





# Better Buying Power 3.0

## Achieving Dominant Capabilities through Technical Excellence and Innovation

### Achieve Affordable Programs

- Continue to set and enforce affordability caps

### Achieve Dominant Capabilities While Controlling Lifecycle Costs

- Strengthen and expand “should cost” based cost management
- Anticipate and plan for responsive and emerging threats by building stronger partnerships of acquisition, requirements, and intelligence communities
- Institutionalize stronger DoD level Long Range R&D Program Plans
- Strengthen cybersecurity throughout the product lifecycle

### Incentivize Productivity in Industry and Government

- Align profitability more tightly with Department goals
- Employ appropriate contract types, but increase the use of incentive type contracts
- Expand the superior supplier incentive program
- Ensure effective use of Performance-Based Logistics
- Remove barriers to commercial technology utilization
- Improve the return on investment in DoD laboratories
- Increase the productivity of corporate IRAD

### Incentivize Innovation in Industry and Government

- Increase the use of prototyping and experimentation
- Emphasize technology insertion and refresh in program planning
- Use Modular Open Systems Architecture to stimulate innovation
- Increase the return on and access to small business research and development
- Provide draft technical requirements to industry early and involve industry in funded concept definition
- Provide clear and objective “best value” definitions to industry

### Eliminate Unproductive Processes and Bureaucracy

- Emphasize acquisition chain of command responsibility, authority, and accountability
- Reduce cycle times while ensuring sound investments
- Streamline documentation requirements and staff reviews
- Remove unproductive requirements imposed on industry

### Promote Effective Competition

- Create and maintain competitive environments
- Improve DoD outreach for technology and products from global markets
- Increase small business participation, including through more effective use of market research

### Improve Tradecraft in Acquisition of Services

- Strengthen contract management outside the normal acquisition chain – installations, etc.
- Improve requirements definition for services
- Improve the effectiveness and productivity of contracted engineering and technical services

### Improve the Professionalism of the Total Acquisition Workforce

- Establish higher standards for key leadership positions
- Establish stronger professional qualification requirements for all acquisition specialties
- Strengthen organic engineering capabilities
- Ensure development program leadership is technically qualified to manage R&D activities
- Improve our leaders’ ability to understand and mitigate technical risk
- Increase DoD support for STEM education

Continue Strengthening Our Culture of:  
Cost Consciousness, Professionalism, and Technical Excellence



# Better Buying Power Principles

- Principle 1: People matter most; we can never be too professional or too competent**
- Principle 2: Data should drive policy**
- Principle 3: Critical thinking is necessary for success; fixed rules are too constraining**
- Principle 4: Controlling life cycle cost is one of our jobs; staying on budget isn't enough**
- Principle 5: Continuous improvement will be more effective than radical change**
- Principle 6: Incentives work – we get what we reward**
- Principle 7: Competition, and the threat of competition, is the most effective incentive**
- Principle 8: Defense acquisition is a team sport**
- Principle 9: Our technological superiority is at risk and we must respond**
- Principle 10: We should have the courage to challenge bad policy**



**Questions?**