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Helping Defence Organisations Achieve High Performance

• Consulting • Technology • Outsourcing



Helping Defence Organisations Achieve High Performance

Accenture believes that high performance for defence organisations¹ is the successful completion of operations. This is supported by efficient and effective planning and execution of frontline and back-office systems and support providing the warfighter with the logistics and information to be successful. The combination of planning, managing and executing well-supported actions provides a mechanism for defence organisations to protect citizens and deliver results, while taking into account the challenges they are facing in today's geopolitical environment.

Working with defence organisations in Australia, Britain, Canada, Denmark, Finland, France, Italy, Japan, Germany, the Netherlands, Norway, Singapore, Spain, Sweden and the United States, Accenture's Defence group has helped deliver outcomes supporting operational needs on a global scale, helping our clients achieve high performance in support of the warfighter. Our collaborative approach to working with clients, based on more than 20 years in defence, proven methodologies and commercial best practices, enables us to solve complex and unique

challenges and deliver value. At Accenture, we understand there is no room for failure when operations and lives are at stake. From back office to the front lines, we work closely with defence organisations to deliver complete and flexible solutions for high performance at speed, helping clients meet future goals, mitigate risk and realise cost savings. Visit www.accenture.com/defence for more information.

Today's defence organisations are charged not just with increasing operational effectiveness, but also improving business efficiency and delivering better value for taxpayers. With experience in helping defence

organisations around the world, and an understanding of the key business dimensions that drive high performance, Accenture has identified four areas that can help optimise efficiency and effectiveness across defence organisations as they journey towards high performance: Lean Six Sigma, outsourcing, strategic IT management and effective talent management.

This document outlines current trends, best practices and client examples across these four areas.

¹ For the purpose of this document the term 'defence organisation' refers to the government ministries, agencies and departments associated with defence. This includes both military and civilian organisations.



Lean Six Sigma

1

As both budgetary and performance pressures continue to increase, defence organisations must learn to optimise processes to drive down costs and increase operational effectiveness. Lean Six Sigma, a proven management science which provides a set of tools and techniques to deliver measurable benefits to defence organisations, offers an effective way of achieving this process change at speed.

Accenture enhanced its long-standing strategy and operations expertise with the 2007 acquisition of George Group, a recognised market leader in process, operational and business transformation and innovation strategy. Through the identification of a large portfolio of Lean Six Sigma initiatives, the George Group helped realise savings of nearly \$2 billion for the US Army.

2 Michael L. George. *Lean Six Sigma for Service: How to Use Lean Speed and Six Sigma Quality to Improve Services and Transactions*. New York: The McGraw-Hill Companies. 2003.

Lean Six Sigma is a combination of two disciplines:

- 1. Lean focuses on eliminating waste and optimising process flow.** Originally developed into an improvement system used in manufacturing by Toyota, Lean is now being used to reduce waste in service processes by 30 to 80 percent.² The seven typical areas of waste across an organisation are defects, overproduction, transportation, waiting, inventory, motion and over-processing.
- 2. Six Sigma is the most effective quality improvement system in use today.** Its goal is to eliminate defects in a process, product or service to create something that is near perfection. Six Sigma was developed by Motorola. Motorola's key insight was realising that the only way to guarantee a positive impact on business results was to build a strong infrastructure made up of dedicated, trained personnel and processes.

Defence organisations must learn to optimise processes to drive down costs and increase operational effectiveness.

Benefits of Lean Six Sigma

Lean Six Sigma brings proven rewards across organisations, including typical cost reductions of 30 to 60 percent and capacity expansions of up to 20 percent.³ The implementation of Lean Six Sigma methodology also helps reduce organisational waste, typically delivering the same outcome for up to 20 percent less cost.

