

RETHINKING GOCO: HYBRIDIZATION IS THE WAY AHEAD

Need to relook before you leap

By

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“In the Middle East War of 1973.... It was only when the Israeli Army enhanced its technical support that 80 percent of tanks damaged in the war could be recovered and sent back to the battlefield. The equipment support ability of the Israelis contributed a great deal to the reversal of their disadvantageous posture and changed the process and outcome of war.”

--- PLA`s Science of Military Strategy

1. The above stated reference from the Chinese Army`s cache of military literature indicates the enormous amount of forward looking changes that have come into the PLA`s thinking, which once upon a time was hugely manpower intensive. By studying maintenance engineering protocols of foreign armies, PLA intends to get deep insights about the adversary`s capability to conduct operations. **In the 21st Century engineering capability of a force will end up shaping operational doctrine.** Nothing could be more relevant for an Army which is equipment intensive, but with a 30-30-40 medley. Awareness of equipment capability issues is at best opaque. It is taken for granted that any piece of hardware lying at Ambala, Jaisalmer or Ladakh will perform at full throttle when launched into battle. Introduction of GOCO model in the Army Base Workshop (ABW) is a retrograde step which urgently needs a rethink, as it is being put in the overdrive without any formal risk assessment. There is an imminent danger of sharply declining equipment capability rates ushering force hollowness.

2. GOCO could become a self defeat initiative of the Army much against the Recommendation of Sheketkar Committee to corporatize the working of ABWs (Recommendation No 121). CAG in report no 36 of 2016 on performance audit of ABWs had recommended creation of comprehensive facilities and introduction of a cost accounting system. Salient recommendations of the CAG are given below:-

(a) Cost accounting system should be introduced in the workshops to ensure optimum utilization of resources viz. manpower, machines and materials and to assess the cost effectiveness of overhauls.

(b) As regards urgent requirement of augmenting availability of spares, constraints in the availability of spare need to be identified and process of making available spares through manufacturing or procurement from Trade/Ordnance Factories need to be streamlined.

Corporatization Versus Privatization

3. How then has the Army misconstrued corporatization as being synonymous with ingress of corporates into these engineering fortresses to take charge of core rebuild operations. Wikipedia explains corporatization as the process of transforming state assets, government agencies, or municipal organizations into corporations. These state-owned enterprises are organized in the same manner as private corporations. Corporatization is today often seen as an end in itself in order to introduce autonomy in organizations to bring efficiency gains. A key purpose of corporatization is externalization, which creates legal and managerial autonomy. Areas which have been corporatized generally world over are railways, highways, telecommunications, electricity, water supply, bus services, etc

4. Maintainer capability may not appear to be of operational relevance in present times of low intensity conflicts. Base rebuild capability provides Deep Support (DS) to field maintainers by providing sub systems and field replaceable units (FRUs) to keep weapons in Ready to Fight (RTF) condition. During war technicians from base workshops move into the battle areas to return damaged and dysfunctional systems back into action. During Kargil maintainers from ABWs supported missiles and Bofors in-situ. Today a huge amount of DS activity ensures that guns, thermal imagers, rifles, radars, UAVs, helicopters, IED defeat systems and vehicles are kept operational in the Valley. Even after 30 years, Bofors continue to be the Army's principal fire power provider at LAC/LC courtesy Component Level Rebuild (CLR) center at ABW. Maintainer capability cannot be evaluated only on cost efficiency, but also on effectiveness i.e. 24x7 capability readiness, more so in the context of Indian Army, where close to 90% of the frontline inventory is of imported origin or has substantial import

content. If such systems are not kept functional and reliable, force hollowness will aggravate.

GOCO

5. GOCO is an acronym for Govt owned Company operated. In context of ABWs the Army intends to hand over rebuild operations of armaments and other combat systems to private parties, to cut costs and redeploy around 1500 combatants in forward areas. Merely by introduction of GOCO, cost efficiency and effectiveness will not set in. The recent spate of failures in private businesses such as airlines, banks, real estate, industrial enterprises, telecom, power has demolished the argument that private sector businesses are run efficiently. **It has become clear that there is hardly any relationship between efficiency and ownership. There are a number of Govt undertakings that are being run efficiently given the right environment.** The current pandemic has convincingly shown the effectiveness of public sector in providing a quick and enduring response to national emergencies. The Army could have at least taken a cue from the Air Force and Navy on technical management of DS capabilities.

