Building the Business Case

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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!
Define **Operational Effectiveness (OE)** as:

The Probability of Achieving a Military Task

Risk = 1 - OE

OE = Profit
• 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