In the UK Ministry of Defence, the application of Lean thinking to the operational planning process in Afghanistan reduced the number of convoys required in-theatre by over 50 percent, both improving logistics efficiency and minimising risks to personnel. Additionally, the adoption of Lean techniques reduced the turnaround time for deep repair and maintenance of Apache helicopters from over 50 days to 42 days.⁴

Furthermore, in the US Department of Defense, the adoption of Lean Six Sigma techniques helped dramatically improve emergency department triage wait time at the US Army's Brooke Army Medical Center (BAMC), improving the wellbeing of personnel. Here, the George Group completed a comprehensive analysis programme using Lean Six Sigma, process mapping, metrics and data collection to achieve the following results:

- Reducing mean wait time for triage to start from 29 minutes to 11 minutes.
- Reducing mean time for the total triage process from 37 minutes to 20 minutes.
- Improving process consistency.

³ Michael L. George. *Lean Six Sigma for Service: How to Use Lean Speed and Six Sigma Quality to Improve Services and Transactions*. New York: The McGraw-Hill Companies. 2003.

⁴ <http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/AnnualReports/MODAnnualReports0607>. (Section 1: Enabling Processes PDF.)

Optimising the benefits of Lean Six Sigma

With a breadth of experience in implementing Lean Six Sigma across organisations, Accenture understands how organisations can seek to optimise the benefits of Lean Six Sigma to achieve high performance:

- **Engage leaders and drive workforce buy-in.** Lean Six Sigma will be most effective if employees can rapidly adapt to new business processes and technologies, learn new skills and tasks quickly, and work to increase efficiency and continuously reduce operating costs. For this to happen, organisations need a strong leadership team engaged in the deployment. This means the leadership team must educate itself in the appropriate and inappropriate uses of Lean Six Sigma, establish goals and priorities for the deployment, establish measurement systems to gauge progress and regularly review the deployment status.
- **Treat Lean Six Sigma as one integrating discipline.** Historically, some organisations have tried to develop Lean and Six Sigma as separate disciplines, each requiring separate training and each staffed by different resources. In real life, solving problems or achieving performance goals requires a mix of techniques from both areas, so it is most effective to establish a single infrastructure staffed by people (including top leaders) trained on both disciplines.
- **Focus on becoming self-sufficient.** Lean Six Sigma encompasses management practices that are not widely known or used outside the discipline. Bringing in outside expertise is, therefore, a prerequisite in getting organisations up to speed—and generating measurable results—within the first few months of launch. However, the goal should be to transfer skills and knowledge inside the organisation as quickly as possible.
- **Develop appropriate performance management systems.** Deployment needs to be carefully guided and monitored to ensure that Lean Six Sigma projects are focused on achieving key strategic objectives and that changing priorities are fed back into the Lean Six Sigma deployment systems. This can be achieved by implementing 'score-carding'—the process of applying key performance indicators to strategic objectives—and through the continuous monitoring and analysis of the organisation's external environment.
- **Use the right tool for the right problem.** Lean Six Sigma encompasses a wide range of improvement techniques, from (a) the highly structured DMAIC (define-measure-analyse-improve-control) method used to tackle complex problems of uncertain origin, to (b) Kaizens- focused week-long improvement events that apply Lean techniques to rapidly improve process speed, to (c) 'just-do-it' practices that provide an avenue for safely implementing obvious solutions.

Lean Six Sigma brings proven rewards across organisations, including typical cost reductions of 30 to 60 percent and capacity expansions of up to 20 percent.

Supporting the warfighter

Accenture enhanced its long-standing strategy and operations expertise with the 2007 acquisition of George Group, a recognised market leader in process, operational and business transformation, and innovation strategy. George Group helped solve the strategic issue of scaling Mine Resistant Ambush Protected (MRAP) vehicle production to meet warfighters' urgent needs.

Not since the production of the Jeep during World War II, has an industry-government collaboration produced these kind of results:

- In four months, the MRAP programme increased its production by a factor of five.
- Lean Six Sigma experts provided insight that led to trimming an estimated 1,000 potential vehicle configurations to less than 40.



Outsourcing

2

As defence organisations strive to improve operational effectiveness, efficiency and cost savings, they are seeking to maintain a focus on core processes. To achieve this focus, they are outsourcing non-core functions. Outsourcing has made an impact in both the public and private sectors where it has led to operational effectiveness, cost savings and strategic advantages. With proven experience in outsourcing, Accenture can assist organisations in achieving optimal results from their outsourcing arrangements.

