

# RESETTING THE FORCE

## “An Industry View”



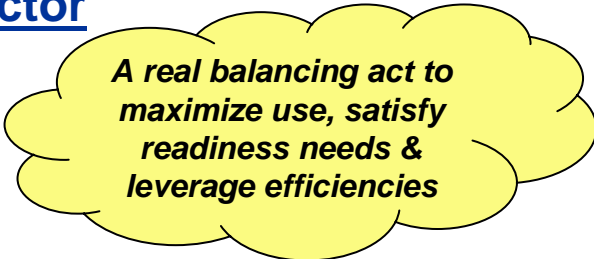
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- Equipment Condition

- 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!!

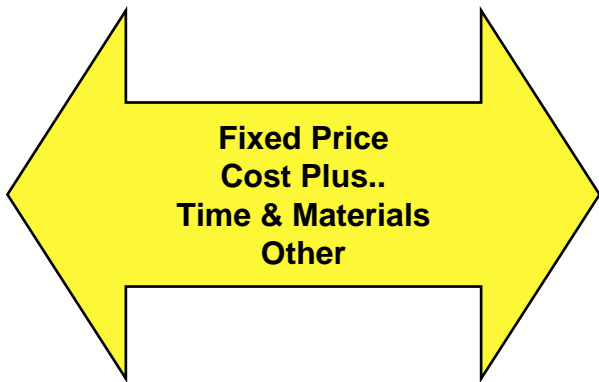


*A real balancing act to  
maximize use, satisfy  
readiness needs &  
leverage efficiencies*

## ● 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!*



*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*

- **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”***