

Progress & Opportunities For Lasting Reform

**Acquisition and Sourcing Management
U.S. Government Accountability Office**

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Factors Influencing DOD's Ability to Manage Programs and Improve Outcomes

*PRESSURE ON
DECISION MAKER TO ...*

Requirements Process

... promise high performance

Budgeting Process

... promise low resource demands

Acquisition Process

... move forward, get knowledge later

Source: GAO.

Key Strategic and Program Level Factors Lead to Poor Outcomes

STRATEGIC LEVEL

- DOD's organizational structures and processes for determining warfighter needs, allocating resources, and managing acquisition programs (overall investment strategy) are fragmented
- Accountability is lacking
- Environment and incentives in DOD promote success in terms of starting and sustaining numerous programs

PROGRAM LEVEL

- Individual programs are proposed and approved with requirements that are not fully understood, with a business case that is based on optimistic assumptions about requirements, technologies, cost, and schedule
- Under these conditions, successful execution of programs is impossible

Strategic and Program-level Opportunities For Improvement

There are too many MDAPs given the funding available & programs have not been following a disciplined development process.

- At the strategic level, DOD will need to:
 - Balance its weapon system portfolio within available funding.
 - Address investments collectively & use a disciplined screening process to get to the best mix.
- At the program level, DOD will need to:
 - Ensure affordability and feasibility is considered early.
 - Increase the rigor of the business case and its implementation.

Opportunities for Strategic Improvement

1. How can DOD better prioritize needs across capability areas?
 - Establish an overarching investment strategy (in QDR and budgets) & implement it across capability portfolios.
 - Strengthen capability portfolio managers--increased decision authority or funding control.
2. Which organizations should play the lead role in identifying and prioritizing capability needs?
 - Consider expanding the responsibility & capacity of COCOMs to conduct joint capabilities analysis.
3. How can DOD inject affordability and feasibility considerations into the weapon system requirements?
 - Establish an iterative requirements process that gets input from SE, cost analysis & planning and budgeting communities.

Opportunities for Program-level Improvement

Before Milestone B:

- Focus on the affordability & feasibility of the proposed system.
- Prioritize the requirements so that acceptable trade-offs can be made between cost, schedule and performance.
- Consider using an independent entity to conduct an AOA competition among the Services.

At & After Milestone B:

- Require new programs to have manageable development cycles, realistic estimates and full funding for development.
 - Establish ranges & point cost estimates at Milestones.
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