Outsourcing within defence

Outsourcing is not a new concept in defence. External contractors have long been used to provide basic support functions such as cleaning, catering and security. However, defence organisations are now seeking an expansion of outsourcing for the internal, business and operational functions, such as logistics, financial administration, HR, procurement, IT and the training of troops. As defence

organisations increase their level of outsourcing they are facing key challenges around deciding what functions to outsource, and in realising the desired benefits of outsourcing.

The stage and level of investment in outsourcing within defence varies across the world. The US Department of Defense, for example, is outsourcing many capabilities close to the front line, with private contractors increasingly carrying out what were traditionally military roles, ranging from local army training to guarding installations and convoys.

Many defence organisations across Europe are also investing in and seeking new outsourcing opportunities. For example, the UK Ministry of Defence has set up a partnership to transform how specialist training is delivered, where the private partner has taken responsibility for the design and delivery of training in a 25-year contract that is expected to deliver major cost savings.

Meanwhile, the German Ministry of Defence has outsourced various processes, including the outsourcing of IT (Project Herkules) and clothing logistics, whilst the Netherlands Ministry of Defence has outsourced sections of its HR processing.

Benefits of outsourcing

Accenture's ongoing research into the characteristics of high performance businesses and governments has found that outsourcing is a key factor when it comes to delivering high performance.

One major feature of outsourcing is its potential to be used as a cost-reduction tool, with organisations being able to outsource non-core activities to external providers. For example, in 2001, QinetiQ, one of the world's leading defence technology and security companies, outsourced its IT functions to Accenture and as a result was able to achieve a 30 percent reduction in operating costs within the first year.



Defence organisations are looking to realise similar efficiency gains from outsourcing and are working with private sector firms that can provide them with valuable support services at a reduced cost.

Over the last decade, there has also been an increase in the use of outsourcing as a strategic business tool beyond cost reduction, with organisations being able to increase their focus and efficiency on core business processes. For example, having transformed from a government-funded entity to a firm competing in the private sector meant QinetiQ needed to focus on its core research and development capabilities, while reducing non-core expenditure, which was a major reason in its decision to outsource its IT functions to Accenture.

⁵ http://www.accenture.com/Global/Research_and_Insights/By_Industry/Consumer_Goods_and_Services/DrivingCompanies.htm

Optimising the benefits of outsourcing

With a workforce of more than 75,000 outsourcing professionals, Accenture has the experience to lead the way for organisations seeking to optimise the benefits of outsourcing to achieve high performance.

The outsourcing relationship

One consistent characteristic identified in the most successful outsourcing arrangements is the need for a relationship built on trust and commitment between the outsourcer and provider. Accenture has identified seven leading practices used by experienced outsourcers when building outsourcing relationships.⁵

- **Build in broad business outcomes early and often.** Business outcomes should be included as a performance measurement from the outset. However, as contracts often run for several years they should be continuously adapted

to changing business conditions to allow both parties flexibility and consistency in delivering expected outcomes over time.

- **Hire a 'partner,' not just a 'provider.'** Organisations should consider outsourcing providers that bring a wide set of skills and strengths, and a long-term track record of delivering results. Defence organisations must consider not just the cheapest option, but also the most appropriate. Security, agility and focused commitment are an important issue in defence contracting and are key considerations when defining the right outsourcing partner.

- **It is more than a contract, it is a business relationship.** Experienced outsourcers suggest that over time the relationship between the outsourcer and the service partner is a key success factor. Relationships should be built upon trust, outcomes and commitment to ensure the greatest level of success.

