

Competition and the DoD Marketplace



AIR



C4I



MARINES



SPACE



SUBS



SURFACE



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Director for Transformation

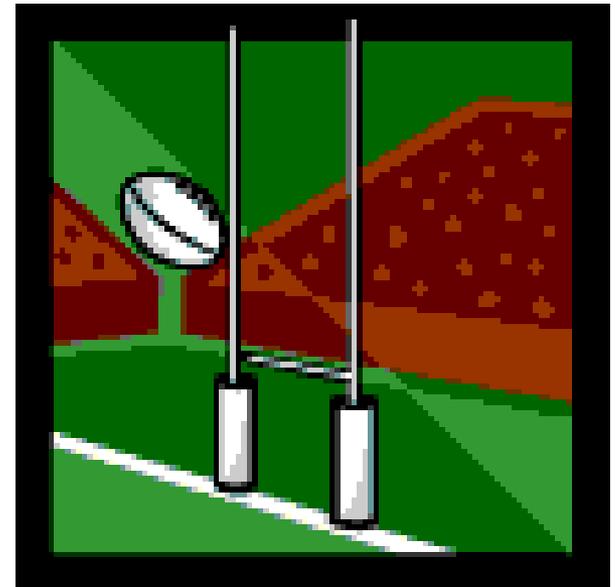
DASN RDT&E

17 May 2012

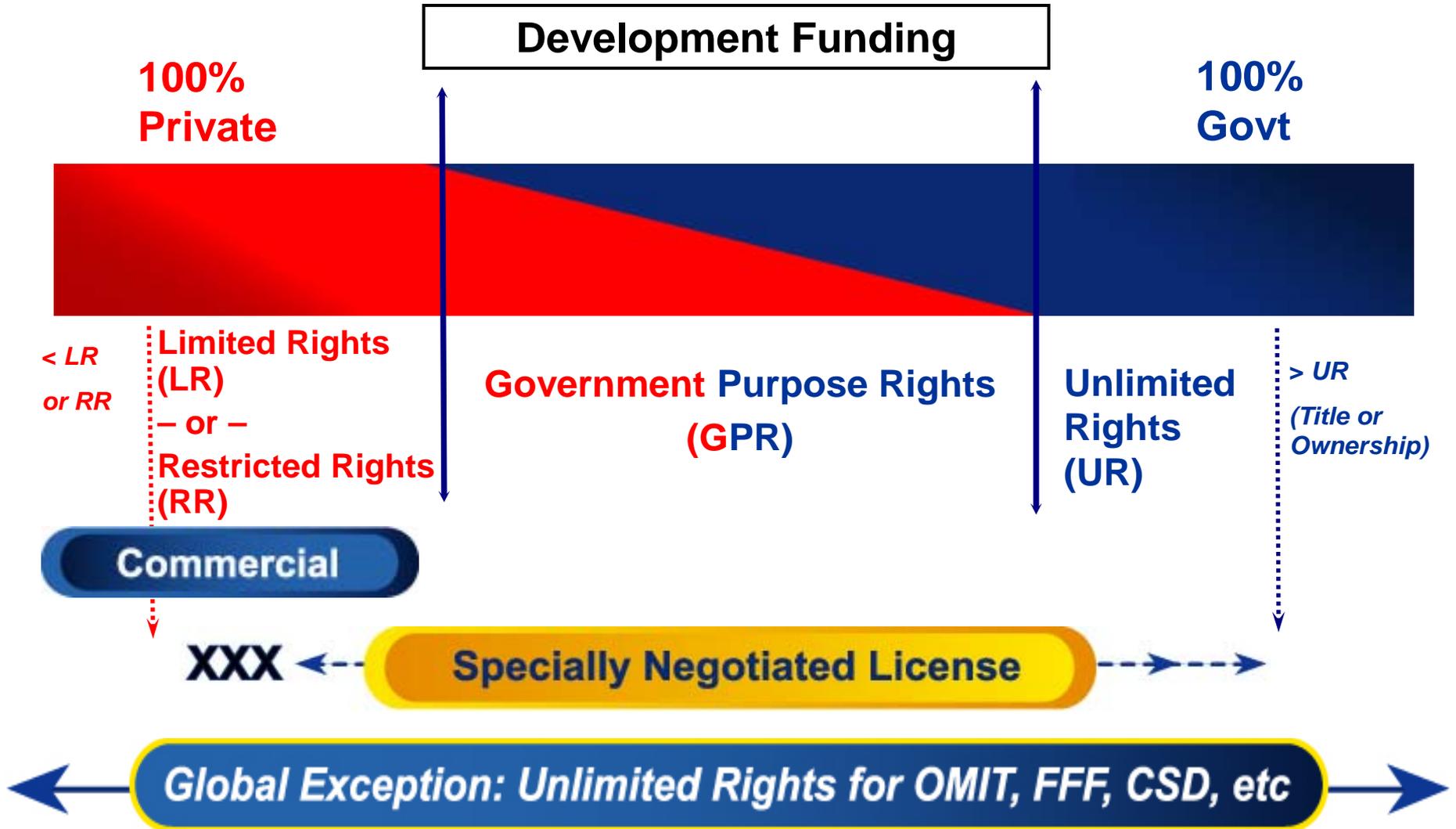
Crafting a Market Place – It's Our Game

- We Write the Rules
- We Pay for the Players
 - Both Teams
- We Build the Stadium

How Can We Win?