6. **GOCO model in ABWs is akin to privatization of core functions of Research & Referral and Command Hospitals, no amount of cost effectiveness studies can provide the raison d`etre to privatize specialist medical treatment and surgeries of soldiers.** The ECHS experiment launched with great fanfare for the veterans is under stress as mounting bills of private hospitals cannot be cleared. So why the tearing hurry to do it for weapons and equipment? **After all soldier and equipment readiness still remain the principal battlefield operating systems of 21st century.** The Price water house Coopers (PWC) report as well as CAG report have identified spares support as a vital production holdup issue, responsible for delays and idle capacity.

7. **Examples world over indicate that GOCO is for privatization of public services not national security assets.** There is an inherent convergence of objectives in the private sector, to maximise profits and this could be at the cost of equipment readiness. Private owners of defence engineering operations could raise costs manifold, miss timelines, do a half baked job once Army skills wither away. Capability gaps were experienced by US during the Gulf war, constraining them to restart reset operations at

Anniston Army Depot .British Army`s plans on GOCO fell apart in 2013; it was even questioned in Parliament how far a private entity could be trusted to serve national security goals. Privatization of rebuild operations for an Army faced with the prospect of a two front war, raises serious concerns as to how the Army intends to address force regeneration issues. Unreliable and dysfunctional systems could end up impacting the survivability of soldiers and junior leaders. Across the border adversaries have created **comprehensive rebuild capabilities to support T80, Al Khalid, Type 99, A 300 rocket systems, howitzers, etc. while the Army is content with pursuing its obsession for boots on the ground.**



Howitzer Rebuild Center

Maintainer Capability is not Logistics

8. The Indian Army has the rare distinction of perhaps being the only organization that takes a logistics view of engineering, a practice not adopted in any force world over, not even in IAF and IN. Engineering support issues continue to be examined with pre existing mindsets of a primitive fighting force. The world view **that engineering ensures equipment readiness to commence and sustain combat operations is missing.** In the Yom Kippur War, it was engineering that created superior force ratios by recycling an armoured brigade! Whenever engineering has failed , major disasters have struck, e.g. Patriot missile failure during Gulf war(1991), sinking of HMS Sheffield (1982), etc. An understanding of how a military regards and conducts maintenance exemplifies the way it will be able to employ systems in wartime. There are numerous examples of how such innovations have been done by maintainers in the ongoing low intensity operations in Northern Command.