- **Use gain sharing and incentives.** Risk/reward provisions can be used as incentives for achieving high performance through outsourcing. Incentives are often used in business as a reward for extraordinary performance or to encourage higher levels of risk to achieve higher levels of reward.
- **Use active governance.** Maximum performance can be gained from outsourcing arrangements through active governance. In the Accenture Executive Discussion Forums—in which senior executives from a diverse range of companies shared their thoughts and insights on a broad range of issues related to outsourcing—many participants agreed that governing the outsourcing arrangement and managing the relationship between the outsourcing company and the service provider are among the most important, yet sensitive, issues to be addressed.
- **Assign a dedicated executive.** Outsourcing is a full-time business proposition requiring focused attention at the management level. Executives should be tasked with the mission of optimising outsourcing arrangements throughout the length of the contract. Accenture utilises various operating models to assist executives in optimising outsourcing outcomes across a range of organisations.
- **Focus relentlessly on primary objectives.** Three objectives clearly stand out as important for defence outsourcing arrangements: reduced costs, improved processes and a greater focus on the core business. These objectives should be aligned with strategic goals and must be considered in an outsourcing project of any size.

⁶ http://www.gebb.de/Unternehmen/English_Information.html?jsessionId=B7D11649FAEA0B540E44A4CF22156FC4.

Finding operational excellence in outsourcing

It is important that organisations align outsourcing objectives with strategic goals and outsource the right functions to achieve their desired business outcomes. Choosing what to outsource is therefore a vital element in achieving high performance through outsourcing.

In order to identify new areas for outsourcing, the German Ministry of Defence has created a company (g.e.b.b.) whose remit is to assist the Bundeswehr (the German armed forces) in fulfilling its military core tasks by relieving it of non-military tasks. This company ensures that services are efficiently provided, giving the Bundeswehr an opportunity to mobilise private sector capital in order to reduce operating costs and create new revenue streams.⁶ This has already led to the Bundeswehr starting a number of successful outsourcing initiatives, including Project Herkules, a €7 billion IT outsourcing deal.

To achieve operational excellence in outsourcing, Accenture believes it is important to work with clients to clearly define the desired business outcomes at the beginning of a project. The joint Accenture and client team then puts precise, objective performance metrics and effective governance mechanisms in place to ensure goals are met and tracked along the way. At the same time, Accenture works with clients to anticipate long-term needs and helps them to be flexible and innovative in order to achieve their desired goals. A good relationship is one that is able to adapt to changing conditions, which is why Accenture factors in flexibility in order to adapt to the inevitable ebb and flow of a client's business.

With a workforce of more than 75,000 outsourcing professionals, Accenture has the experience to lead the way for organisations seeking to optimise the benefits of outsourcing to achieve high performance.



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Strategic IT Management

3

Defence organisations are continually seeking the right technology and IT systems to deliver greater operational effectiveness. The objective to deliver Network Enabled Capability and maximise the use of information puts defence organisations under pressure to deliver coordinated and coherent approaches to infrastructure, systems, and information management. However, many organisations are still reliant on aging legacy systems and infrastructure, developed from a single service heritage within the armed forces.

The integration and modernisation of legacy systems, infrastructure and architectures is at the forefront of defence IT challenges. These

7 http://www.accenture.com/NR/rdonlyres/9C682F12-B41F-4043-A3AF-7302D311800C/0/SITE_brochure.pdf
8 http://www.accenture.com/Global/Research_and_Insights/Outlook/By_Alphabet/FourCios.htm

challenges include IT management and development of command and control, telecommunications, logistics and back-office systems, while managing resources, information assurance, operations and interoperability constraints. With these challenges, and increasing budgetary pressures, many defence organisations are choosing to rationalise, optimise and integrate their legacy IT systems and architecture, rather than completely replacing them.

Optimising strategic IT management

By optimising strategic IT management, defence organisations can establish a road map for IT investment that will allow the successful delivery of technological and IT change. Accenture's experience in designing and implementing IT investments has identified three principal factors that determine how organisations can achieve high performance through

their IT investments: setting the IT agenda, managing the IT investment, and executing the IT agenda.⁷

1. Setting the IT agenda. Maximising results from IT investments, with a limited budget, requires the development of an effective defence IT strategy. The IT strategy should be aligned with the overall defence strategy and operational requirements to deliver the anticipated results. Implementing a structured process to guide IT investment can deliver indirect business benefits from 10 to 500 times the invested capital.⁸

When developing an IT strategy, it is important to have the right supporting governance to align and realise benefits. Accenture research has found that high-performance businesses and governments are those with an effective chief information officer (CIO) who takes an active role in setting IT initiatives, and maintains responsibility for their performance.

