

BUSINESS AND SOLUTION MODELLING

CORDA

Delivering Successful Futures

INFORMED DECISION MAKING

Business and Solution Modelling gives managers a comprehensive range of integrated modelling and analysis techniques, enabling them to explore the impact of their proposed business decisions from all viewpoints:

1. Customers

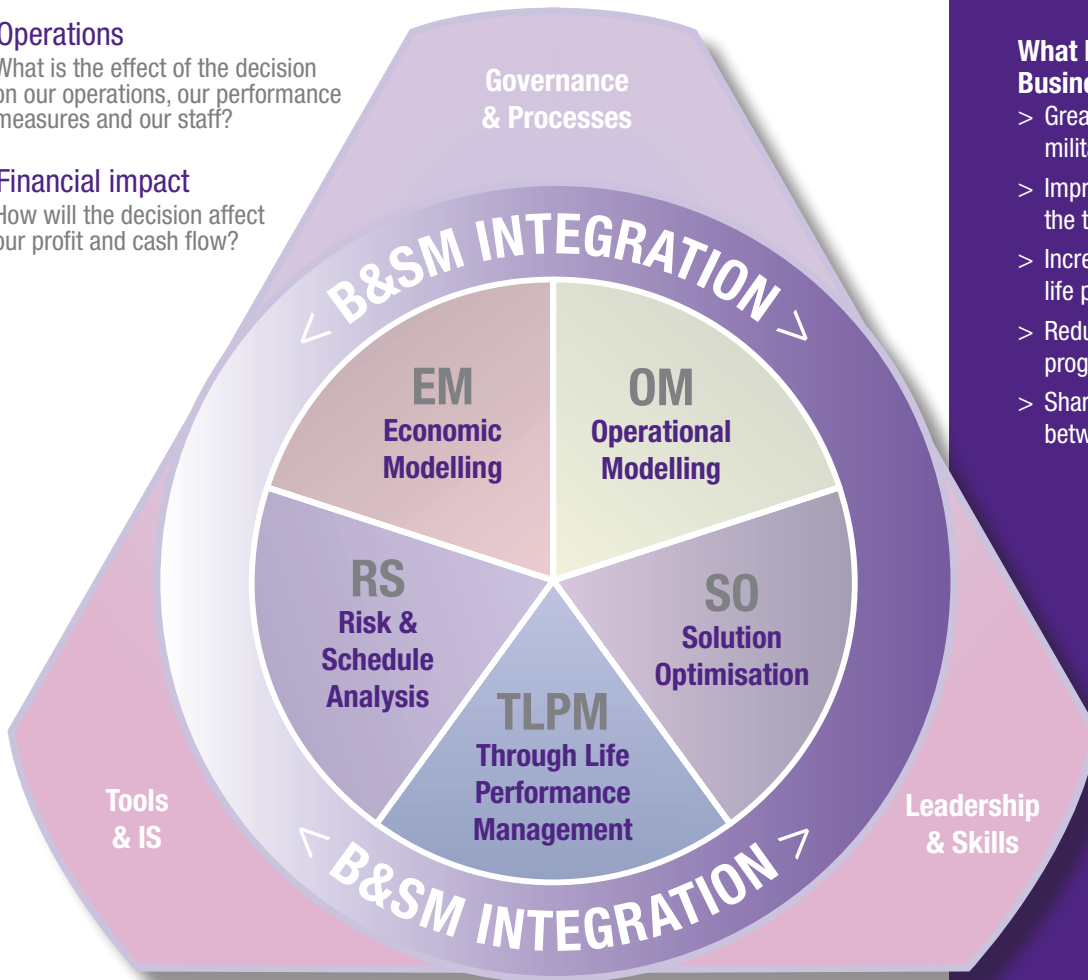
- > How will the customer benefit?

2. Operations

- > What is the effect of the decision on our operations, our performance measures and our staff?

3. Financial impact

- > How will the decision affect our profit and cash flow?



“The ability to see the impact of decisions before they are made.”

What benefits are realised using Business & Solution Modelling?

- > Greater confidence in delivery to the military end user
- > Improved value for money to the taxpayer
- > Increased predictability of through life performance
- > Reduced risk and cost to programmes
- > Shared incentives and drivers between partners

What decisions can Business and Solution Modelling inform?

- > Will the proposed solution deliver the required customer performance?
- > What is the best structure for commercial incentives and penalties between the customer and the supplier?
- > How do profits and risks change over the lifetime of a long-term contract?
- > What is the optimal mix of assets to balance affordability and operational requirements?
- > When should MoD assets be used rather than industry assets?
- > How should industry and MoD transition to a new operating model without any short term deterioration in service levels?

CASE STUDIES

CONTRACTING FOR AVAILABILITY

The project:

A £1.5 billion, 10 year programme, which aimed to improve cost effectiveness of support of a mixed aircraft fleet.

The challenges:

- > Increase confidence in new availability-based contract proposals.
- > Contain costs through transformed fleet management practices.
- > Identify risk by predicting fleet availability throughout the contract term.

The approach:

We developed a decision support toolset that considered all the factors that would affect availability and used it to aid debate and assist in negotiations on the support solution that best balanced the customer and supplier needs.

The result:

- > Identified new ways to support an ageing fleet while maintaining availability within budget.
- > Enabled potential savings of £100s of millions for a cost in the region of £100k.

“The tool has enabled us to optimise our costs to our predicted output performance.”

SUPPORTING A PFI BID FOR VEHICLE FLEET MANAGEMENT

The project:

A PFI contract estimated to be worth £600m over 15 years. Our customer was bidding for the contract.

The challenges:

- > Determine the ideal fleet size and equipment mix to provide in order to satisfy the predicted peace-time demand.
- > Understand the flexibility that the solution would provide to deal with war-time demands.
- > Visualise the trade-off between fleet size, demand satisfaction and profit.

The approach:

We worked with the client and the MoD to convert demand data into a suite of models that tested alternative approaches to satisfying the demand.

The result:

- > Demonstrated that a significantly smaller, and therefore cheaper, fleet would support the MoD without significant risk to capability delivery.

“Our modelling convinced us that we had got the bid right and our belief in it convinced the MoD that we were the right people for the job.”

COMBINING MAINTENANCE AND UPGRADE OF AN AIRCRAFT FLEET

The project:

Our customer was contracted to conduct maintenance and upgrade of fleet within a 5 year window.

A plan was already developed, but there was a requirement to assess the risk surrounding it.

The challenges:

- > De-risk the plan to ensure the programme will complete in 5 years.
- > Justify spending on expensive equipment through risk reduction.
- > Identify the hangar layout that provides least risk to the plan.

The approach:

We worked with all the interested parties to develop a tool to examine test equipment, hangar layout and resource availability.

The model helped to identify the risks in the delivery plan based on equipment and resource requirements, and hangar layout.

The result:

- > Reduction in costs through controlled spend on expensive equipment.
- > Customer and supplier confident that plan can be completed on time.

“This was an investment in de-risking the programme that has and will continue to pay for itself many times over.”

CORDA

Delivering Successful Futures