RESETTING THE FORCE
“An Industry View”

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Some Things To Make You Say HMMM!!!

**Equipment Condition**
- The first report is **normally, usually, generally…ALWAYS** wrong!
- Experience shows it will be much worse.
- Be realistic when you forecast man-hours for industry bid.

**Industrial Base Capacity—Organic & Private Sector**
- The 50/50 Rule Bar!
  - The value of partnership with industry
  - Partnerships can rapidly expand
  - Excluded from the 50/50 calculation
- For the Army…with AMC taking on the DOLs, must look at the future as a National Maintenance System.
- A good way to optimize capability & capacity is to leverage OEMs **AND** Service Companies.
- Equipment demands have mandated competition requiring companies to provide their own facilities to compete for the work…i.e. Kuwait.
- **RESET** stateside requirements are driving contract facilities.
- Balancing **RESET**, RETROGRADE, **CONUS**, OCONUS…Complex!!
Some Things To Make You Say HMMM!!!

- **Requirements--Contracts--Risk**
  - Uncertainty & Unpredictability = “POP UPS”!!
  - May be the norm for the next 2-3 years.
  - If you think managing RESET, RETROGRADE, CONUS, OCONUS is complex…the “PhD level” effort becomes trying to balance
    - REQUIREMENTS—CONTRACT TYPES—RISK
  - Must fully understand the components of Risk:
    - Customer
    - Operational
    - Technical
    - Human
    - Financial
    - Shareholder
    - Legal
    - Employee
    - Political
  - The “MATOC” dilemma
    - Number of primes
    - The size of large task orders versus full & open
    - Investment versus return

- **Identify what you want & need**
- **Articulate what drives the requirement**
- **Let industry do what it does best!**

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No Point Solutions
In a Non-Point World

Know What You Don’t Know

Know What You Know

Don’t Know What You Don’t Know

Don’t Know What You Know

The Knowledge Quadrant

Know What
You Know

Know What You
Don’t Know

Don’t Know
You Know

Fixed Price
Cost Plus..
Time & Materials
Other

Know What
You Don’t
Know

Don’t Know
What You
Don’t Know

Know What You
Know

Don’t Know
What You
Know

The Knowledge Quadrant
Requirements--Contracts—Risk--continued

- YOU WANT....Fair/Low Price & Assured Delivery
- INDUSTRY WANTS.....Fair Opportunity to Compete & Reasonable Opportunity for Profit
- How To Reconcile????
  - Transparency Goes Both Ways
  - Industry IS your partner
  - Make Industry Days DEFINING events
  - Clarity & Purpose in Acquisition Strategies
  - Always reconcile the “Knowledge Quadrant” with the Risk Components

Monitoring RESET

- Are you clear on what success is??
- How do you measure the performance of RESET?? As a system? As a process?
- Competitive Outsourcing…protests, litigations, cost, modifications, other??
- For the Army…ARFORGEN? MRE dates?
- For the Marines…MEF Reconstruction & Rebuild?
- For the Air Force…Cycle of Wing deployments?
Some Things To Make You Say
HMMM!!!

- **What’s Next??**
  - Greater focus on elements of cost and cost transparency
    - Issue of proprietary information
  - Impact of the declaration & harvesting of the next “Peace Dividend?"
    - Can you spell......déjà-vu??
  - The Democratic Plan....Pre-2008?? Post-2008??
    - Getting Out versus Being Ready??

**RESETTING the force...the most strategic, operational, and tactical imperative facing our Nation**
- It is a DOD and Industry fight!
- It is and must be a “team sport”