SOA provides a more efficient way of integrating new and existing technologies.

Specifically, Accenture has identified four actions that CIOs should consider to ensure that IT investments add value and contribute to high performance:⁹

- Focus the IT debate on creating business value. Look beyond how much is spent on IT to the business value it will add.
- Create powerful propositions for IT-enabled change. Identify ways that IT-enabled change (such as shared services and outsourcing) can go beyond operational efficiency to add value.
- Optimise the IT investment agenda. Balance the short-term and longer-term IT investments to establish an investment road map that encourages collaboration between services.
- Transform IT to deliver improved capability and business results. Evaluate investment opportunities and recommend ones that will eventually add significant value.

2. Managing the IT investment.

Rigorous analysis, prioritisation and programme management are key actions when it comes to managing IT investments effectively. These actions help ensure that projects can be delivered in line with defence, time, budget and quality requirements, and that any associated change can be delivered with minimal risk to military capability.

Defence organisations must also monitor the development of relationships they have with IT providers, keeping in mind that long-term contracts will require technology updates and flexibility for both the defence organisation and the provider. Effective management of these relationships will maximise the availability of new technology and provide opportunities for reduced IT spend as new technologies improve performance at a lower cost.

3. Executing the IT agenda. To ensure the successful integration of legacy and new systems through means that are faster, better and cheaper than before, many defence organisations are investing in supporting infrastructures and systems architectures. These infrastructures and architectures are providing a bridge for new technologies and techniques to deliver better and faster information to the warfighter.

Investment in new infrastructures to support Network Enabled Capability is being seen in various defence organisations across the world. Furthermore, new architectures are being implemented to provide defence organisations with a way to structure their current IT systems to maximise operational effectiveness.

For many, this involves the introduction of service-oriented architecture (SOA) as a network-enabled solution that facilitates the rapid interoperability between legacy systems and new technologies whilst also leaving room for further IT developments. SOA provides a more efficient way of integrating new and existing technologies, and can provide cost savings as legacy systems are replaced only where absolutely needed.

The benefits of SOA have been seen within the US Defense Logistics Agency (DLA) where Accenture has used SOA to help modernise the DLA's business systems and supply chain management processes. The solution implemented by Accenture has supported the development of a new integrated data environment, which provides a complete integration engine that addresses business processes, data strategy, operations, security and technologies.

Using its breadth of strategic IT management capabilities and experience in public and private sector IT investments, Accenture can help defence organisations optimise their IT investments to achieve high performance.

⁹ http://www.accenture.com/Global/Research_and_Insights/Outlook/By_Alphabet/FourCios.htm

France's military reorganises IT to achieve high performance

Created in 2003, the DIRISI—the Infrastructure Networks and Information Systems Department—is becoming the single IT service delivery organisation of the French Ministry of Defence, employing around 10,000 people and dedicated to providing high-quality services for the army, the air force and the navy. This coordinated approach will lead to quality improvements, cost savings and an increased ability to deliver strategic projects addressing the needs of the different services.

Using its Strategic IT Effectiveness Opportunity Assessment methodology, Accenture has defined the DIRISI target model in terms of organisation,

processes, infrastructure, HR and budget; it has also defined the associated transformation plan.

This project will lead to the unification of the IT service delivery function, which remains fragmented and complex, thus saving up to 25 to 35 percent of the annual IT budget. As IT is increasingly considered and governed as a strategic lever, the transformation will contribute to performance optimisation, which will strengthen the conditions for operational success.

Finland's military reorganises with high-performance technology architecture

Finnish Defence Forces (FDF) are in the process of transforming their application portfolio from a decentralised model into a centrally governed model with two major platforms, one for the generation of force and another for operations. In the area of generation of force, a central role will be played by the FDF's SAP system, expanded to a fully integrated defence solution. This change is aimed at boosting both the military's efficiency and its effectiveness.

