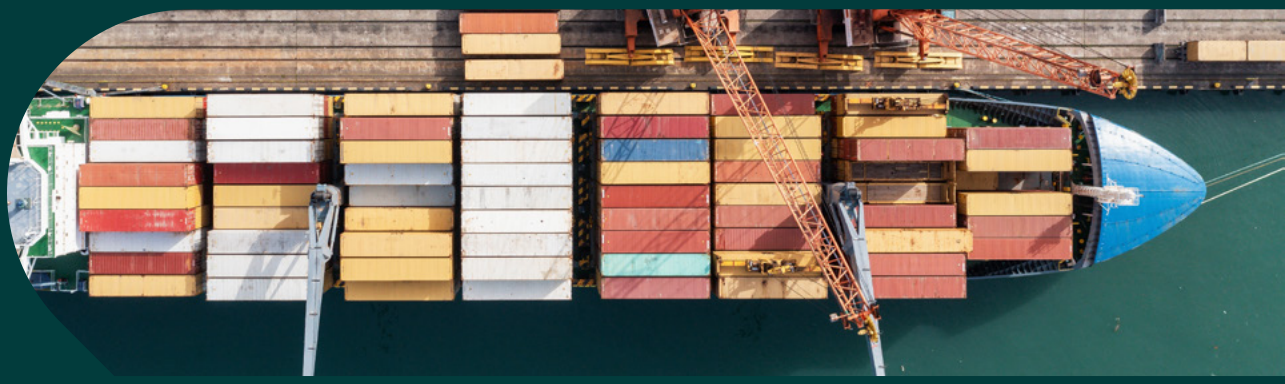
Transformative Solutions
Sustainable Impact

Whitepaper

Resilience, readiness, and the future of defence supply chains



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The Strategic Defence Review 2025 signals a pivotal evolution in the United Kingdom's defence strategy, prioritising "warfighting readiness" and a comprehensive transformation of the broader defence ecosystem.

This transformation extends beyond the armed forces to encompass the industrial and innovation base that supports them. Central to the Review is a "whole-of-society" approach—an integrated national effort that mirrors the systemic coordination required to ensure resilient and responsive defence supply chains.

In this context, supply chains must be recognised not merely as logistical functions, but as strategic assets—vital enablers of operational agility and key pillars of modern deterrence and defence.

But is the defence industry ready to meet this challenge?

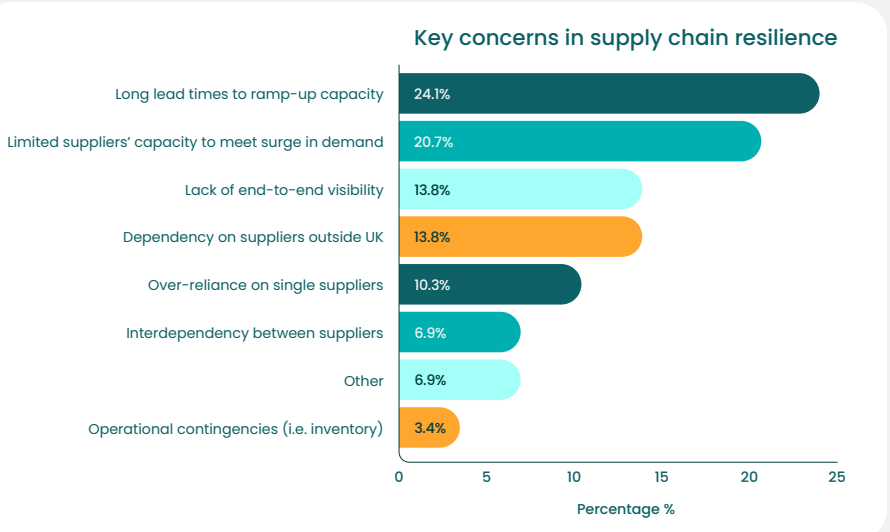
In a recent 4C Associates survey involving MOD personnel and defence enterprise professionals, a number of concerns were identified in defence supply chain resilience:

Further conversations with respondents also highlighted a deeper issue: a lack of shared understanding about what resilience means in a defence context. And despite all the talk about closer MOD–industry collaboration, many feel that genuine joint decision-making remains limited.

01 Supplier capacity constraints topped the list, with **44% citing long lead times** and limited ability to ramp up production.

02 **Lack of end-to-end visibility,** including limited insights into key dependencies, vulnerabilities, and the current performance of the supply chain.

