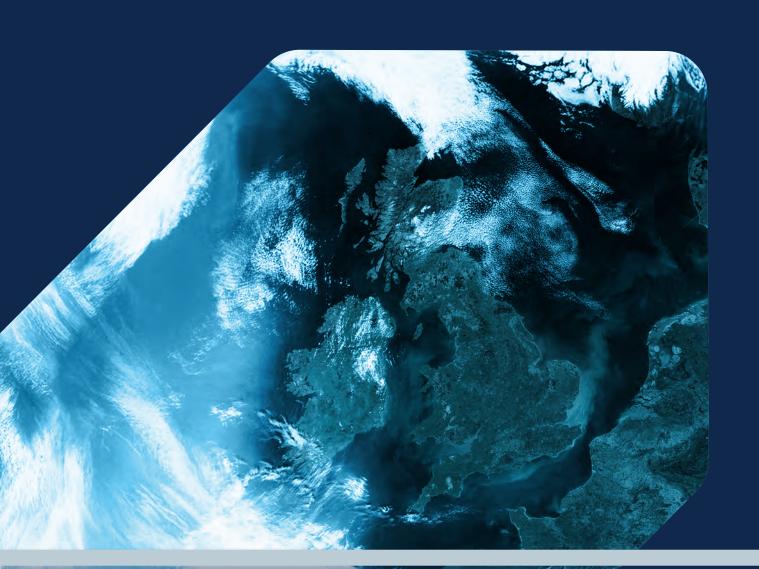


# Digital Commercial Strategic Roadmap 2025-2030



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### **Foreword**

Welcome to the Digital Commercial Strategic Roadmap for Defence, which sets out our pan-Defence approach to digital procurement - enabling the delivery of key digital capabilities to the heart of the UK's defence and national security customers.

Digital Commercial is part of the Defence Commercial and Industry Function and is fully integrated with the Digital Function – the functional authority for digital services and capabilities. Our role within Digital Commercial Directorate, is to help Defence raise the bar in digital procurement to ensure that Defence procures tomorrow's technology today and not yesterday's technology, tomorrow.

Our aim is to drive greater pace and agility into how we acquire digital capabilities to deliver the world's most novel, innovative and cutting-edge technologies, to the hands of users at pace and scale.

Digital Commercial is responsible for the £4.7 billion digital spend per annum across the Defence Enterprise, including all Front-Line Commands (FLC) and Enabling Organisations. Servicing the five domains of air, land, sea, space and cyber and across all classifications, helping the UK Armed forces to deliver operational advantage overseas and at home, to over 250,00 users.

This Strategic Roadmap sets out our Digital Commercial intent over the next five years, acknowledging that digital and technology is a core asset to UK Defence and Security, in an increasingly contested, fragmented, and polarised world.

Our Strategic Roadmap is aligned to the Defence Commercial Strategy and supports the delivery of the Digital Strategy for Defence. The Strategic Roadmap services the whole of the Defence enterprise and to the benefit of wider His Majesty's Government (HMG) and the Government supplier ecosystem. The Digital Commercial Strategic Roadmap is underpinned by some key principles and ways of working by which MOD works across the defence enterprise and defence ecosystem.

Defence's Digital Commercial Strategic Roadmap benefits from sponsorship by Defence's Enterprise Chief Information Officer and Director General Commercial and Industry.



HAR

Victoria Cope MBA CEng CCME FCIPS FRAeS FWCC

Defence's Digital Commercial Director

# UK Ministry of Defence - Digital Function - what we do

The Ministry of Defence is a Department of State and a military headquarters, responsible for providing the military capability necessary to deliver the Government's objectives and defining future military requirements.

The Digital Function is responsible for making sure that effective digital and information technology is put in the hands of the military and business front line. It is guided by the Digital Strategy for Defence servicing the five domains of air, land, sea, space and cyber, across all classifications, globally. Helping the UK Ministry of Defence keep the UK citizens safe and helping the UK economy prosper. Data is a strategic asset to Defence and the Digital Function delivers transformative digital capabilities to enable sustainable military and business advantage.

These capabilities must be secure, integrated, easy to use and delivered at scale and pace to all in Defence.

Digital and technology capabilities and services are front and centre of UK Defence, in an increasingly contested and fragmented world and digital procurement

It enables the delivery of key digital and tech capabilities, are at the heart of the UK's defence and national security customers.

We enhance military advantage by equipping Defence with game-changing digital capabilities.