This target requires comprehensive changes to the way FDF manages the development of processes, applications and technical platforms. To help coordinate these changes,

Accenture was chosen to develop a supporting enterprise architecture methodology, toolset and a NATO-compliant architecture framework. After these were in place, Accenture—as the FDF's architecture development partner—has focused on planning the future architecture in detail and on auditing the implementation efforts. The results include guidance on the SAP expansion and a joint service-oriented architecture (SOA) service model.



Effective Talent Management

4

Defence organisations are currently faced with a variety of personnel challenges. The high levels of competition for talent from the private sector, changing social demographics and the changing geopolitical environment are among the key factors affecting recruitment. At the same time, increasing operational pressures coupled with a general perception that benefits are uncompetitive are affecting retention levels. However, defence organisations must continue to recruit, train and retain the best people—meaning effective talent management processes need to be in place.

Recruitment challenges

In defence, achieving the right level and balance of personnel remains a challenge despite a range of initiatives aimed at improving recruitment. The Bundeswehr (the German armed

forces) is attempting to overcome its recruitment challenges by exploring what drives employer attractiveness for various career levels—such as officers, soldiers and civil careers—and developing realistic recommendations to enhance the employer value proposition.

Other recruitment initiatives are investing in cadet and apprenticeship programmes. For example, the German, UK and Australian ministries of defence have schemes targeted at 'gap year' students that allow them to sign up for approximately one year after leaving school, without the commitment of a lengthy service term.

The optimal use of reserve forces can also be used to achieve the right recruitment balance. Having recruited individuals into the reserves, defence organisations must engage employers in supporting the reservists. Accenture is working with the Bundeswehr in an initiative to review relationships with the private sector and develop an improved reservist programme.

Retention challenges

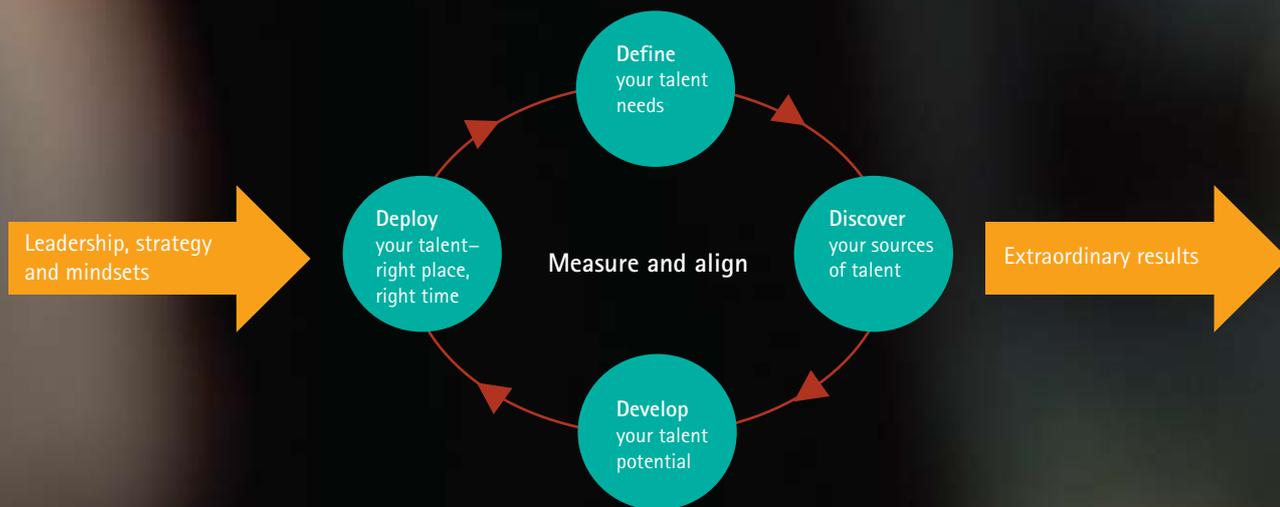
With resignation rates increasing across a number of forces, retention remains a key issue in defence. Defence organisations are responding to these issues by implementing a range of initiatives to retain personnel, such as the UK Ministry of Defence's 'Commitment Bonus,' which is used to reward past service and encourage further retention.

