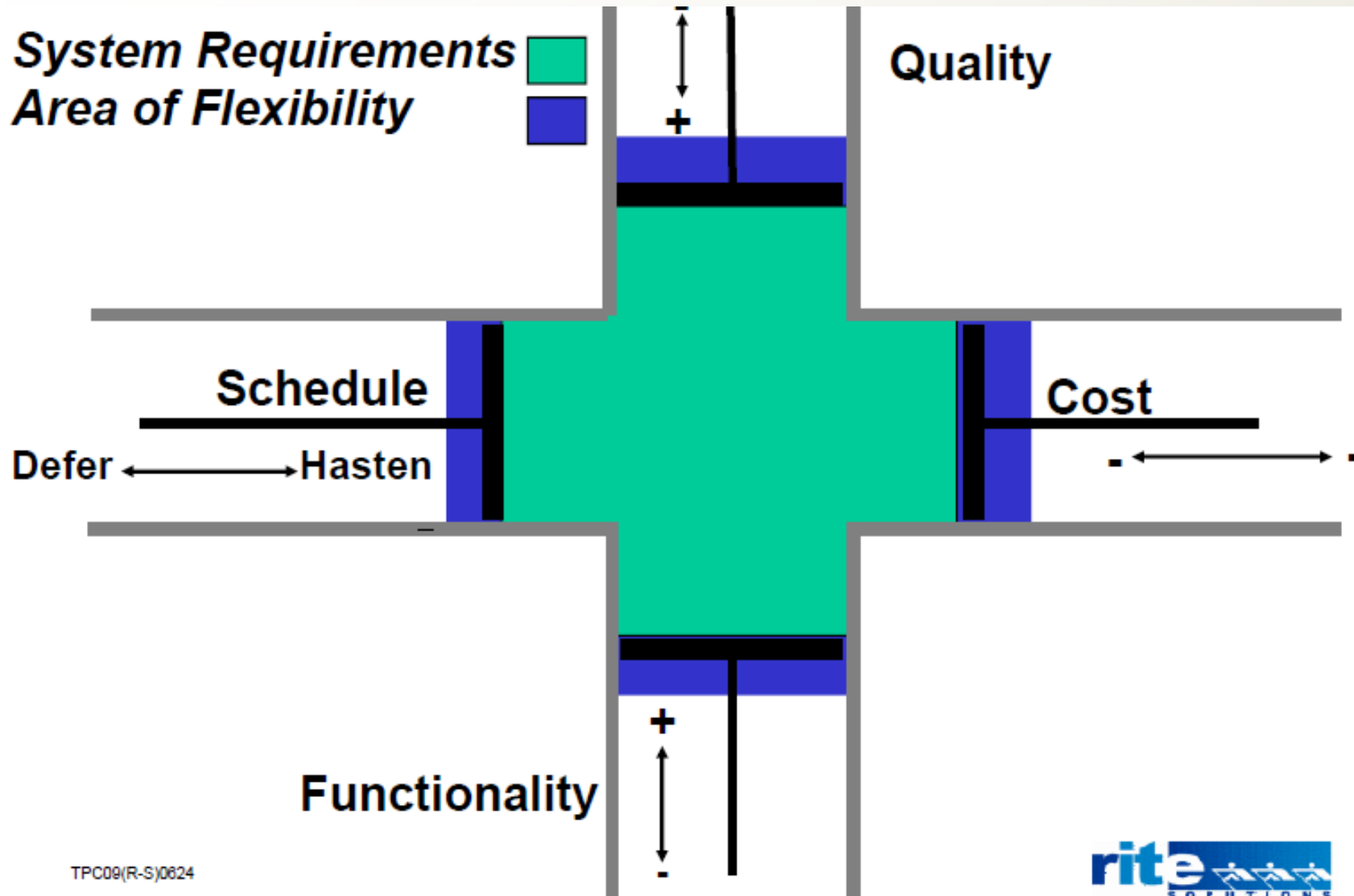


# Defence Choice Architectures

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Antony Powell

**System Requirements**  
**Area of Flexibility**



TPC09(R-S)0624

(Tom Conrad, Rite Solutions, June 2009)

# Twelve Leverage Points

Increasing order of effectiveness  
↓

1. Constants, parameters, numbers (such as subsidies, taxes, standards)
2. The size of buffers and other stabilizing stocks, relative to their flows
3. The structure of material stocks and flows (such as transport network, population age structures)
4. The length of delays, relative to the rate of system changes
5. The strength of negative feedback loops, relative to the effect they are trying to correct against
6. The gain around driving positive feedback loops
7. The structure of information flow (who does and does not have access to what kinds of information)
8. The rules of the system (such as incentives, punishment, constraints)
9. The power to add, change, evolve, or self-organize system structure
10. The goal of the system
11. The mindset or paradigm that the system — its goals, structure, rules, delays, parameters — arises out of
12. The power to transcend paradigms

(Donella Meadows, 1997)

A NEW YORK TIMES Bestseller



# *Nudge*

Improving Decisions About  
Health, Wealth, and Happiness

Richard H. Thaler and Cass R. Sunstein

*Revised and Expanded Edition*

"One of the few books I've read recently that fundamentally changes the way I think about the world." —Steven D. Levitt, coauthor of *Judgmentalism*



**Choice Architecture** describes the way in which decisions are influenced by how the choices are presented

*Are some problems of acquisition down to the choice architectures in use?*

- Politicians
- Treasury
- Forces
- IPTs
- Desk officers
- Commercial
- Supply chains
- Suppliers
- Engineers
- Graduates

A **Choice Architect** is the person who frames the options.

*Who architects the decisions that shape acquisition?*

**Libertarian Paternalism** is the idea that it is possible and legitimate for institutions to affect behaviour while also respecting freedom of choice.

*Can we redesign choice architectures in acquisition to improve outcomes?*

# Some Progress

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- Partnering agreements
- Capability focus
- Alliance structures
- Capability boards

# Way Forward?

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Systematic study of defence choice architectures...

- Supply chain construction
- Flexible contracting methods
- Key decision points
- Key performance drivers
- Role alignment
- Decision making processes
- Value-driven assessment

# Summary

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- Major VfM and affordability improvements require systematic assessment and improvement of choice architectures
- Can we nudge defence procurement?

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