03 Dependency on overseas suppliers is a significant problem due to the volatile political situation. Exposure to International Traffic in Arms Regulations (ITAR) is also increasingly concerning with a changing US foreign policy. According to estimates, **30–50% of the UK defence enterprise value chain is exposed to ITAR.**



Key constraints to building resilience

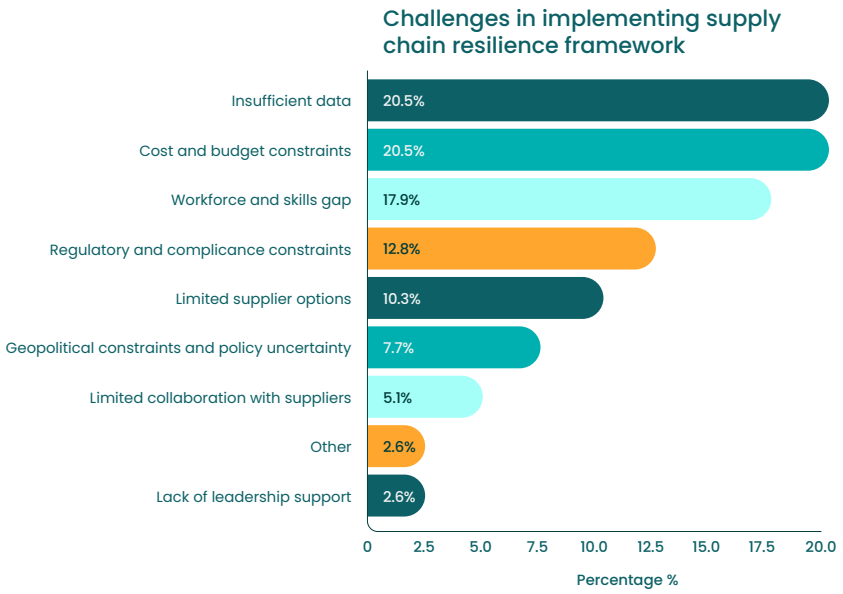
Respondents highlighted a number of systematic constraints that hinder progress in implementing resilience initiatives, including:

01 **Insufficient data** from visibility on end-to-end risk, to lack of clarity on what capabilities are needed for resilience, to key dependencies and vulnerabilities.

02 **Cost and budget constraints** are a key challenge identified by most participants. While everyone likes to talk about resilience, there are no separate budgets available to invest in resilience-building measures or even to set up a framework.

03 **Talent, skills, and a security-cleared workforce are major constraints.** In the context of supply chain resilience, additional clearances are needed when reviewing end-to-end supply chain vulnerabilities and risks.

Other key challenges include complex regulatory and compliance requirements, a limited pool of alternative suppliers leading to high dependency, increasing geopolitical and policy uncertainties, and insufficient collaboration with suppliers.



Taken together, these challenges point to a clear need – a shift away from fragmented, isolated efforts towards a **more coherent, system-level approach to resilience.**

Turning Reform into Resilience

The need for a more coherent, system-level approach to resilience is highlighted in the Strategic Defence Review (SDR) which introduces a series of transformative reforms aimed at reshaping the UK's defence acquisition and industrial strategy. Central among these is the establishment of a National Armaments Director (NAD) and a segmented procurement model—both intended to enhance agility, accelerate acquisition cycles, and deepen engagement with UK industry.

For defence supply chains, this marks a decisive shift from reactive procurement to proactive capability development, underpinned by long-term investment in sovereign production capacity across critical areas such as munitions, energetics, and autonomous systems.

The commitment to an "always on" munitions pipeline and the construction of new domestic manufacturing facilities represent foundational steps toward industrial resilience. Equally impactful is the introduction of a dedicated £11 billion annual 'Invest' budget under the NAD, directly linking industrial growth with front-line capability.

The message to supply chain stakeholders is unambiguous: resilience and readiness are no longer trade-offs—they are mutually reinforcing.

Priorities for enabling resilience

To strengthen defence supply chain resilience, respondents pointed to several critical areas where targeted support from the Ministry of Defence (MOD) and wider defence enterprise is essential.

01

Improved forecasting

Enable more effective resource management with accurate and timely demand signals from the MOD.

02

Updated MOD databases

Reflect real-time supplier capabilities and emerging trends for more informed decision-making.

03

Workforce investment

Address skills gaps and build greater long-term certainty with targeted training and supply chain education.

04

Strengthened collaboration

Enhance coordination and agility across the supply chain with robust information-sharing frameworks.

