian and military leaders within the Department, reviewed, modified, and endorsed **a set of scenarios that the QDR used to help evaluate current and potential future forces.** The analysis also focused heavily on assessing the needs of commanders and forces in the field today...”*

The three reviews presented a range of different requirements for analysis

	SDSR 2010
Political direction	Balance policy, plans & resources
Review team and their structure	Single organisation (Strategy)
Analysis conducted by	Small internal team + external analysts
Time available	5 months
Type of analysis	Scenario-based force structure analysis, Visualisation
Analysis informed (primarily)	Future force structure



“We have therefore identified the forces and capabilities we may need in 2020, but deliberately focussed in this Review on the decisions that need to be taken in the next four years....”

*The planning framework set out above enables us **to identify the Armed Forces we will need over the next ten years**, and the changes that are required to deliver them.”*

The three reviews presented a range of different requirements for analysis

	DRR 2011
Political direction	De-centralise MOD into 3 pillars
Review team and their structure	Dedicated team
Analysis conducted by	External analysts
Time available	9 months
Type of analysis	Visualisation, Benefits analysis, Red-teaming
Analysis informed (primarily)	Organisational design

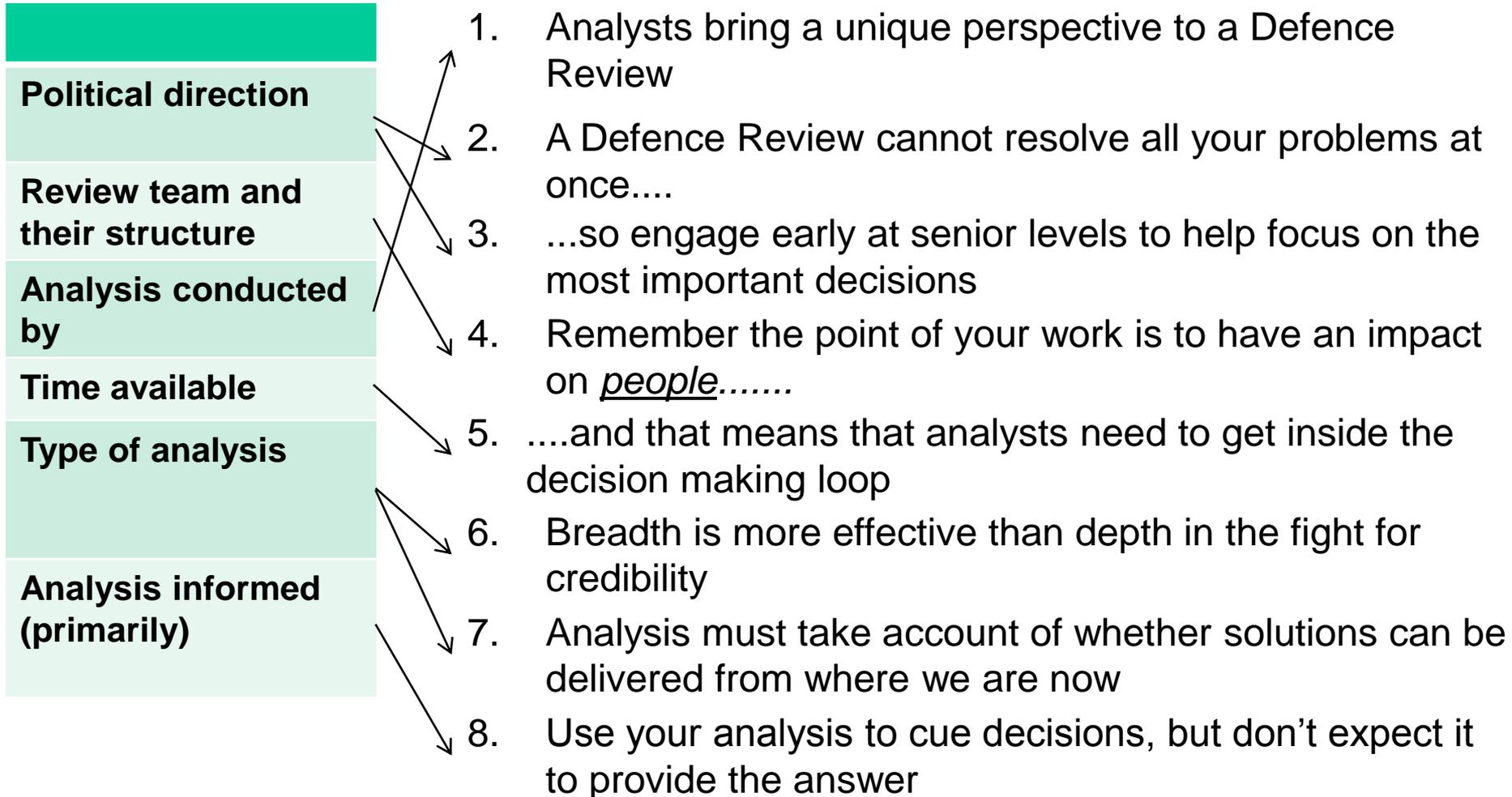


*“In this work we deliberately started with a blank sheet of paper and **considered what the fundamental building blocks of Defence are and how they should fit together**”*

