The Imperative

• DELIVER warfighting capability with the Dollars we have

• CREATE Better buying Power from the warfighter and taxpayer

• RESTORE affordability to Defense Goods and Services

• REMOVE/MITIGATE government impediments to leanness

• AVOID program turbulence

• MAINTAIN a vibrant and financially healthy defense industry

• Institutionalize the approach and communicate the OSD Strategy for Ground Vehicles – RELENTLESSLY EXECUTE!
5 Key Principles Guiding Program Evaluations

• EMPHASIZE PROVEN TECHNOLOGIES

• SEEK JOINT – NOT SINGLE SERVICE SOLUTIONS

• INCORPORATE COMBAT EXPERIENCE

• BEWARE THE EXQUISITE SOLUTION

• SEEK BETTER BALANCE/MAXIMIZE FLEXIBILITY
DoD-Wide Ground Vehicle Strategy (The Plan)

- LEVERAGE on-going Service Studies for TWV and the JLTV Analysis of Alternatives; UNITE these efforts into comprehensive strategy
- ESTABLISH a context to support future ground vehicle acquisition decisions
- IDENTIFY expectations for analyses (AoA, business case, etc) needed to support future decisions from a joint portfolio perspective
- BRING FORWARD executable acquisition plans for the ground vehicle programs resourced in the FY12 budget
- IMPLEMENT the 5 principles in program evaluations

OSD will endeavor to align requirements, resources, and acquisition strategies into a UNIFIED PLAN for TWV investment decisions.
OPPORTUNITY

• The Department use of efficiency $$$ for Army and USMC INVESTS in tactical wheeled and ground vehicle modernization

• Service Strategies for Tactical Wheeled Vehicles have matured; CLEAR place to start

• OSD PRIORITIES enable Service Strategies to be realized
  - DRIVES Alignment - INFORMS Smart Decisions

• IMMENSE Appetite for Immediate Progress
Acquisition Efficiency Guidance Roadmap
The CRITICAL Enablers

- Target Affordability and Control Cost Growth
- Incentivize Productivity & Innovation in Industry
- Promote Real Competition
- Improve Tradecraft in Acquisition of Services
- Reduce Non-Productive Processes and Bureaucracy
Acquisition Efficiency Guidance Roadmap

Target Affordability and Control Cost Growth
- Mandate affordability as a requirement
- Implement “should cost” based management
- Eliminate redundancy within warfighter portfolios
- Achieve Stable and economical production rates
- Manage program timelines

Incentivize Productivity & Innovation in Industry
- Reward contractors for successful supply chain and indirect expense management
- Increase Use of FPIF contract type
- Capitalize on progress payment structures
- Institute a superior supplier incentive program
- Reinvigorate industry’s independent research and development

Promote Real Competition
- Emphasize competitive strategy at each program milestone
- Remove obstacles to competition
  - Allow reasonable time to bid
  - Require non-certified cost and pricing data on single offers
  - Enforce open system architectures and set rules for acquisition of technical data rights
- Increase small business role and opportunities

Improve Tradecraft in Acquisition of Services
- Assign senior managers for acquisition of services
- Adopt uniform services market segmentation (taxonomy)
- Address causes of poor tradecraft
  - Define requirements and prevent creep
  - Conduct market research
- Increase small business participation

Reduce Non-Productive Processes and Bureaucracy
- Reduce frequency of OSD level reviews
- Work with Congress to eliminate low value added statutory requirements
- Reduce the volume and cost of Congressional Reports
- Reduce non-value added requirements imposed on industry
- Align DCMA and DCAA processes to ensure work is complementary
- Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs
Joint Center for Ground Vehicles

• Promotes Jointness and Portfolio Problem Solving
• Enables Technical Synergy
• Exploits “center of mass” acquisition, science, and technical expertise on the Detroit Arsenal
• Promote a healthy mix of ideas
• Minimizes duplication of efforts
• Establish a joint enterprise approach that enables faster, more effective realization of the Service Strategies
• It is time to test, prove, learn!
• Exportable mindset

A Means to an End (One of Many?)
(A few) Questions to FRAME our thinking?

• What forums provide the best opportunity to support “joint” portfolio systems acquisition analysis and decision making?
• What are the MAJOR obstacles to realizing the goals of the Service TWV strategy and what are we doing about it?
• How much redundancy is too much?
• What are the biggest GAPS in our capability?
• What decisions from OSD can help the most?
• How much “joint” examination is necessary and sufficient?
• How do we assess the TOTAL needs of the vehicle fleets?
• How do we account for the OCO transition to base budgets?

Answers provide CONTEXT for Program/FLEET Decisions
Planning, Programming, Budgeting, and Execution

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**“Review and Refinement”**
- Off-year GDF
- Modify Budget Submission (previous administration)
- QDR Prep
- Budget Execution (previous administration)

**“Formalizing the Agenda”**
- On-year GDF
- Budget Submission Year 1
- Budget Execution Year 1

**“Execution of Guidance”**
- Off-year GDF
- Budget Submission Year 2
- We are here!
- Budget Execution Year 2

**“Ensuring the Legacy”**
- On-year GDF
- Budget Submission Year 3
- Election
- Budget Execution Year 3

- Planning, Programming, Budgeting, and Execution

- FY 11-15
- FY 12-17
- FY 13-17
- FY 14-19
SUMMARY

• OSD and the Land Warfare Acquisition Team is an integral part of MDAP and PRE-MDAP decisions

• We will leverage Service Strategies work as the foundation; we will account for Affordability and Efficiency initiatives
  – We are in HOT PURSUIT of the affordability and efficiency direction from SECDEF and USD(AT&L)

• Collaboration and Coordination with Services and the Joint Center for Ground Vehicles has begun

• Communication, Collaboration, Teamwork key enablers