Our digital strategic outcomes include:

- A secure, singular, modern Digital Backbone is connecting sensors, effectors, and deciders across military and business domains and with partners, driving integration and interoperability across domains and platforms.
- Enabled by the backbone, a Digital Foundry is unleashing the power of Defence's data, exploiting Artificial Intelligence and other gamechanging technologies.
- An empowered, skilled, and agile Digital Function is driving multi-domain integration and Defence transformation.

#### The Digital ambition

Data is a strategic asset to Defence and the Digital Function delivers transformative digital capabilities to enable **sustainable** military and business advantage.

These capabilities must be secure, integrated, easy to use and delivered at scale and pace to all in Defence.

The demand for digital products, capabilities and services is growing rapidly across operational and corporate users. The cyber threat has increased; faster than predicted and attackers are using increasingly diverse and sophisticated means.

Subsequently, the pace of our response needs a step change and hardening our critical systems needs to be delivered at pace, including driving out obsolescence.

It is imperative that Defence and Defence industry shift to a 'war footing'. We need to carefully plan and include commonality and interoperability with our NATO allies, as well as move away from the complex international supply chains, relied upon in the past.

We have an urgent need to modernise our digital architecture, build a common end-to-end technology platform, protect our assets, and build resilience to reduce cyber defence risks.

We need to attract and develop in a competitive skills market and establish a more effective ecosystem of partners and suppliers.

Data is digital 'gold', and we need to access, integrate, and use data effectively, treating it as a strategic asset, if we are to realise the possibilities of Al and other technology gamechangers.

All these need to be delivered at pace and scale to support military capability and to enable real time decision making in our operations, intelligence, and business activities.

# What are Digital Categories?

Within Defence, almost everything we do is underpinned by digital capability. To that end, MOD directly procures £4.7 billion per annum of digital and technology directly with suppliers.

It also acquires digital, or technology capabilities, embedded within a platform or system purchase.

Therefore, it is key to colleagues within MOD and across the supply chain ecosystem to understand their digital and technology landscape and work with the Digital Commercial Directorate to ensure MOD optimises the acquisition of digital throughout its supply chain.

The MOD is the largest digital spender across HMG with 25% of cross government spend.

The Digital Commercial Function has five clearly defined digital and tech categories:

**Network and Communications** - Fixed data and voice capabilities, mobile and radio services together with non-satellite, beyond-line-of-sight, and strategic communication systems across the radio spectrum.

IT and Hardware Services - Enterprise IT equipment servicing fixed and deployed environments and provides the technology and communications systems that makes it easy for people to do their job in Defence every day, safely and securely.

Software and Cloud Hosting Services -Software, Cloud and Hosting, Cyber, Crypt Key, Data, Automation & Al, Information exploitation for Command Control Communications Computer Intelligence Surveillance Target Acquisition and Reconnaissance (C4ISTAR).

Professional Services - External support requirements including outcome-based subject matter expertise and consultancy as well as contingent labour. The Digital and IT Professional Services Framework established by Defence, provides HMG with access to a comprehensive set of Digital, ICT and Cyber capability and expertise via its partners. The Framework is 'outcomes' focused, to ensure that the right incentives and drivers are put in place for each requirement. This ensures quality of delivery and control of costs and timescales.

Enterprise Space category - Diverse range of military satellite capabilities. Digital Commercial is the lead for Space across HMG including the Department for Science, Innovation and Technology, the UK Space Agency, the UK Intelligence community, and the Department for Environment Food and Rural Affairs.



### The role of Commercial

The Digital Commercial Directorate has a core role to play within the organisation.

It advises, enables and directs the acquisition of capability to achieve Defence outcomes and positions the UK Defence Enterprise in competition to the acquisition and delivery organisations of our adversaries.

**Strategy:** Commercial's role is to help deliver the Digital Strategy for Defence. Commercial is a core part of this strategy and discharges its accountabilities within these strategies through creation of the Digital Commercial Directorate strategic roadmap and Digital category and procurement strategies, which all seek to raise the bar and push the boundaries on how we undertake commercial activities.

Innovation: Commercial is positioned as the shop window to Innovation. It provides thought leadership and engagement opportunities with industry, as part of being an expert in the relevant digital category of spend. Commercial innovation is also key, whether that be an innovative strategy, commercial model, route to market or approach to risk.

Risk: The Commercial Function in Government ensures legal compliance under the Procurement Act 2023, while also encouraging teams to take smart, balanced risks to improve how we buy goods and services. Defence aims for a transparent approach to risk and expects the same from its suppliers.

