

# Acquisition, Technology and Logistics

## Source Document

### *Blueprint for the Future*



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USD AT&L



# AT&L Source Document Overview



- This Source Document is to give each of us in Acquisition, Technology and Logistics a place to stand as we seek to provide the strategic capabilities necessary to support the men and women who put on the cloth of the nation.
- It contains in one place: 1) the new strategic context we are working in, 2) our vision of the future, 3) guiding principles, 4) proactive approaches, 5) and specific goals.
- It recognizes that the AT&L Team is an extended enterprise and provides the means by which leaders communicate our goals to everyone on the team in a way that provides both direction and motivation.
- The Source Document is intended to provide a framework that gives all of us a shared purpose, while shaping our way of being, thinking, and attitudes.
- It is intended to be the basis by which individual goals are set, planning is done, decisions are made, and actions are taken.



# Communication is a Function of Intention

- In the normal course of events people give a speech in front of a room like this with the intention of sharing their views in an interesting way.
- People listen to what the speaker says -- “That was interesting” or “Ho hum.” Yet within a few hours or days the “conversation disappears.”
- Today I speak with a different kind of intention--that of “sourcing the organization,” of creating something that doesn’t exist.
- I would also like to ask you to listen with a different kind of intention-- to “get” what’s in the “source document” and make it your own.
- I would like you to listen from the point of view that you have a very special responsibility for recreating the “source document” in your unit.
- This not only means sharing the the vision, guiding principles, goals, methodologies, but actually playing a part in bringing them to pass.

# 9/11 Changed Everything

*From working to provide overmatching capability against any nation-state on the sea, in the air and on the land ... to a global war on terrorism against an enemy who fights in the shadows...*



“The concept of a virtual organization is essential to understanding how 21<sup>st</sup> Century business will work. Al Qaeda represents a new and dangerous kind of virtual organization and the rise of the virtual state. We are entering into an era in which a small number of people, operating without state sponsorship, but using the enormous power of modern computers, biogenetic pathogens, air transport, suitcase bombs, and even small nuclear weapons will be able to penetrate the tremendous vulnerabilities of contemporary open societies.” - *Time*, 9 Sept. 2002

“We must make the difficult choices and commit the necessary resources to not only prevail in the current conflicts in which our troops are engaged, but to be prepared to take on the threats that they, their children, and our nation may face in the future.”

Secretary Gates

The AT&L community must develop, deliver and support systems which provide **strategic resilience**. Our systems must be flexible enough to respond to the many means terrorists or hostile forces might employ. We must also reinvent ourselves, our processes, and our thinking continuously -- not just when there is a new crisis or new foes threatening our national security.



# Today and Tomorrow

“On September 11, 2001, we found that problems originating in a failed and oppressive state 7,000 miles away could bring murder and destruction to our country.”

“To keep America competitive, one commitment is necessary above all: We must lead the world in human talent and creativity. Our greatest advantage in the world has always been our educated, hardworking, ambitious people, and we are going to keep that edge.”

**President George W. Bush**  
**2006 State of the Union**



# *AT&L Vision: Drive the Capability to Defeat Any Adversary on Any Battlefield*

**We recognize that to achieve this, we need to create an Inspired, High Performing, Boundary-less Organization that Delivers.**

To achieve this vision, each person must make a difference and actively participate in creation of a motivated, collaborative and creative organization. We need to seek out new ideas and new ways of doing business. We need to be prepared to question requirements and traditional processes. We need to ensure the warfighter can operate and rely on our systems. We need to collaborate effectively across traditional boundaries. We need to see ourselves as part of a community or neighborhood that comes together as stakeholders around joint projects. We must make the enterprise succeed.



**Vision Goal:** Define and deliver tools to provide unmatched capability against any adversary for the men & women who put on the cloth of the nation

I. Strategic Interests

The Pyramid  
of Strategic  
Capability



II. Strategic Resilience

III. Strategic Awareness



# I. Our STRATEGIC INTERESTS are everywhere and anywhere in the world.

We must use the nation's human capital to develop technology and tools to meet the global mission.

- In the past, our strategic interests were defined by how the US and the USSR divided the world.
- Today our strategic interests are global – anywhere in the world and at any time – with new competitors on the horizon.
- There are military operations in places where unstable governments can foster conditions leading to terrorism — Horn of Africa, Philippines, Liberia.
- Military forces are uniquely capable of providing global access to the nation's interests.
- Our nation's human capital must be innovatively engaged in delivering resilient military capability to the furthest corners of the earth.
- While addressing today's challenges, America must anticipate and prepare for our global military and economic future.