05

Accelerated approval processes

Reduce delays and eliminate bottlenecks with faster procurement approval processes.

06

On-shored manufacturing

Reduce reliance on overseas suppliers to improve both the stability and responsiveness of the defence supply chain.

These are all valid and achievable priorities, but they also prompt a bigger question: **does building resilience always have to be this complex?**

Reframing resilience: A simplified but powerful framework

Resilience doesn't have to be complex.

Shifting the defence supply chain's focus from efficiency to resilience starts with defining what resilience means—and how to measure it. Once a clear metric is established, it can be embedded into organisational objectives, guiding decisions, unlocking investment and aligning efforts across the supply chain.

The SDR's call for rapid innovation aligns closely with the 4C resilience framework. A supply chain that can adapt, retool and integrate emerging technologies is not only more secure—it's more competitive. Embedding risk assessment and innovation readiness is essential to future-proofing defence capability.

We have several organisations in developing tailored resilience frameworks—beginning with a maturity assessment and delivering a resilience index with actionable criteria.

Resilience is an integrated, system-wide strategy, and we have used three foundational pillars to define the index:

01

Operational resilience

Here, we are looking at evaluating the maturity of contingent standard operating procedures (C-SOPs) and the ability to step in (i.e. are the alternate options clearly defined when a default supply chain is not able to meet operational requirements and operational continuity can be provided without external suppliers?).

In the context of defence, it could be that one of the strategic suppliers or facilities is disabled due to a coordinated cyber-attack or a combination of surge operational demand and strategic supplier(s) being disrupted.

In disruption scenarios, one of the key challenges we find is how quickly a new supplier can be onboarded and integrated with the operations. Another factor is to understand the time to impact the operations in case of supply chain disruption.

02

Commercial resilience

When assessing the commercial resilience of an organisation, it's essential to look beyond the robustness of supplier contracts – equally important is how well these contracts are understood.

In times of disruption or crisis, the speed at which an organisation can respond is often determined by its ability to quickly interpret contractual rights, obligations, and restrictions.

In the survey, many respondents highlight a lack of end-to-end visibility and a limited understanding of supply chain dependencies. This is where the commercial function plays a critical role. A well-established process using SRM tools and ongoing monitoring mechanisms is vital to ensure agility during unexpected events.

Another cornerstone of commercial resilience is having a robust, centralised supply chain issue log and reporting system. This not only supports continuous improvement efforts but also enables other functions within the organisation to report challenges in a structured and consistent manner.

03

Market resilience

Building a resilient supply chain requires strengthening the broader ecosystem it relies on. This includes actively developing alternate suppliers, fostering innovation through clear pathways for emerging technologies, and reducing reliance on outdated systems.

In a defence context, there should also be greater clarity on key sovereign capabilities needed and where they can be managed through alliances. Other key considerations are around dependencies and vulnerabilities beyond Tier 1 and options in areas like rare earths and dependencies on chips and other key technologies.

Tailoring the resilience index to organisational needs

The resilience index can be assessed and developed on various levels – by supplier, category level, or for specific supply chain segments, based on organisation needs and operating model to sustain it. Once a score is assigned to each supply chain element, these can be aggregated to create an overall organisation-level score for executive reporting and strategic decision making.

On a scale of 5, we have seen relatively mature organisations operating in regulated environments typically achieve an average resilience score of around 2.

The path forward: A shared vision for defence supply chain resilience

The role and effectiveness of each resilience pillar, whether operational, commercial, or market, vary significantly depending on the stage of crisis or disruption. Understanding this variation is essential for assessing vulnerabilities and developing robust contingency plans.

01 Immediate action

This is from Day 0 to Day 2 to get the initial response to the crisis based on operational measures, but supported by commercial resilience measures.

In a defence context, all UK branches already conduct extensive scenario planning with pre-defined deployment routes, reserves, and procedures. However, if the commercial function doesn't have end-to-end information on the key dependencies and insights needed to feed into this planning, then there is a need for better integration across the wider defence enterprise to ensure planning is joined up.

02 Sustained response to disruption

This phase requires commercial and market resilience measures to take a central role. The Ukraine crisis has exposed significant vulnerabilities in this area. Despite strong political will, the UK, alongside the rest of Europe, struggled to scale up in line with the urgent requirements.

In the defence context, several structural challenges hinder the ability to respond effectively:

Complex manufacturing processes and IP restrictions limit the ability to rapidly scale up via conventional market forces.

Raw material constraints, including country of origin and end-use restrictions, pose a significant risk to supply chain resilience.