The three reviews presented a range of different requirements for analysis

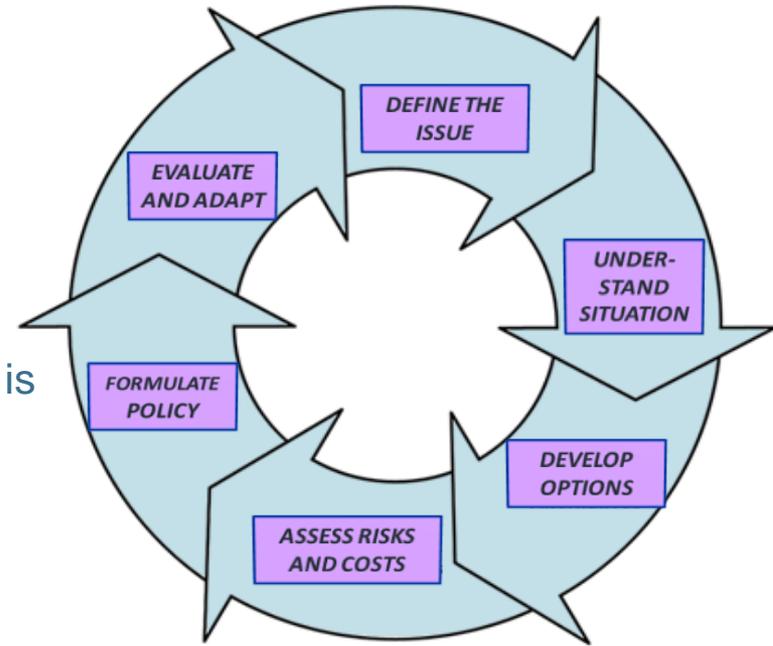
	QDR 2010	SDSR 2010	DRR 2011
Political direction	Balance across 4 key themes	Balance policy, plans & resources	De-centralise MOD into 3 pillars
Review team and their structure	3 organisations, led by Policy	Single organisation (Strategy)	Dedicated team
Analysis conducted by	Analysts within each organisation	Small internal team + external analysts	External analysts
Time available	9 months	5 months	9 months
Type of analysis	Scenario-based force structure analysis, Wargaming	Scenario-based force structure analysis, Visualisation	Visualisation, Benefits analysis, Red-teaming
Analysis informed (primarily)	Force sizing construct, policy priorities	Future force structure	Organisational design

Our 8 lessons



Lesson 1: Analysts bring a unique perspective to a Defence Review

- Evidence-based policy
 - Influence the process of a review to ensure that policy is **evidence-based**
 - Even if the process is already set, ensure policy is **evidence-informed** by gathering evidence from multiple, independent and impartial sources
- Impartiality and openness
 - Analysts can and must work across stovepipes
 - Inform your boss; avoid producing evidence to justify your boss's point of view
 - Avoid over-analysing numbers derived from judgement
- Explaining complex issues
 - Use soft analysis techniques to present complex issues in simple strategic terms relevant to decision makers
- Institutional knowledge
 - Record what happened and learn from what happened last time



Lesson 2: A Defence Review cannot resolve all your problems at once....

- Politicians have limited political capital to expend on each review
 - Change is painful, expensive and usually unpopular
 - This limits the number of big changes that can be made
 - Of course, this applies more to cuts more than enhancements
- Defence Reviews are just one of a number of bites at the apple
 - QDR *was followed by* the budget review
 - SDSR *was followed by* the 3 Month Exercise
 - Defence Reform *was followed by* detailed plans for Transformation
- Clarity of political direction can make life a lot easier
 - But it is important to use political capital on things that will make the biggest difference

Thursday November 18, 2010
New leak exposes MoD fury at defence cutbacks

Defence experts spell out danger of new cutbacks

Brown goes into battle with billions for defence

Lesson 3: ...so engage early at senior levels to help focus on the most important decisions

- Analysts are not usually the first people to be consulted on the strategic issues that a review should address
- But our prior experience, preparatory analysis and problem structuring skills can help to identify the most important questions before it's too late
 - Whether to modernise equipment or improve conditions for personnel?
 - Whether to prioritise the future force or the current force?
- Order of questions is important – the early questions close off later options
 - Early analysis should be broad and simple to close off unproductive lines of enquiry
 - There are no stupid questions!
 - Followed by more detailed and narrow analysis
 - Otherwise analysis will be a discovery exercise which could lead you down the wrong path

Lesson 4: Remember the point of your work is to have an impact on people.....