Value: MOD must spend taxpayers' money within the Defence Budget to deliver the outcomes set out to in our contracts as well as demonstrating value for money, and delivering savings to the public purse. Social Value is equally as important; for MOD and its suppliers to deliver the outcomes Defence requires, it must ensure it has a positive and constructive impact on the communities and environment in which it operates.



# Digital Commercial Strategic Roadmap

Our vision is to 'Procure Tomorrow's Technology, Today' and to be renowned as the number one digital ans technology procurement team. In doing so, we harness the exceptional practices that we have devised, now in operation, and will continue to build on, to raise the bar further.

Our Digital Commercial Strategic Roadmap outlines how we devise and harness best practices in digital acquisition, employing advanced ways of working as well as developing the digital and procurement skills of the future within the MOD and its supply chain.

The Strategic Roadmap seeks to transparently bring stakeholders across the Defence ecosystem together, to have a clear and common vision and golden thread for digital acquisition. Ensuring the basics are underpinned by strong foundations and optimised, but more importantly, raises the bar on how to procure leading edge digital technology, at pace and scale.

The key to Defence having future proof, coherent, integrated digital capabilities are the principles of focussing on Defence outcomes, reducing fragmentation, duplication and increasing reuse within Defence and to the benefit of wider HMG, and it is our mission to ensure that commercial powers these outcomes.



Fig 1. An illustration showing the five pilars of the Defence Digital Commercial Stategic Roadmap.

# Digital Commercial Strategic Roadmap

Our five strategic pillars to deliver our Mission and Vision

### 1. Leadership, Performance and Personal Development

Our people are our greatest asset.

Acquisition of digital capability is a niche and nuanced skill set and requires MOD to build and develop a cadre of suitability qualified and experienced commercial professionals to ensure that we 'acquire tomorrow's technology, today'.

Our people use their specialist digital procurement acumen and commercial expertise to deliver digital, technology and commercial innovation across the Defence enterprise and into the hands of the users.

The highly skilled team operates an extensive portfolio of complex contracts, delivered in partnership with our supplier ecosystem. They ensure **compliance** with relevant legislation and guidance, and **drive value for money** for the Department and **social value outcomes** for the communities and sectors we operate in.

In addition to the technical commercial skills, the **soft skills** required to develop a **growth mindset for continuous improvement, challenge the status quo**, and take a calculated **risk leaning** approach, are fundamental.

Foundational to our digital skills agenda is developing the commercial skills and acumen within the Commercial Function, non-commercial stakeholders and within the supplier ecosystem.

We seek to invest in our people's personal development to ensure they achieve their full potential and performance as individuals and collectively as a team. Structured development programmes to build individual and collective capability, ensure that individuals are incentivised to improve themselves continuously.

Instill a feedback culture and growth environment providing teams with time, space and energy to leverage strengths and develop focused areas.

Enhance the commercial acumen within the Digital and Data profession is key to delivering on our commitments across the end-to-end programme lifecycle, strategically engaging the market, and holding ourselves and suppliers to account.

Grow and secure the digital commercial skills and talent within the defence enterprise and wider supply chain.

Key ways of working:

- Growth and innovation mindset
- Feedback culture
- Calculated risk taking
- Constructive challenge
- Knowledge sharing



#### 2. Enacting our Commitments

Having a laser focus on delivering our commitments is key to delivering Defence outcomes and building our reputation as a trusted, responsible digital ecosystem.

Through our digital commercial strategic roadmap and category management approach we are seeking to **double-down on the performance** of our current supply base and broaden the high-performance portfolio of suppliers that support our Defence networks.

MOD expect to be in receipt of worldclass services from the organisation which we contract, utilizing suppliers experience of delivering critical national infrastructure programmes, together with access to the capability of their wider organisations.

Political direction is clear; we must enforce contractual rights. Non-performance under the Procurement Act 2023 has significant consequences for suppliers. These consequences extend beyond an individual contract and can restrict the access to inclusion in future contracts across Government.

Transparency and collaboration are key to enacting our contracts. How all parties 'show up' to the contract management challenge and opportunities that lay in front of us is fundamental. It is key that we collectively generate and seize opportunities proactively, learn from experience, and understand drivers & route causes and enacting mitigations at pace where required.

Removal of assumptions is fundamental to ensure all parties are clear on expectations, dependencies, ownership and impact.

MOD must have confidence and trust its supplier's ability to deliver and to work with MOD on a genuine partnership basis:

- Ensure MOD holds itself and our suppliers to account to deliver contractual outcomes.
- Structured approach in place to consistently deliver innovative commercial thinking, insights and outcomes to our internal defence customers.