## II. STRATEGIC AWARENESS is required to support the nation's global Strategic Interests.

The Acquisition, Technology and Logistics Team will pursue and generate knowledge that empowers our nation's decision makers.

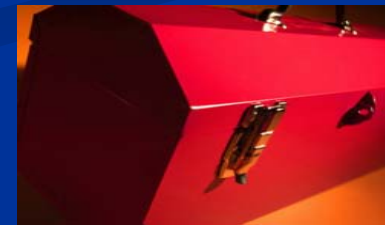
- Our national infrastructure and deployed systems may be vulnerable to a broad spectrum of threats which we must understand, sense or perceive.
- In ongoing operations in OIF and OEF, with only limited clues, Military Forces need to be given or generate awareness of who is friendly and who is the lurking bad guy.
- Men and women in uniform need to be prepared for the spectrum from combat operations to diplomatic roles, and be able to detect signs that the environment is shifting.
- We have built systems and methods to gather and share knowledge and intelligence to produce a composite picture which will highlight even small, unusual actions that point to threatening actions by terrorists or nation states.
- We must use our insight and foresight to anticipate the tools and tactics which terrorists and nation states may use.



### III. STRATEGIC RESILIENCE is required to ensure that the nation has many ways to respond.

We need to reinvent the warfighter's toolbox continuously and fill it with flexible, sustainable systems.

- Strategic Resilience? First it means: We have a robust toolbox and we will use it with daring and imagination to strike the enemy based on what we know today.
- Resilience means controlling and reducing cost to enable the nation to put the maximum quantity and types of tools in the toolbox.
- Resilience means delivering quantity, variety and robustness in our toolbox to defeat an enemy that we can't foresee, using methods we don't expect.
- Resilience means having foresight about who the enemy is or might become, creating new & better tools for tomorrow, and ensuring we spend taxpayer dollars on the right things.
- Resilience means being resourceful by leveraging technology, innovation, joint, and allied/coalition capabilities - harvesting efficiencies to be reinvested in war fighting capabilities.
- To create a more resilient joint force, we also need personal resilience. We need to be able to fundamentally question who we are, what we do, how we do it.
- We need to build prototypes and conduct experiments to provide options.



## The Acquisition, Technology & Logistics Team must **INNOVATE AND COLLABORATE** to deliver **EFFECTIVE, AFFORDABLE** tools for the joint warfighter.

- Understand the warfighter's operational concepts and needs
- Engage all stakeholders in collaborative discussions of the war fighting capability, cost, and timeline for all options before spending tax dollars
- Coordinate and evaluate requirements, remaining constantly conscious of technology, cost, schedule, jointness and interoperability imperatives
- Prioritize joint solutions which guarantee interoperability, increase quantities, lower unit cost, and decrease support costs
- Consider all solutions – high tech to simple, COTS to military, US to international
- Invest in programs that can transition and meet critical warfighter needs
- Use all sources of information – combat experience, intelligence, commercial marketplace, and our technology – to inform our choices and to minimize the probability of technology surprise from adversaries



## The Acquisition, Technology & Logistics Team will MAP PATHS TO FUTURE CAPABILITY.

- Address Urgent Warfighter Needs with Funding and Programs
- Identify and evaluate opportunities to rationalize requirements on existing ACAT I, II, III, and Non-ACAT programs
- Review and coordinate new R&D programs to integrate Service and Joint requirements, development and testing in order to achieve “born joint” investment programs
- Select key capability areas where Service missions overlap and complete a portfolio review of the relevant programs to seek greater efficiency
- Evaluate mission capability gaps and needs against technology opportunities to improve warfighting capability



## In 2007-08, we will create an Enterprise Culture & achieve Operational Excellence: \$15 Billion in Real Savings.

- We are a Nation at war – we need to think and act like a fleet-footed business, instead of a big bureaucracy that moves at glacial speed.
  - To achieve our vision of **defeating any adversary on any battlefield**, we must change our culture, attack cost, and analyze requirements.
  - We need to develop effective acquisition strategies and clear goals in a collaborative manner with our Service customers and our supply chain partners in the Defense Industry.
  - Like most major corporations, we need to build a process centered organization that eliminates the variation between goals and results through Six Sigma improvements.
- *The DoD Acquisition system, with its layers of authority and myriad rules and regulations needs to be simplified and streamlined.*
  - *We need to leverage our buying power through “Integrated Sourcing” and effective “Supply Chain Management.”*
  - *We need to be able to deliver weapons systems on schedule and on budget.*



## In 2007-08, AT&L will use Joint Analysis Teams to spearhead breakthroughs in joint integrated capability and interoperability.