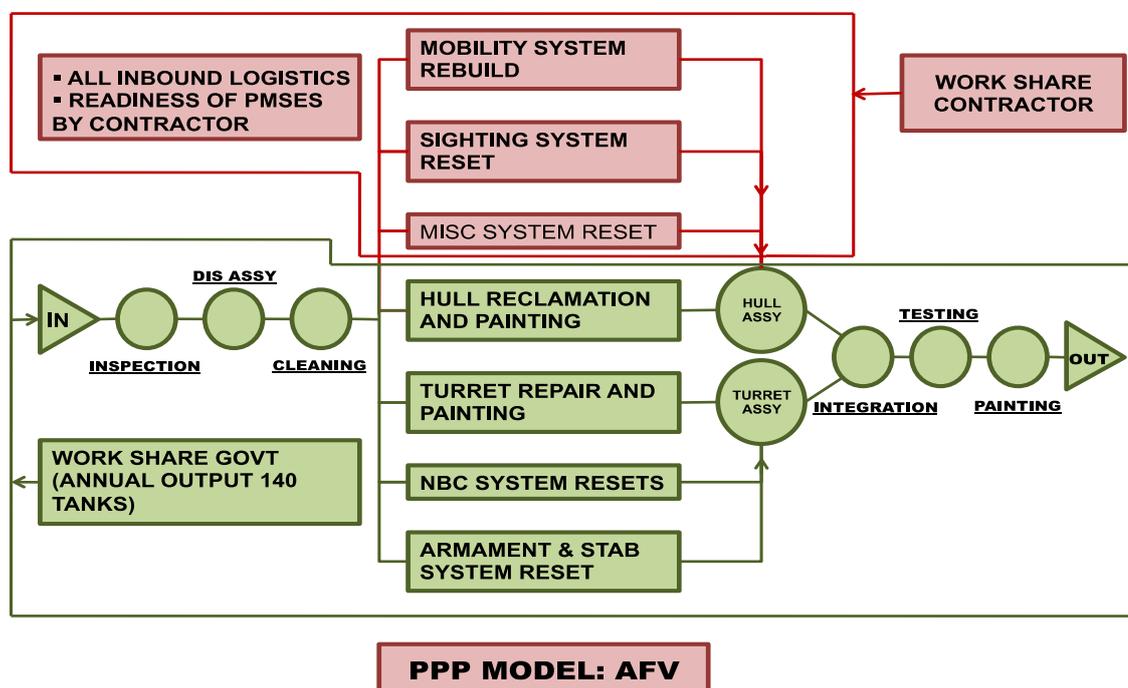
Privatizing Logistics

9. Over the years private sector has developed impressive capabilities in supply chain management. It therefore makes sense to associate private sector by outsourcing logistic support functions of ABWs in particular as a first step, rather than engineering operations of which it has no clue. Supply chain management is a core capability of private sector ; supply of spare parts, localization and scaling up manufacture can be done on the fly. Besides private entities can also take up overhaul of a host of mechanical systems of platforms. This calibrated approach will ensure that operational capability gaps are minimal and surge is retained , in view of the uncertain situation at the borders. Armaments deployed at LAC in inhospitable terrains need painstaking close/deep support to remain reliable. The fact that most of the Army`s equipment is of imported origin and private sector does not possess know how to take on rebuild operations, justifies this calibrated approach. **This singular step alone can result in manpower savings of 1500 to 2000 personnel, there is no requirement to attack the livelihood of 13000 civilian employees in COVID times and cause a major disruption.** A contractor operated rebuild center will not be cost efficient and is bound to adversely impact combat effectiveness.

Successful Partnering

10. Most GOCO initiatives in MRO of complex weapon systems have created severe organizational entropy and become an unaffordable venture for the Govt. **GOCO in ABWs is a certain NO GO as experience world over has shown.** It needs to be transformed into a collaborative venture of public private partnership (PPP) to concomitantly guarantee high equipment readiness and profitable running of Govt owned rebuild facilities. Nothing better than running ABWs with Army maintainers who provide technical leadership and **motivation to the civilian workforce to even move to remote areas like Kargil and Pangong lake to attend to systems deployed.** This is as a result of an organizational work culture nurtured over several decades; of greying civilians and young combatants working together under the Guru- Shishya tradition, with unity of purpose – an core attribute of corporatization. Those attempting to replace this tradition with the business model of an international school need to think through. Having had a deep insight of the Army's equipment readiness levels, I consider **a collaborative approach of hybridization as a balanced way forward:-**

(a) **Stage1.** Contracting out of all inbound logistics and plant readiness like spares parts, upkeep of plant and machinery. This move itself will save hundreds of crores being spent on dead inventory.



cted rebuild operations of open systems and FRUs by contractor. Indigenization, localization, technology insertion through PPP. System integration and readiness testing by Army. Proposed PPP model could be:--

11. Stages 1 and 2 can be run concomitantly through small value contracts for supply of rebuild kits and overhaul of engines, transmissions, running gear, FRUs. By resorting to this collaborative approach, annual output of ABWs can be doubled and manpower halved. It will turbocharge MSMEs through large scale indigenization and localization of components and units. ***COAS has stressed on the need for force preservation at this time, force regeneration is an integral element of this activity. Combat force regeneration is what the ABWs are engaged in 24x7.***

12. It is time to set the sights higher and move ahead by:--

- Replacing GOCO model by a PPP model with well defined work share.
- ABWs to retain focus on confidential systems, armaments, missiles, system integration and testing.
- ABWs to redeploy most combatants and downsize manpower by 40- 50% in five years.
- ABWs to become operational as independent budget centers in 5 years.
- Modernization of ABWs that has been put on hold to recommence.

13. In conclusion, I will end on the note that both CAG and Sheketkar reports have recommended corporatization of ABWs. No one has recommended the scale of privatization the Army is attempting to roll out , without taking into account the grave civil consequences on the civilian work force. Quite possible the MOD has not been made aware of yet another serious fallout of GOCO. Without further squandering of tax payers money, there is a need to rethink GOCO. By the way, the failed British attempt at GOCO had PWC participation, the current pathfinder of Army`s GOCO drive! **Equipment capability, operational reliability, availability are battle winning attributes and cannot be outsourced to contractors.** These have to be painstakingly worked upon by commanders who wish to use technology to enhance survivability of their troops and come out with all guns blazing. **Combat leaders have to understand the impact of maintainer capability on mission outcomes.** Then only can counters be found to the quantum jump in equipment capability of our adversaries, especially PLA. Capabilities to preempt, deploy rapidly and pump upto 10000 rounds per min on targets !In order to keep Army`s firepower up and running, field forces will need close engineering support from their maintainer buddies of academies and deep support from the greying bricoleurs of ABWs, not contractors. A revisit is called for. Do not sacrifice combat effectiveness for cost effectiveness.

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