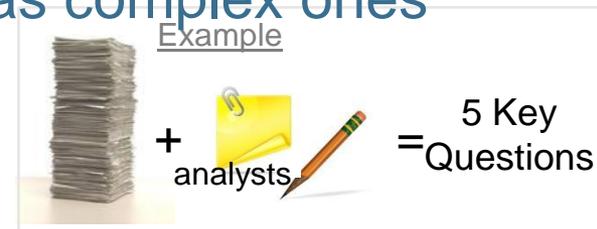
- Analysis is about developing **and then transferring** knowledge
- Analysts must understand how decisions are made
 - There is a documented process and a parallel undocumented process
 - Easy to get agreement to grow but very difficult to get agreement on cuts
 - Cuts drive secretive behaviours, sacrificing openness & impartiality to avoid leaks & gaming
 - Almost all senior decision makers welcome impartial analysis but bureaucracies can help them avoid making tough choices
 - The “staffing” culture makes decisions at more junior levels so the bosses don’t have to
 - The “drafting” culture avoids decisions by writing ambiguous words that both sides can accept
- Where analysis enters the decision making cycle affects its visibility and impact
 - Analysis has the most impact if the person you’re trying to advise requests or really wants your help
 - Identify who the key individuals are and offer analysis directly to them
 - Offer to present them with real choices and show them their pros and cons

Lesson 5:and that means that analysts need to get inside the decision making loop

- Quality and speed of your first response are critical to credibility
 - Respond in days rather than weeks
 - Start with simple tasks
 - Problem structuring, structured judgement
 - Analysing/simplifying existing results
 - Generic/pre-prepared tools and data
 - Red-teaming
- Maintain frequent dialogue
 - Buys decision makers into the process and leads to a series of questions and answers, building their knowledge incrementally
 - Think about your work as 20 one week projects rather than a 5 month one
- Sit with the people working the issues
 - Out-of-sight is out-of-mind and out-of-date

Lesson 6: Breadth is more effective than depth in the fight for credibility

- Resist the temptation to gold-plate analysis in a few areas while ignoring important factors in others
 - Always ask yourself “Where can I obtain most impact through applying analysis?”
 - Defence Reviews usually set broad strategic direction
 - Most analysis is drastically simplified before it is briefed
- Developing new scenarios is extremely time-consuming and distracting
 - Re-use previous work by de-coupling results from previous political context
 - Sensitivity analysis to a wide range of reasonable scenarios is more useful than false precision
- Sometimes simple techniques are as useful as complex ones
 - Helps address complex issues
 - Overcomes group think
 - Gets buy-in and gets you inside the decision making loop



Lesson 7: Analysis must take account of whether solutions can be delivered from where we are now

- Too much analysis optimises a steady-state, either now or in the future
-but we are actually choosing between programmes that take time, not end-states
- Think of your options as alternative pathways not just destinations
 - What is the cost and effectiveness of the pathway, not just of the destination?
 - Which pathways are most robust to future changes in destination?
- Modify your thinking, depending on how future-led you wish to be
 - Which pathways lead from here?
 - Which pathways do we wish to get onto or avoid?

Lesson 8: Use your analysis to cue decisions, but don't expect it to provide the answer

- Deliver results personally
 - Allows dialogue and discussion around counter-intuitive results
 - Dialogue leads to follow-on questions and buys the decision maker into the work
 - Single numbers/metrics are rarely sufficient to explain a complex situation
- Use short presentations/papers
 - 5-8 slides: issue, results, implications
- Use analysis as a means of teeing up the real negotiations
 - Round-table discussions, cued or informed by analysis, are how decisions are really made

Questions

[dstl]



Analysts bring a unique perspective to a Defence Review

A Defence Review cannot resolve all your problems at once....

...so engage early at senior levels to help focus on the most important decisions

Remember the point of your work is to have an impact on people.....

...and that means that analysts need to get inside the decision making loop

Breadth is more effective than depth in the fight for credibility

Analysis must take account of whether solutions can be delivered from where we are now

Use your analysis to cue decisions, but don't expect it to provide the answer