



Adapting the SCOR

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A previous article, *Shoring up cyber defences*, spotlighted the challenges companies face when supplying Canada's Department of National Defence (DND). On the flip side of that discussion, however, are the unique considerations the DND itself must make when applying a typical supply-chain operations reference (SCOR) model to an atypical environment.

There are certainly more factors at play in a DND supply chain. Greater scrutiny must be applied to the sourcing, storing, distribution, and disposal of items; and the lifespan of those items can include years of redeployments, repair, and upgrade programs.

Take, for example, the journey of two generators. In a commercial supply chain, the generator would be purchased as part of a batch run by a hardware company, shipped to a hardware store location, and sold to an end-user who would only return it if it's defective or being exchanged. By contrast, in a DND supply chain, that generator would be purchased from heavily vetted suppliers, delivered to a long-term storage facility, and rotated through multiple end-users (units) while also being cycled through a regular maintenance routine.

The variances between military and commercial supply chains are even more pronounced for higher-value equipment. A ship, for instance, will be subject to numerous modifications and retrofits over its 30-plus year

life span, whereas an aging commercial vehicle is more likely to be sold off and replaced with a newer model.

Reverse logistics can be important

Lastly, in many cases, commercial items can simply be thrown away or resold. Within the DND, it's not so simple. Ensuring sensitive military technology does not end up in the wrong hands often means 'demilitarization' prior to selling, while there may be many environmental or legislative barriers to outright disposal. It's for these reasons that reverse logistics is extremely important to the DND since the product cycle is not just about deploying goods to regions across the globe, but ensuring they are safely brought home for a planned disposal activity.

Canada's DND has managed these supply chain complexities well. However, there is an opportunity to achieve greater efficiencies by looking at how other countries have amended their SCOR frameworks to better reflect the realities of the military.

Specifically, the UK was instructed by its National Audit Office to reduce its military inventory holdings by upwards of 25 percent over five years following the end of its Afghanistan involvement. It responded by launching a review of its military SCOR framework and formalizing a number of subtle, yet critical, considerations.

Among the most visible upgrades is that the UK's SCOR framework replaces "supply chain" with "support chain" in recognition of the embedded maintenance/engineering components. Moreover, the UK's SCOR framework places more emphasis on the research and development stages of product development, and its sourcing process favours integration and interoperability.



This is an important change, as it recognizes the need to be able to modify existing capabilities as well as share parts and systems with allies. After all, no one goes it alone.

Inventory management at DND

Lastly, UK's revised SCOR framework demonstrates an awareness that military operations often require larger and more storage areas than commercial operations, as well as ones that can store inventory for extensive periods of time while items are deployed back and forth for use, maintenance, upgrades and disposal activities. Moreover, it recognizes that military warehouses and their supporting bases must often be packed up and returned home at a moment's notice.

While Canada's military personnel are no strangers to

these challenges, the DND's SCOR framework has yet to recognize them in a formal way. This may be because Canada isn't subject to quite the same pressures as the UK, or that it has no burning platform from which to act. Granted, Canada's Standing Committee on Public Accounts recently tabled similar concerns over DND's inventory management in November 2016, which may create some additional pressure.

Nevertheless, there is an argument to be made for following the UK's lead. And while the primary difference between the UK and Canada's military SCOR framework is an official recognition of what makes military supply chains unique, documenting it here in Canada could enhance how DND provides for its men and women on the ground.

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