- Benchmark our performance and that of our supply chains to ensure we are delivering leading commercial and industry outcomes.
- Deliver our commitments as Government Commercial Professionals, using our commercial acumen to make good business decisions and uphold the highest standards required to be a commercial and procurement professional within government and regulated sectors.

Key ways of working:

- Outcome based performance specifications
- Invitation to Negotiate (ITN) by default
- Key Performance Indicator (KPI) adherence and outperformance
- Tracking of leading indicators
- Obligation and Dependency monitoring and management
- Structured supplier performance management toolkit



### 3.Strategic Category Management across the Defence Enterprise

'Becoming the shop window to innovation'

Raising the bar on Category Management to lead, develop and deliver best in class, strategic, cross-functional digital and tech category management across the Defence Enterprise and HMG.

Category management is defined as 'the process of planning for and acquiring a common domain of products/items/ services (a category) across programmes. It improves the coordination of procurement activities across boundaries to present a unified market interface.

Through cross functional collaboration, Category management delivers benefit through process improvement, cost reduction and improved risk management."

A single category strategy at Defence level is underpinned by digital acquisition teams from across Defence bringing their organisations, day-to-day procurement challenges, capability requirements, roadmaps and perspectives, to meaningfully contribute towards the delivery of the single category strategy.

Category Management is the day job for all Digital Commercial Professionals.

- Bring Defence's £4.7 billion of digital and tech spend under management
- Employ a strategic approach to how we set requirements & leverage the market to drive better value for money, deliver capability quicker, and reduce duplication of effort.
- Deliver growth in innovation, balanced risk, and double-digit commercial savings.
- Increase cross functional digital category acumen
- Collaborate share best practices across Defence enterprise and wider Government

Digital Category Management is a team sport, where cross functional teams work as part of a cross-defence category forum, to collaborate as 'one defence' team on category strategy delivery and optimised routes to market.

The **value chain** as a tool to gain collective understanding, identify shared challenges, opportunities, to collaborate on and good practices that can be shared across the enterprise at scale.

Category teams collaborate with our colleagues in the Chief Technology Office to produce the **technology strategic roadmaps** for defence's digital capability. The technology reference model, which underpins these roadmaps, is mapped to the digital categories we acquire to ensure that we are speaking the same language across defence, across government and with industry. Helping us to provide transparency and line-of-sight to the digital capabilities we require in the future, to generate appetite within industry and allow investment in its capabilities to compete in the public sector.

Category management ensures that the MOD maximises **defence outcomes**, **innovation** and benefits in financial and social value terms to UK Citizens.

Key ways of working:

- One Defence and One HMG Category Strategy
- Cross functional collaboration
- Enterprise and preparedness by design
- Re-use to accelerate tech and mandated routes to market
- Single and combined voice to the market led by category teams



#### 4. Commercial Optimisation

Raise the bar on how we acquire at pace and scale - outpacing our adversaries

Incentivising and empowering team members to innovate and push the boundaries to do things differently, to inject pace and innovation into procurement ways of working across MOD and its ecosystem.

Our commercial optimisation approach provides licence to professionals to concentrate on value adding activities, horizon scanning for barriers to doing good business and supporting and delivering acquisition reforms.

**Constructively challenge** policy, process and practices to ensure digital operates effectively, at pace and with agility, to the needs of the user.

Identify and leverage accelerated ways of working to make it easier for our people to apply their judgement to rapidly deploy the best value for money commercial approaches within Defence.

This includes acquisition of efficient and automated systems, **simplified policies** and **smart application of risk** and proportionate controls, enabling greater value for money for Defence.

Define, standardise, and employ best practices in how we buy across the digital categories to the benefit of others pan-Defence and wider Government.

The MOD **Digital and Tech Commercial Pathway** provides a navigation guide and decision tree through which best practice, digital commercial practices, and routes to market, can be employed. All of which support the Cabinet Office Digital & Tech Playbook.

Embed Commercial X as a core way of working for all digital & tech programmes under £50 million and less than two years in duration, which are not already covered by an optimised route to market.

Through doing this week seek to:

- Be easy to do business with as practicable, standardise and share good practices at defence level and across government.
- Proactively reduce the barriers to entry and ensure processes level the digital and tech playing field for all sizes of suppliers.
- Embed strategic risk and opportunity management to optimise Defence outcomes and encourage balanced risk taking, informed by commercial judgement.
- Keep pace with the market.
   Accelerate pull through. Acquisition and exploitation of transformative technology.
- Educate cross functional stakeholders and market on how to successfully navigate defence.



