

THALION  
Tech



# Thalion Tech 2025 SDR White Paper



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Thalion Tech

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## Introducing Thalion Tech – a new Defence partner

Thalion Tech has been created to help the MOD and its suppliers deliver pace and value for money by pairing hard-edged analysis with a relentless delivery mindset. We don't just advise – we deliver, ensuring every decision accelerates the outcome and every pound works harder for UK Defence.

This exciting new offering has been created at a cross-roads for UK Defence, following the 2025 Strategic Defence Review and a shift in the global security landscape. Thalion Tech brings a unique blend of experience, passion and expertise, with the sole aim of making a positive difference to Defence outcomes.

## A New Era for UK Defence?

The government's 2025 Strategic Defence Review makes one thing clear: the United Kingdom must prepare as if already on a war footing.

The authors have witnessed our fair share of Defence Reviews - this one feels different. The rolling back of the Levene Defence reforms<sup>1</sup> to more centralised decision making, and a recognition that production rate (not inventory alone) is the decisive weapon, are notable. Much, however, is still very familiar:

- The **current procurement system is broken**; we must reform the model to focus on speed, agility, and value for money.
- **“a new partnership with industry”** is needed. The existing relationship is too transactional and slow, lacking the integration needed for rapid capability delivery.
- **Small to Medium Sized Enterprise (SME) are essential** to innovation, resilience, and economic growth, the current system doesn't make it easy enough for them to engage.
- We must **reduce innovation cycles** to months (not years) to get new technologies in the hands of the user.
- **Red tape is slowing us down**; we must streamline approvals to reduce bureaucracy and accelerate delivery.

With much feeling familiar - it's easy to be cynical, but lessons from the pandemic and the realities of the current war in Europe shows us that **this time** the defence enterprise (MOD & Industry) **must deliver**.

## What Must Change

While the authors don't claim to have all the answers, they draw on their combined decades of involvement in multiple high-profile acquisition programmes across many strata of the defence enterprise to offer the following three thoughts:

**“Culture eats strategy for breakfast”<sup>2</sup>** – It is lazy to point to red tape, political interference, demotivated civil servants, and vested interests as the sole blockers to change. Many have done so in response to

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<sup>1</sup><https://www.gov.uk/government/publications/defence-reform-an-independent-report-into-the-structure-and-management-of-the-ministry-of-defence--2>

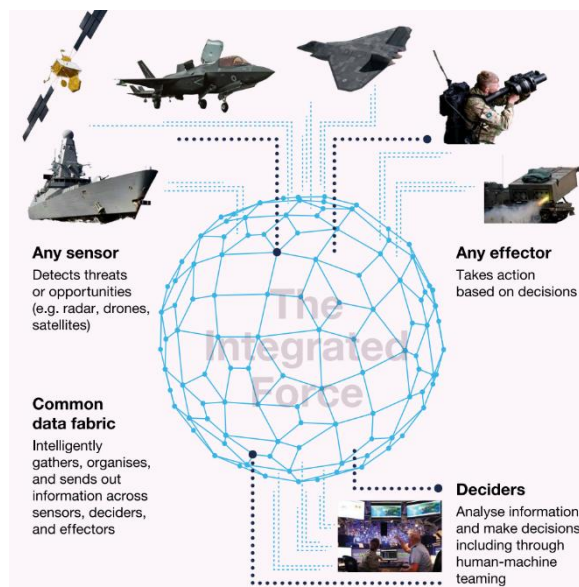
<sup>2</sup> Often attributed to Peter Drucker, the influential management consultant and author.

this and previous SDR events. This all may be true, but the authors would also point to each individual working in the UK Defence industry and reading this paper. All of us must recognise this imperative and play our part.

The culture adage is key, everyone must buy-in to the move to a war footing. Each of us must take a personal responsibility to deliver the essence of this (and previous) SDRs: we must be faster and deliver more with less. Challenge your leaders! Ask “why not?” when you’re told that’s not how things are done. Don’t just rail against the process – work within it and contribute to making it better. Speed must become a self-reinforcing habit which we all chase – every day.

**End “winner-takes-all” before anything is built** – The Segmented Procurement approach in SDR is central to the new relationship with industry and treats major platforms, spiral upgrades, and rapid exploitation as distinct but interlinked streams. It is the opinion of the authors that this will not be achievable within the false economy of current “winner-takes-all” mega-competitions decided on written proposals against static requirement documents.

Our current approach locks us into paper-perfect solutions that too often collapse under the weight of reality, while sidelining the very SMEs and innovators the SDR says we must empower. It is a



*Illustration of the Digital Targeting Web<sup>4</sup>*

procurement model optimised for process, not for outcomes; for compliance theatre, not for capability in the hands of the warfighter; whilst failing to deliver Value for Money and encouraging profit layering. But this isn’t just about how military capability is delivered; it is also about how external support is brought-in and internal MOD business change is delivered<sup>3</sup>.

