

case study

Delivering benefits from a business-critical Ministry of Defence enterprise programme

WATERGUARD programme delivery

the challenge

MOD needed to stand-up and execute a major capability compliance and cost mitigation Programme to address their inability to manage import / export duty and Assets Subject to Special Control (ASSC) obligations. Specifically, the WATERGUARD Programme needed to:

- Deliver a capability that enables MOD to be tax efficient and compliant with HMRC regulations, European Law and the contractual obligations of foreign military sales agreements to avoid future fines and loss of reputation
- Mitigate potential multi £B historic tax liabilities
- Minimise the large financial risk to the Defence enterprise of shortfalls in International Traffic in Arms Regulations (ITAR) and Defence Trade and Cooperation Treaty (DTCT) compliance
- Leverage ASSC capability to drive cost efficiencies and performance improvements in Team Defence operations

WATERGUARD is now addressing the cost impact of Brexit.

the Harmonic impact

Harmonic was selected in preference to competing 'big 4' consultancies to provide a range of services including:

- Policy and Process Development – Supporting policy development and designing changes to existing processes across Team Defence
- Project, Programme and Portfolio Management - including complex portfolio management, controls, risk and quality management, resource planning and benefits management
- Procurement – management of capability acquisition, from requirements to acceptance
- Systems Design & Architecting – architecting the enterprise solution and establishing requirements for individual work packages

the outcome

Significant Benefits delivered to date include:

- £4.2B of liabilities to date recognised by MOD, HMRC and wider Government as being mitigated
- £50 million of Equipment write-off recovered
- On track (OGC assessment in June 2016) to deliver the HMRC compliance capability, thus eliminating the likelihood of any future sanctions
- Capabilities being rolled out to ensure ITAR and DTCT compliance and therefore avoid significant (c\$100M) fines on the Defence supply chain and loss of reputation and trust in the MOD
- UKCeB 2016 Excellence Award in partnership with Babcock International and Team Defence for identifying and demonstrating how significant improvements in ship maintenance effectiveness and efficiency can be delivered