Services support for equipment and supplies, extending to frontline operations, adds another layer of complexity.

Finally, cumbersome procurement processes, often taking a rigid command and control approach, can take years to deliver major decisions – far too slow to meet emerging threats or deliver resilience.

To address these issues and build resilience measures for this critical phase, a more streamlined, future-oriented decision-making framework is essential – one that is clearly aligned with long-term resilience objectives.

A key enabler will be the adoption of a new approach to engaging with the broader defence enterprise. This includes the introduction of multi-year funding mechanisms to support agile procurement aligned with resilience goals. Such a shift would empower a wider range of industry players to participate in the development of new systems. It would enable greater control and visibility over intellectual property and the full Tier-N supply chain, and facilitate more rapid scaling of production and support when operational needs arise.

03 Transition to the new normal

Like society adapted post-COVID (e.g. self-testing, vaccines), a defence supply chain ecosystem is needed that would learn and evolve in real time based on operational requirements to find new approaches to outcompete the adversary, just as was necessary during the COVID-19 crisis.

Market resilience measures would play the central role in this phase. However, adaptation in a live operational environment requires more than structural readiness – it demands market resilience that is actively supported and coordinated by defence leadership at all levels, not just left to commercial mechanisms. This includes:

Embedding feedback loops from the front line into the industrial base to rapidly adapt production, design, and support.

Encouraging continuous innovation and experimentation within the supply chain to stay ahead of evolving threats.

Fostering an ecosystem-wide culture of agility, where both traditional defence primes and smaller, disruptive players have roles to play.

Ensuring leadership alignment, so that policy, procurement, and operational planning are integrated to support rapid scaling and pivoting of resources.

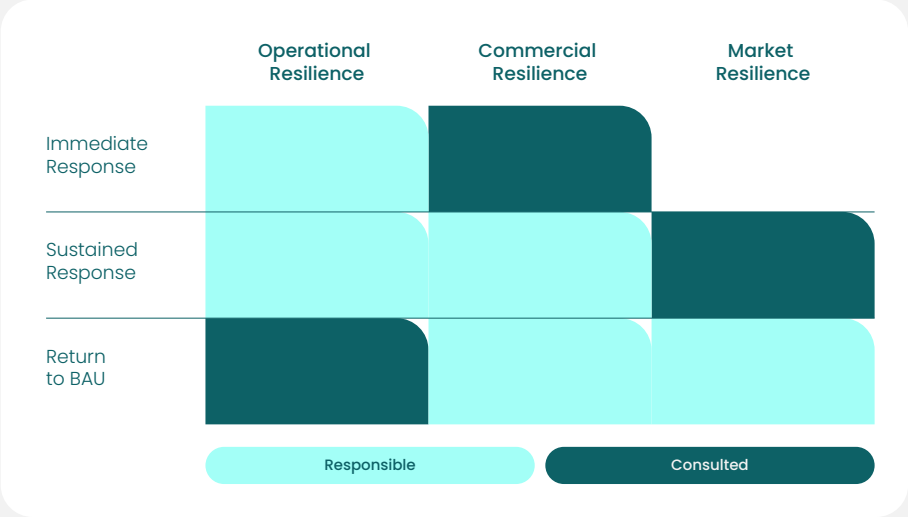


FIG 1 – Role of resilience measures through the disruption response

Ultimately, transitioning to the "new normal" means embracing a defence industrial posture that is not only prepared for disruption but capable of thriving in it.

This requires resilience not as a static end-state, but as a continuous, adaptive process, jointly owned by government, industry, and operational leadership.

Conclusion

Defence supply chain resilience is no longer optional—it's essential.

The Strategic Defence Review 2025 makes clear that readiness and resilience must be built into the system – not just added as an afterthought.

To deliver that, **we need a clear, shared, and simple framework** that forms the foundation for building supply chain resilience and drives continuous improvement.

This white paper presents an approach to managing supply chain resilience in a common language that can be used across defence and other industries, allowing best practices to be applied. It helps focus on the need for sovereign capability, whilst tackling immediate challenges and supporting the defence ecosystem in long-term adaptation and a change in the way the supply chain operates.

It aims to serve as a call to action for the MOD, industry, and the broader defence ecosystem to align on a common framework and move forward with urgency and clarity. We must all take a less fragmented approach to resilience, ensuring it is a shared priority while exploring opportunities for new funding models and a shift in the culture of defence.

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Continue this crucial conversation by connecting with our team – let's shift this culture together.

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