



**Demonstrating the possibility to improve effectiveness of logistics in the spirit of Smart Defence.**

*"In the past, I've worried openly about NATO turning into a two-tiered alliance... This is no longer a hypothetical worry. We are there today... To avoid the very real possibility of collective military irrelevance, member nations must examine new approaches to boosting combat capabilities—in procurement, training, logistics, and sustainment." - [Robert Gates](#)*

## **A Clear Need for Collective Management**

Within the Joint Deployment & Sustainment Division (JD&S) of Allied Command Transformation (ACT), Secretary Gates' comment was not news. Logistics is a mundane subject to an outsider—until something goes wrong or the price is too high. And logistics is a big ticket item in terms of the resources it consumes, especially in light of the [ISAF](#) mission in Afghanistan. So, for the last several years, the NATO logistic community has been working to transform its network of NATO and national supply chains by which our forces are sustained. The concept and the resultant planned capability are called Operations Logistics Chain Management (OLCM). It is the means by which NATO will achieve collective [logistics](#)

: planning collaboratively for deployment and sustainment and enhancing logistic visibility and decision support in order to improve theatre-level logistics management.

Many of the OLCM drivers resonate with Smart Defence. Capability overlaps that lead to duplication and unnecessary redundancy, or competing purchasing demands on industry that allow the price we pay to be bumped up. With budgets tighter today than before, we cannot

afford these inefficiencies. OLCM aims to put NATO logisticians in command of how we reduce costs while preserving or increasing our effectiveness. "[\*Specialization by default is the inevitable result of uncoordinated defence cuts and is not effective\*](#)." Instead of achieving economies of scale only at the national level, OLCM sets itself the aim of realizing those economies at the NATO level.

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### Smart Logistics

Technically, there are key material and interoperability aspects still to be overcome. Information sharing as the enabler for logistic visibility is the lifeblood of a modern logistic system. NATO and its national partners are not well placed to respond to the new economic reality driving us. NATO's own logistic functional area service, while planned for replacement, is several years past its prime and only able to help OLCM achieve its interim operating capability. Optimal coordination of the pan-NATO logistic chain will require nations to exchange information with NATO, which is both a technical issue and a trust issue. For this reason, the JD&S Division is a key supporter of NATO's planned service oriented architecture approach, with its promise of improved interoperability and greater adaptability to change.

In the meantime, ACT is involved in relevant nearer-term activities supportive of the new transformation imperative. For example, within the auspices of Smart Defence, and with the USA acting as lead nation, a software prototype was created to act as a kind of military eBay to facilitate the exchange or sale of surplus capabilities or services; a timely development given the imminent departure of much of the force presently in Afghanistan. As the NATO Secretary General observed, "[\*Some of the Smart Defence initiatives are a promising approach to overcome the challenge of multi-nationality and interoperability within logistics\*](#)."

ACT has sponsored software experimentation between NATO systems and various prototypes in 2012.

### Radical Evidence

Lastly, JD&S is working with ACO to focus on a capability for collaborative planning within a strategic command element focused on logistics planning aspects, based on lessons learned from Operation Unified Protector. As NATO presses ahead with Smart Defence and its related initiatives, the JD&S Division sees that it has lessons it can share while simultaneously benefiting from the urge towards greater collaboration and cooperation. But both for OLCM and for Smart Defence nations have to radically re-evaluate the interrelationship between political sovereignty, military effectiveness and economic efficiency. This will not be easy but it must be done because, as NATO Secretary General remarks, only "[\*by working better together... can \(we\) get a better return on resources\*](#)."

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