- Today, we have a lot of systems delivering a discrete capability.
- This needs to be integrated into joint and coalition strategic capability.
- It will not only take joint integrated sensors and radios, but a shift in our attitudes.
- The AT&L team is the key to driving to joint capability.



**We must proactively engage all stakeholders and drive decisions that deliver resilient, joint, strategic capability at the lowest possible cost.**

- Joint Analysis Teams (JAT's)
  - Continue JAT's on Radar, Networks, Biometrics, Wheeled Vehicles, Unmanned Aircraft Systems (UAS Task Force)
  - Establish new JAT's on Satellite Communication Terminals, Joint Weapons, Inter-Service Depots, CRAF Operational Concept, Theater Distribution Operations, Joint Container Management, Installations, ...
- Continuously evaluate the requirement against cost and actively engage the operator and requirements communities on trades to lower cost, deliver capability, and buy efficiently
- Drive development investments and product transitions to field capability against urgent operational needs and warfighter capability gaps
- Launch Joint Logistics Portfolio governance program



# We must proactively engage all stakeholders and drive decisions that deliver resilient, joint, strategic capability at the lowest possible cost. (continued)

- Prevail in GWOT – Rapidly field Mine Resistant Ambush Protected vehicles (AT&L - DoD Transformation Priority)
- Prevail in GWOT – Aggressively support the Joint Improvised Explosive Device Defeat Organization and its institutionalization (DoD Transformation Priority)
- Prevail in GWOT – Communicate in a 24/7 New Media Age (DoD Transformation Age)
- Strengthen Joint Warfighting Capabilities – Strengthen cultural awareness and language capabilities (DoD Transformation Priority)
- Strengthen Joint Warfighting Capabilities – Complete a Homeland Defense – Civil Support Capabilities Based Assessment and revise and execute plans accordingly (DoD Transformation Priority)
- Transform Enterprise Management – Establish a new strategic planning process to include an improved process for prioritizing and aligning resources to joint capability demands, implement a common transparent decision framework and supporting management information system, and expand Capability Portfolio Management (DoD Transformation Priority)

## We can play a key, balancing role in rationalizing requirements to lower cost.

- Prevail in GWOT – Swiftly improve high value target tracking and locating capabilities (DoD Transformation Priority)
- Strengthen Joint Warfighting Capabilities – Finalize and implement the Cyberspace strategy (DoD Transformation Priority)
- Strengthen Joint Warfighting Capabilities – Move New Triad to implementation (DoD Transformation Priority)