The alternative is to award contracts on the strength of working prototypes or test outcomes, not just promises. Competing designs in parallel and trialling with the user will expose flaws early, accelerate integration, and reward those who can deliver at wartime speed. This is not duplication; it is insurance against complacency and a catalyst for UK Defence enterprise resilience. Delivery of the ‘Digital Targeting Web’ described in SDR should be used as a test case for this approach.

**Don’t turn efficiency into fragility by centralising power** – In the UK Defence enterprise the MOD is a monopsony (a single dominant buyer that controls almost all demand in its market). The creation of the National Armaments Directorate (NAD), although welcome, must guard against a further concentration of buyer power inside an already dominant single-customer system. Fewer budget holders will equal fewer internal champions for alternative suppliers and novel ideas.

Centralised gatekeeping also risks reinforcing incumbent relationships – the primes who already know how to navigate the MOD’s processes (and with access to fewer decision makers) will have an even greater advantage. Industry will likely re-organise to reflect their customer’s new structure. They will

<sup>3</sup> <https://www.find-tender.service.gov.uk/Notice/039087-2025>

<sup>4</sup> *Strategic Defence Review – Making Britain Safer: secure at home, strong abroad – 2025*

almost certainly consolidate their own business development and solution teams to mirror the NAD and therefore lose their own internal specialist voices and weaken their internal competition for the best ideas.

Safeguards should be continued or put in place in parallel with the creation of the NAD including: keeping competition going longer into the CADMID cycle (see above), maintaining existing innovation funds and frameworks, and following-through on protected SME spend targets. Deliberate policy interventions are needed to re-open direct routes for SME contracting with the MOD. Making better use of off-the-shelf Business to Business (B2B) platforms, more open frameworks, and adoption of modern buying tools will enable the MOD to manage a greater number of contracts in the context of challenging civil service resourcing.

#### SME Direct Awards – The Shrinking Share<sup>4</sup>

- ❖ **Current Level:** In FY 2023-24, only 4% of MOD procurement spend was awarded directly to SMEs — around £1.3 billion.
- ❖ **Policy Signal:** MOD has pledged to set a new, higher SME direct spend target by June 2025, covering the period to 2028.
- ❖ **Impact Potential:** Every +1% shift in SME direct awards equals ~£250 million in additional contracts for smaller firms.
- ❖ **Strategic Risk:** Without deliberate policy intervention, SME participation will remain marginal, undermining innovation, resilience, and supply-chain diversity.

## Defence Reform in Action – introducing Thalion Tech

In this new era for Defence, the authors of this paper have chosen to create a defence decision and delivery support start-up to help deliver the change that the defence enterprise needs. Thalion Tech will help the MOD and its suppliers deliver pace and value for money by pairing hard-edged analysis with a relentless delivery mindset. The SDR calls for **stronger leadership; clearer accountability; faster delivery; less waste; and better value for money**. Thalion Tech's unique blend of skills and experience, built over decades within the Defence sector, will deliver against each and every one of these aims.

**Our craft is the decision science that moves programmes:** whole-life cost estimating, economic appraisal, business case development (JSP 507), MOD approvals (JSP655), single source regulations, data science, operational analysis, cost benefit analysis, project management and controls.

*No fluff, no consultancy theatre – just the tools, mind-set, and discipline to help get the right capabilities into service faster.*

This means cutting through bureaucracy with evidence that stands up to scrutiny, and plans that survive contact with reality. We don't just advise – we deliver, ensuring every decision accelerates the outcome and every pound works harder for UK Defence.

## Contact

If you're interested to hear more about our thoughts on SDR 2025 and Thalion Tech please contact [George.Lyon@thaliontech.co.uk](mailto:George.Lyon@thaliontech.co.uk) or [Andrew.Mills@thaliontech.co.uk](mailto:Andrew.Mills@thaliontech.co.uk).

<sup>4</sup> <https://ukdefencejournal.org.uk/defence-to-set-new-sme-spending-target-by-june/>

## About the authors



***George Lyon***

With 15 years of working on large complex defence programmes, George has a wealth of finance, cost modelling and strategic advisory experience, working within finance teams and influencing senior stakeholders. George specialises in finance, cost modelling and analysis, with wider experience in project management to complement his analytical skills. He is also an expert in Single Source procurement, advising MOD and Primes over a number of contracts. Within defence, George has worked across the domains on a range of programmes at various stages of the project lifecycle, including the Skynet 6 Programme, Defence Digital Foundry, RAF Nexus and BATCIS (now TacSys).



***Andy Mills***

Andy has 20 years' experience in the Defence enterprise and wider Central Government supporting large Category A procurement programmes to early phase Science & Technology projects. A cost modelling, approvals, and analysis specialist, Andy has helped build and lead a Defence SME, delivered Business Development success in a large multi-national consultancy, and led multi-disciplinary delivery teams supporting industry and MOD. Andy has worked across the defence enterprise for large scale programmes such as Skynet, Army Collective Training Transformation Programme (CTTP), Submarine Enterprise Acquisition Capability (SMEAC).