Optimising talent management

Accenture has developed the Accenture Talent Cycle,¹⁰ which can be used to assist organisations in overcoming the challenges associated with recruitment and retention, and ultimately in optimising talent management. The Accenture Talent Cycle is a continuous process, ranging from defining talent through to deploying it in the right place according to operational needs. (See Figure 1)

¹⁰ Peter Cheese, Robert J. Thomas and Elizabeth Craig, *The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance*, Kogan Page Limited, 2007.

Figure 1. The Accenture Talent Cycle



Source: Peter Cheese, Robert J. Thomas and Elizabeth Craig, *The Talent Powered Organisation: Strategies for Globalization, Talent Management and High Performance*, Kogan Page Limited, 2007.

Success throughout the Accenture Talent Cycle is dependent on more than just the individual processes at work; it requires buy-in from across the defence organisation, strong leadership to guide the processes and the right information and knowledge management systems to support success.

Define. Having a clear definition of talent requirements and how they may change in the future is fundamental to recruiting the right people. Successfully achieving this requires a clear understanding of mission-critical jobs, and the key skills and competencies needed to complete them. Also, understanding future trends will help ensure that appropriate skill sets will be recruited into the organisation.

Discover. To overcome current recruitment challenges, it is essential for defence organisations to identify the root causes behind low recruitment levels, and alter recruitment packages accordingly to discover and attract new sources of talent.

Develop. Developing talent is vital to defence organisations because if carried out successfully, it not only helps expand capabilities but also boosts retention levels. The successful development of talent requires that developmental opportunities for personnel are in line with operational goals and also with key skills that personnel are seeking to gain from a career in defence.

Deploy. With knowledge of operational needs and availability, as well as knowledge of employees' aspirations, defence organisations can correctly align personnel to a role that meets both their skill-set and objectives, whilst also supporting operational requirements. As many defence organisations are already finding, successfully achieving this balance can increase effectiveness and improve personnel engagement and job satisfaction.

The Accenture Talent Cycle is most effective when aligned with successful information and knowledge management systems, which underpin the effort to recruit and retain the best people.

Information management

The introduction of new HR information systems can support the Accenture Talent Cycle, and also help optimise efficiency and cost savings. For example, the Netherlands Ministry of Defence's new HR information systems have provided increased flexibility in the management of HR functions across all six branches of the ministry (see case study on page 21 for details).

Improving the quality of HR data has also been identified by the French Ministry of Defence as a key improvement area within their reform and modernisation initiatives. Accenture and Avanade have worked with the French Ministry of Defence to deliver a human resources data



warehouse, which aims to provide consistent HR information throughout the organisation. The data warehouse will enable the ministry to reduce its administrative costs and allow for more efficient processes and enhanced management capacity.

Knowledge management

It is beneficial if the Accenture Talent Cycle is combined with effective knowledge management processes that tap into knowledge held by personnel within the organisation.

Knowledge management is especially important given the current retention issues, as well as personnel rotation, because when personnel leave they take their knowledge with them; if this knowledge has not been captured, then it is lost from the organisation.

To capture knowledge effectively, defence organisations should actively seek and capture both tacit and explicit knowledge held within the

organisation. This should be presented in a useable format that improves an individual's productivity and the quality of their work. For many organisations, this involves the development of an interactive, Web-based portal that can be accessed globally.

Improved knowledge management, combined with effective information systems and a successful talent management cycle can significantly help defence organisations to address and overcome their current recruitment and retention issues.

Accenture has developed the Accenture Talent Cycle, which can be used to assist organisations in overcoming the challenges associated with recruitment and retention, and ultimately in optimising talent management.



Bundeswehr Employer Attractiveness Studies

The Bundeswehr has the challenge of recruiting approximately 20,000 new professional soldiers every year. The organisation is faced with increased competition for its target groups from the private sector, declining qualification and fitness levels amongst applicants as well as an aversion to dangerous operational deployments.

Accenture is working to explore the various career levels and opportunities within the Bundeswehr—officers,

soldiers and civil careers—to explore what drives employer attractiveness for these employee groups and how collaboration with businesses can be improved.