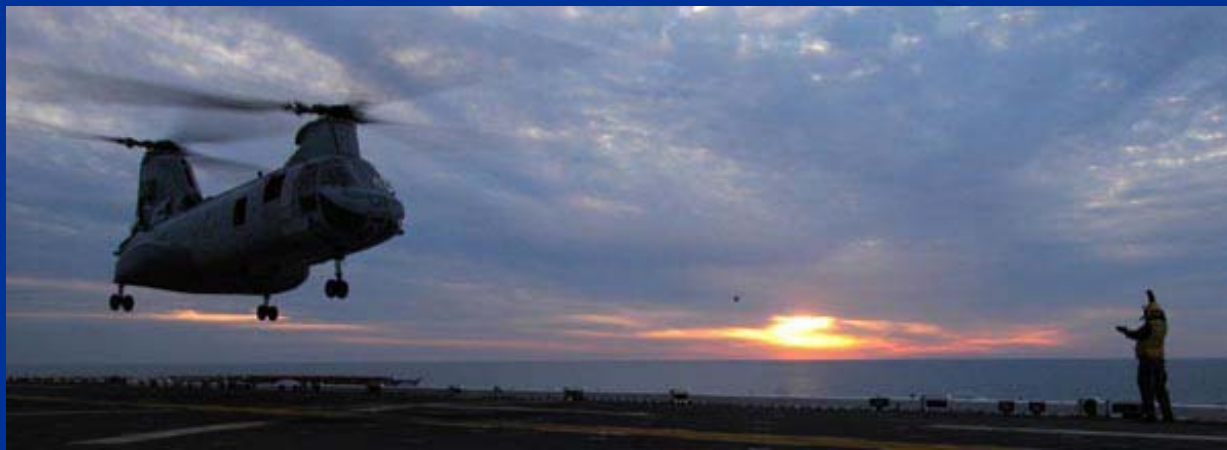


# The Acquisition, Technology & Logistics Team must LEAD THE ENTERPRISE and DRIVE BUSINESS SUCCESS.

- Spend each tax dollar like it is your own money – continuously seek to conserve capital and reduce government and industry cost
- Forthright, honest and direct – able to operate under the brightest lights
- Assure our culture is totally open-minded
- Ensure that value and competition are foremost considerations in every program
- Instill a culture that is constantly conscious of jointness and interoperability
- Accurately price programs and insist the program schedule and budget reflect realistic pricing, recognizing technical and integration risks
- Hold ourselves accountable and deliver to the realistic schedules and budgets we establish
- Arm the program manager with tools to manage, such as incentive strategies, contract structures, and technology maturity
- Continuously eliminate non-value added activities and remove government bureaucracy barriers
- Execute only to fully funded program levels – all identified bills must be funded
- Ensure total transparency and visibility across the DoD enterprise

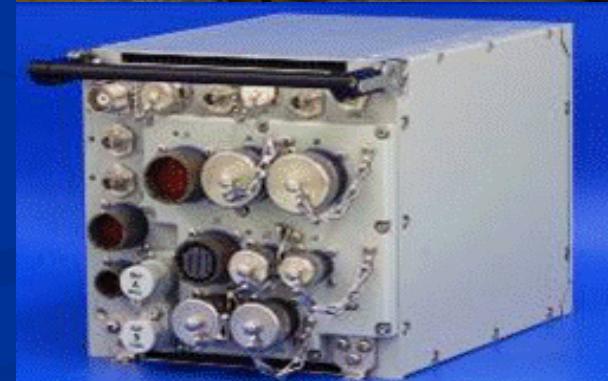
## The Acquisition, Technology & Logistics Team will **MANAGE THE AT&L PROGRAM** as a **LEAN BUSINESS ENTERPRISE**.

- Construct contracts which hold people accountable to a realistic cost target and schedule, recognizing risk
- Draw on the nation's intellectual capital to inform investment program decisions
- Use technology and technology maturity to lower acquisition and life cycle cost
- Establish performance goals and metrics for evaluation and management of R&D programs
- Use management tools and data to run the business
- Achieve return on investment by proactively transitioning results to the warfighter
- Know the likely outcome of a contract – cost and schedule – when we sign the contract



### In 2007-08, AT&L will use Configuration Steering Boards (CSB's) and Defense Support Teams (DST's) to drive successful program execution.

- Today, we are not taking full advantage of the expertise in this nation to help our enterprise succeed.
- We will collaboratively manage programs – acquisition is a contact sport.
- We must improve outcomes through teamwork, independent advice and technical expertise.



## We will invest the nation's capital efficiently and effectively.

- Establish Configuration Steering Boards (CSB's) for all ACAT I programs
- Defense Support Teams (DST's)
  - Continue DST's on SBIRS, Biometrics, National Security Personnel System Performance Appraisal Application (PAA), Full Motion Video, Service ERP's
  - Establish new DST's for appropriate programs at risk for Nunn McCurdy breach
  - Establish new DST's on TSAT, ...
- Require competitive prototyping through MS B as a minimum
- Ensure totally full, open and successful competitions
- Improve processes for all businesses to access DoD and refine small business policies
- Improve visibility and accountability for all DoD assets and property

# We will establish leadership breakthrough goals – improving our processes and measuring results.

- Each AT&L Team Member should seek to reduce the volume of AT&L documents by 50%, including only essential, relevant information
- Each AT&L Team Member should seek to have final approval of AT&L documents within the OSD Enterprise in less than 30 days
- Streamline processes (legislative, GAO, IG, Ready Book) and eliminate duplicate work DoD-wide
- Implement a post Milestone B program gate review
- Review our inventory turn rates and cut excess inventory
- Improve the Defense Acquisition Board process
- Reconcile various processes and procedures for acquisition program oversight
- Achieve interdependency between test and training infrastructure investment
- Reduce end-to-end International Agreement (IA) process cycle time
- Strengthen Joint Warfighting Capabilities – Execute BRAC and global re-posture (DoD Transformation Priority)
- Focus on People – Swiftly implement Wounded Warrior recommendations and accelerate Bethesda National Military Medical Center (DoD Transformation Priority)

# We will invest each tax dollar as if it were our own tax dollar.

- Lead the use of contracts as the key management tools for program managers
  - AT&L team members should ensure that an appropriate profit and incentive strategy structure is included in all new contracts within their purview or management
- Accept responsibility for ensuring realistic budgets and schedules that deliver appropriate capabilities and be accountable for program plans
  - AT&L team members will be fully engaged in the POM and budget process to ensure that programs are properly priced and fully funded
- Identify reforms in the Independent Research and Development (IR&D) process for the benefit of the taxpayer, DoD and industry





