

research flying (although they still exist to support commercial light aircraft operators). At the same time, a major rationalisation of the airfleet took place reducing the total number of aircraft from over 100 in 1991 to 65 in 1993 to 43 today as shown in Figure 3.

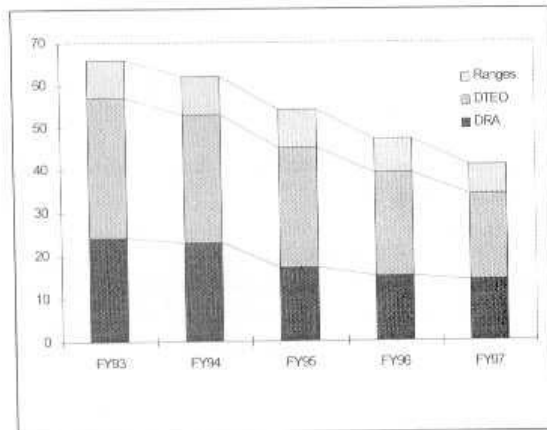


Figure 3 - Rationalisation of Aircraft Fleet

In 1993, the UK government launched a major initiative to examine the cost of defence through a series of Defence Cost Studies. DCS4 considered the provision of science based services to the MOD, with special reference to the experience in the DRA. DCS4 concluded that the DRA model could be applied to many of these other services and a decision was made to create the larger Defence Evaluation and Research Agency (DERA). This was not only a major leap forward in the size of the agency, but it also changed the nature of the organisation and expanded its customer base. The DERA now comprised four distinct groups:

DRA - the existing DRA organisation with its major customers in the central MOD.

DTEO - the Defence Test and Evaluation Organisation comprising test ranges and the former A&AEE Boscombe Down. This was largely a facilities based organisation as opposed to the manpower based DRA. The major customers were the MOD PE Project offices and armed services.

PLSD - Protection and Life Sciences Division comprising Chemical and Biological Warfare protection and human factors research.

CDA - Centre for Defence Analysis comprising Operational Analysis organisations covering strategic studies, wargaming and operational effectiveness studies. Customers ranged from PE to central policymakers.

The component parts are shown in Figure 4.

DERA Organisation Formed 1995

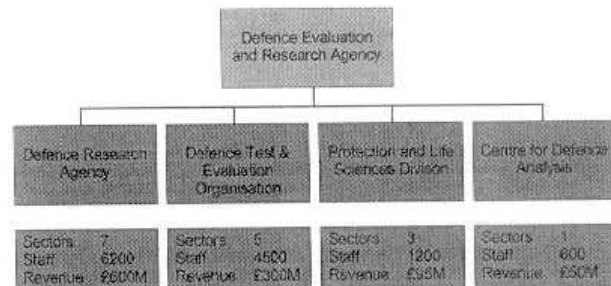


Figure 4 - DERA Organisation

There is a marked difference in the relative sizes - in both manpower and commercial terms - but this was less important than forming divisions that had common characteristics and a degree of synergy and would therefore have similar problems to solve in the transformation. This new organisation was given far less time to settle in - From the announcement in autumn 1994, full trading was to begin on 1 April 1995. The transformation was successfully achieved and trading began on the due date. As with the DRA, the discipline of trading and satisfying customers soon revealed those facilities that were important to the end user and there were successes and failures along the way. The integration of the new parts of DERA was expected to take some considerable time - indeed DTEO (my own organisation) launched a programme of organisational and cultural change labelled DTEO 2000 with the expectation that the four divisions would be in existence until the turn of the century. As it turned out, the integration (or at least the critical functions of financial management, meeting customer requirements and a commitment to change) proceeded much more quickly than anticipated. There were a number of reasons for this; many of the new organisations already had quite good mechanisms for tasking by customers and project management (which had already proved necessary in a high cost, safety conscious environment), the experience of the DRA could be quickly brought to bear on the new organisations, and staff already had some idea of what the effects of agency were through their contacts with the staff in DRA. Much work was being done on cultural change, largely stemming from the DTEO 2000 initiative, so that a mission, vision and values were being defined (Figures 5 and 6).