The value delivered from the project will cover realistic recommendations with regards to enhancing the employer value proposition. The results will lead to the prioritisation of actions to increase the number of qualified applications across the military.

Netherlands Ministry of Defence HR Transformation

The Netherlands Ministry of Defence (NL MoD) has the ambition to optimise and standardise HR processes and integrate HR departments, targeting HR personnel reductions and effective HR processes. Since 2003, the NL MoD has partnered with Accenture to realise this programme—one of the largest and most comprehensive HR redesign programmes of its kind anywhere in Europe.

During a five-year period, the NL MoD is harmonising and standardising its HR applications and HR processes across its seven departments—the army, air-force, navy, military police, inter-service command organisation, equipment and material organisation, and central organisation. The new solution not only improves the efficiency and effectiveness of the HR function, but also enables the definition, discovery, development and deployment of talent across the organisation.

Following a public tender, the NL MoD decided to partner with Accenture to deliver this ambitious programme.

Accenture was asked to contribute specifically in the following three areas:

- Replacement of 13 legacy HR systems by one integrated Oracle/ PeopleSoft solution.
- Developing and implementing key components of the new HR operating model vision.
- The management of the large scale change requirements.

Value delivered

The HR Transformation programme implemented by the NL MoD in partnership with Accenture is a true example of an enterprise-wide transformation programme in which all aspects are changed: people, processes, and technology.

Accenture has added value in several important elements:

- Standardised HR-processes providing clarity and unity on the in-, through, and out flux of talent and its capabilities.

- Empowered employees to manage their own working conditions using self-service functionality (leave request, illness, etc.).
- Empowered employees to manage their own careers using self-service functionality (vacancies, training, etc.).
- HR shared service centre has taken advantage of synergies, using a knowledge database of NL MoD's many personnel-related regulations and legislation, one customer service desk, all with agreed and measured Key Performance Indicators.
- Improved cooperation between the NL MoD departments due to standardisation of HR processes and software applications.
- Reduction of around 1,200 full-time equivalents, realising a structural cost reduction of €60 million on a yearly basis.

Conclusion

Accenture understands the pressures and challenges facing defence organisations around the world and has a comprehensive set of capabilities and offerings that can help them improve efficiency and effectiveness. In particular, Accenture can help defence organisations by:

- Implementing Lean Six Sigma methodologies to remove waste, streamline processes and improve delivery speed and quality.
- Outsourcing different functions to allow the organisation to focus strategically on core growth areas.
- Setting, managing and executing a successful IT strategy with effective supporting infrastructures and systems.
- Initiating processes and systems that help recruit and retain the best people and their knowledge.
- Managing organisational change successfully.

To maximise the benefits of change, it is important for defence organisations to embrace an effective transformational agenda that supports their change objectives. Within this agenda, defence organisations must acquire a partner that will work with the defence organisation to introduce and ramp up new business processes and technologies rapidly, allow the defence organisation's personnel to learn new skills and tasks quickly and increase operational efficiency to continuously improve support for the warfighter.

Accenture has drawn on its knowledge of re-engineering, system engineering and integration, logistics and change management to help global clients deliver transformation effectively and realise long-term value from their transformation efforts. This success has been achieved through preparing the workforce effectively, managing the complex organisational and workforce transitions, and operating successfully once the business and IT solution or transformation is in place.

In summary, the four areas of Lean Six Sigma, outsourcing, strategic IT management and effective talent management, coupled with successful change management, give defence organisations the answers and systems they need to attain high performance—improving support to warfighters, increasing effectiveness and reducing costs.

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Accenture's Defence industry group delivers strategy, operations, IT and mission services that enable departments of defence, the intelligence community and federal agencies to achieve high performance and support their operations at speed. With the help of Accenture's capabilities, worldwide presence and experience, clients meet mission goals, mitigate risk and realise cost savings. Visit www.accenture.com/defence for more information.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With approximately 177,000 people serving clients in more than 120 countries, the company generated net revenues of US\$23.39 billion for the fiscal year ended Aug. 31, 2008. Its home page is www.accenture.com.