# We will optimize the investments of all defense business units.



- Ensure R&D investments will deliver technology maturity, or options, in advance of future Milestone B decisions
- Advocate and Emphasize Milestone A decisions as a tool to define the path to later DAB decisions
- Drive transition of technology to fielded capability through budget process changes, barrier identification and elimination, and oversight process changes
- Advance interoperability and open architecture standards and objectives for defense systems
- Transform Enterprise Management – Implement Defense Systems Business Management Committee and Business Transformation Agency agendas to include fielding Defense Integrated Military Human Resources System (DoD Transformation Priority)
- Transform Enterprise Management – Pursue targeted acquisition reforms to include Concept Decision, Life Cycle Management, Configuration Steering Boards, and Energy Initiatives (AT&L - DoD Transformation Priority)

# The Acquisition, Technology & Logistics Team will operate as a neighborhood, **COLLABORATING** and **DEVELOPING PEOPLE** to strengthen the community.

- Make transparency, openness and collaboration the characteristics of our respective neighborhoods
- Enable the delivery of results
- Recruit and hire people that can become the next leaders
- Lead the honest and ethical conduct of our activities
- Ensure the work environment allows all to participate productively – harassment, discrimination, and unethical behavior will not be tolerated
- Play an appropriate stewardship role for the science and engineering community



**We cannot as individual residents or discrete families achieve the goals of the greater community.**

**Our fundamental goal in 2007-08 is to empower individuals at all levels to make a bigger difference.**

**We will do our best to get rid of constraints that tie people down.**

- Today in many organizations, people's sincere and honest intentions to have an impact are often thwarted by personalities, artificial walls, organizational absurdities, and historical precedence.
- We want to create an inspired, high performing organization in AT&L by getting unnecessary hierarchy and bureaucracy off people's backs.
- We want to create an enterprise where the individuals are empowered to make a difference.
- Empowered individuals are those who see an opportunity to make a difference, dare to take a stand, and act in a way that matters.
- Taking a stand often results not just in long range goals and change programs, but in exciting projects that deliver extraordinary and tangible results.

## People are our greatest resource.

- Lead and manage to maximize the talents and performance of each person to achieve sound business results; support military, civilian, and contractor personnel
- Identify actions to build and sustain a high performance workforce
- Manage workload and personnel resources: recruit, hire, train, retain, qualified personnel
- Invest in people to sustain the nation's technical edge
- Managers will ensure that our system rewards unselfish collaboration and innovation

# The Acquisition, Technology & Logistics Team, as individuals, must take responsibility for growth and enhancement of our neighborhood.

- Every person in the neighborhood should daily seek to change things to more effectively and efficiently deliver value for the warfighter and the taxpayer
- Every AT&L team member should create a notional personnel development plan which would identify candidates to assume leadership responsibilities at scheduled or future transition points
- Establish DAU Living Library of through lectures on lessons learned on acquisition programs
- Focus on People – Develop a strategy to prevent a civilian leadership vacuum (DoD Transformation Priority)

# We will use new personnel tools to measure and recognize motivated performance and results.

- Establish a comprehensive, workforce analysis and decision-making capability
- Reform hiring process, developing tools and practices necessary to grow and recruit a 21st century technical workforce
- Conduct a functional manpower assessment of missions and resources
- Complete appropriate training for all AT&L senior executives
- Focus on People – Complete National Security Personnel System implementation and new Senior Executive Service system (DoD Transformation Priority)
- Transform Enterprise Management – Streamline security clearance processes (DoD Transformation Priority)

# I ask you to be a difference maker.

## My request to you is . . .

- I expect every AT&L Team Member to recreate the message I have shared with you regarding this source document in your respective organizations until it takes on a life of its own.
- I expect you to engage your people in a dialogue about the vision, goals, guiding principles and methodologies you have heard today, and how they can apply them in their jobs.
- I expect your commitment in taking the key initiatives we have discussed today and sourcing them in your organization.
- I will expect your execution of these Principles and Goals.

# In conclusion:

*I frequently view the work of the acquisition team as paving a path, one brick at a time, that will provide us with the means to strike anyone, anywhere, and at any time. You can't just lay one brick – and each member of the team has a chance each day to lay new bricks. You have to lay a lot of bricks — ships, planes, weapons, sensors, communications, and networks that connect everything, and more importantly, changes in how we do business. The result is we together pave a path that represents a superhighway to the future. We can't see all of the terrain ahead of us, but the right bricks in combination will provide the tools necessary to preserve the nation's future freedom and empower the men and women who serve America.*

**John Young, Assistant Secretary of the Navy, Jan 1, 2004**