### 5. Market Engagement and Innovation

#### Raising the bar on supplier innovation

Digital Commercial is repositioned as the 'Shop Window to Innovation' commissioning traditional and new markets differently with challenge statements to seek to bring outside innovation in, and co-produce requirements with the market to ensure we buy 'Tomorrow's Technology, Today'. Ensure commercial valueadd provides market insights and thought leadership.

This refreshed and energetic approach to market engagement leads the way to identify and introduce new, creative, and innovative suppliers to Defence. It sets the standards for the longer-term partnerships and consistent quality delivery needed, for sustainable and leading-edge capability to be delivered.

To help defence keep pace with technological developments and tackle future threats, we are **building stronger relationships** with current and prospective suppliers to ensure that **innovation is at the forefront** of everything we do.

Behaviours of the digital ecosystem are key, and we encourage openness, innovation, candour, and transparency within the market. Refocusing supplier relationship focus to bring about more productive, meaningful, and output driven conversations for both parties.

We encourage the market to share their insights and innovations on what the market is looking like and what they can do for us, to build on our category strategies and our delivery of the defence outcomes.

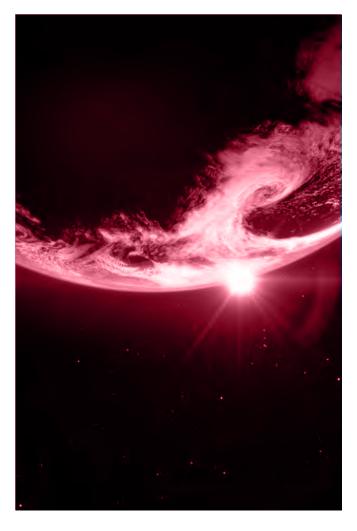
Strategically engage with the market on our key categories away from procurement cycles to maintain & generate market appetite and welcome insights. Be forward leaning in our engagement with the market hosting roundtables, engagements, and participating in industry digital and tech events to extend our reach and allow you to showcase your offerings.

We seek to provide a **transparent** forecast pipeline and indicative 'signpost' to capability opportunities from £10,000 upwards, including clarity on preferred, optimised, and mandated routes to market. We seek to openly share our pipeline and clearly communicate our needs, as well as our priority challenges we seek to address.

**Collaborate** with the market to develop our 'ways of working' with a focus on delivering defence, social value outcomes and exploit technology to taxpayers' benefit.

It is fundamental to shape and enhance the UK digital and tech sector, creating a mutually beneficial innovation ecosystem. Developing resilient, sustainable, agile, and diverse supply chains to secure digital outcomes now and in the future, working with suppliers to understand the level of risk and mutual opportunity within sub-tiers.

This approach will **enhance mutual understanding** and enable better supply markets, support MOD capability planning and innovation into Defence.



# Cyber resilience standard

Cyber Security of the defence ecosystem remains a critical focus, which has been further reinforced in the publication of the Strategic Defence Review.

Defence has a standard approach to Cyber Security as a 'licence to participate' for all suppliers.

These Cyber Security standards are detailed in DefStan 05-138 (Issue 4). It is imperative that Cyber commercial terms (DefCon 658) are included in all tenders and contracts, to ensure the standards are adhered to in delivery of our defence outcomes.

To improve cyber resilience in the Defence supply chain, the Defence Cyber Certification (DCC) scheme assures Defence suppliers' adherence to the cyber security standards. Defence Cyber Certification - Defence Cyber Certification.

Self-certification is no longer enough to assure Defence of suppliers' adherence to standards, practical assurance is now also required to assure Defence that the plans and policies they have are being enacted in practice.

No supplier should be considered for a Defence contract unless they have the Defence Cyber Certification in place. Suppliers need only certify adherence once, and this will remain applicable to all future contracts, as long as they remain certified under the annual assurance process.

National Cyber Security Centre - NCSC.GOV. UK



### Find Out More and Get in Touch

#### Email:

UKStratComDD-CM-COO-Engagement@mod.gov.uk

#### **GOV.UK Website:**

Doing Business with Defence - GOV.UK (www.gov.uk)

**Defence Sourcing Portal:** 

Defence Sourcing Portal (DSP) (mod.uk)

**Aquisition Pipeline:** 

MOD Acquisition Pipeline.xlsx (live.com)

**Find Out More and Get in Touch** 



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Created by the Defence Commercial Communications Team:
defcomrcl-comms@mod.gov.uk