

## **Defence and Economics Workshop**

### **Measuring Defence Outputs**

**National Defence Headquarters, Ottawa**

**9 November 2011 (0830-1530)**

**Conference Room 5<sup>th</sup> Floor Center Block South Tower**

This workshop is jointly sponsored by the Centre for Operational Research and Analysis (Defence R&D Canada, Ottawa), the Institute for Defence Resource Management (Royal Military College, Kingston) and Defence Management Studies at Queen's University. In general, the aim of these regular seminars is to develop scholarly collaboration and to make research results from the study of defence economics accessible to Canadian defence policy analysis and decision-making.

The main theme of the workshop is the measurement of defence outputs from an economics perspective. Defence outputs are notoriously difficult to measure. Economics and operations research articles often utilize military activity as an output proxy. For example, sorties flown or for specific missions, such as interdiction, one can use reduction in throughput. However, at the strategic level the relevance of capabilities to policy maybe the preferred output proxy. Since the introduction of Capability Based Planning (CBP) as one of the main tools of strategic management in the Department of National Defence (DND), the emphasis on capabilities has led DND to focus on outputs instead of inputs.

The presentations in this workshop include both theoretical and empirical perspectives as well as a broad survey of other nations' experiences related to output measures. The economic discussions and lessons learned are expected to facilitate DND's own effort to establish a workable output measure that can be aligned with CBP, business transformation and the Government of Canada's Program Activity Architecture.

## Measuring Defence Outputs

November 9<sup>th</sup>

From	To	Topic	Speaker/Moderator
0830	0900	Opening Remarks	<b>TBC</b>
9:00	9:15	Introduction	<b>B. Solomon</b> (CORA-DRDC)
9:15	10:15	Defence Output Measures: An Economic Perspective	<b>Key Note Speaker: Prof. Keith Hartley</b> (University of York, UK)
10:15	10:30	Coffee/Refreshments	
10:30	11:15	The Practitioner View: The Challenge of Defence Output Measurement- A UK Perspective	<b>J. Ogilvie</b> (Directorate of Economic Statistics and Advice (DESA))
11:15	12:00	Panel Discussion	Moderator: <b>TBA</b>
12:00	13:15	Lunch	
13:15	14:00	Resources Management: Getting the Biggest Bang for the Taxpayers' Buck- Defence Resource Management in The UK	<b>Neil V. Davies</b> (Chief Economist MoD and Head DESA)
14:00	14:30	A Multi-attribute Sealed-Bid Procurement Auction with Multiple Budgets for Government Vendor Selection	<b>F. Melese</b> Professor and Executive Director (Defense Resources Management Institute, Naval Postgraduate School)
14:30	14:45	Coffee/Refreshments	
14:45	15:15	Value Focused Top-Down Budgeting Applied to Defence R&D Canada	<b>I. Taylor</b> (Defence Economics Team, DRDC CORA)
15:15	15:30	Closing Remarks	<b>Col. R. Fetterly</b> RMC/DND