Data for competition does not have to cost more money



Asserting The Navy's Intellectual Property Rights

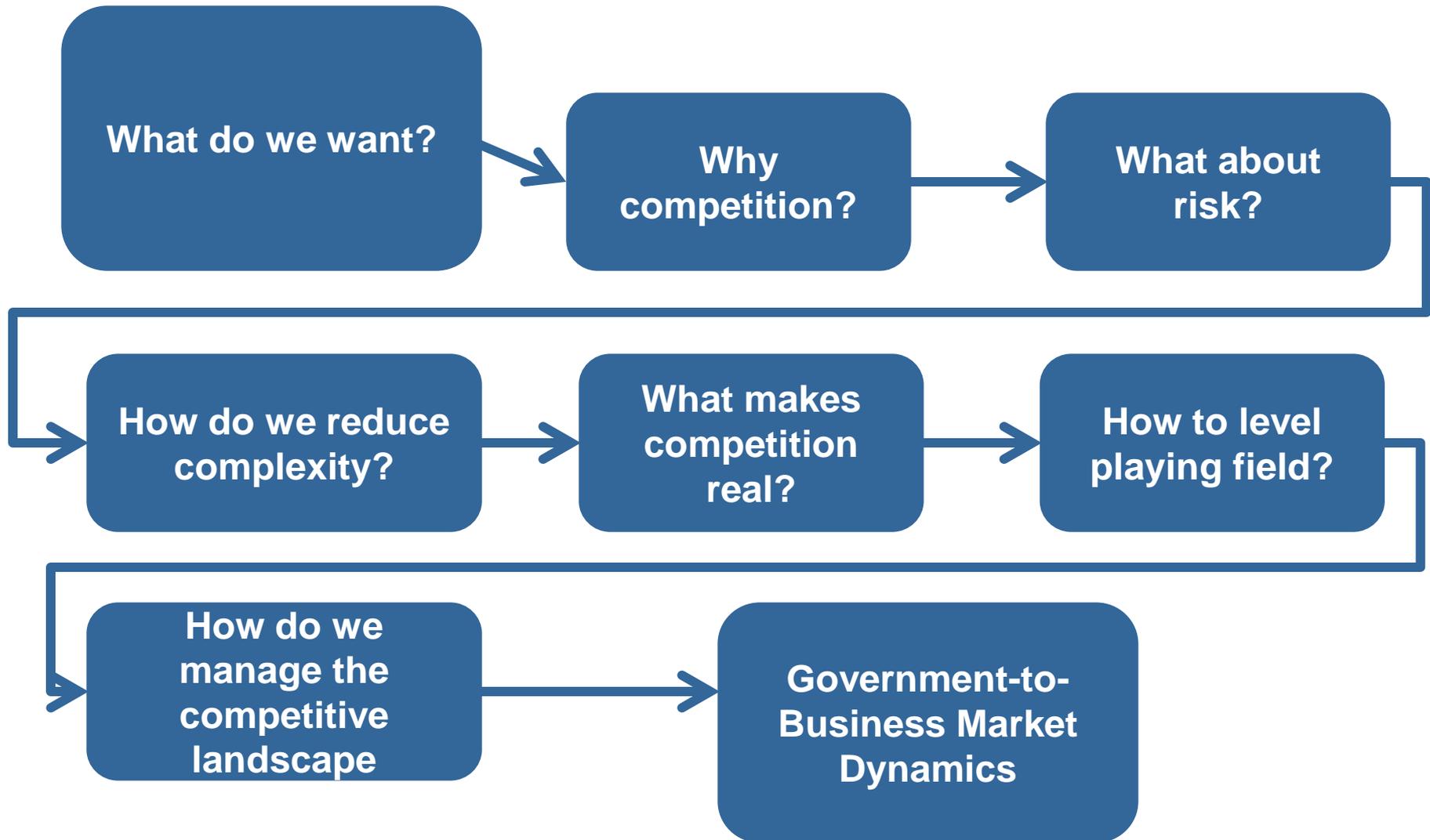
- ***Assert and Exercise*** intellectual property rights (IPR)
- Under the U.S.'s Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS):
 - **Unlimited Rights** for Exclusive Government Funding
 - Technical Data (TD)
 - Computer Software (CS)
 - **Government Purpose Rights (GPR)** For Mixed Funding
 - ***Right to use, modify, reproduce, or disclose Inside Govt***
 - ***Right to release or disclose data outside Govt***
 - **Fail to assert and exercise**
 - Government Loses the IPR
 - Contractor Acquires by default



Approaches to Breaking Vendor Lock



The Need for a New Market Dynamic



Platform Focused Product



Enterprise Product Lines



Sunk Cost Versus Planned Investment

Sovereign Acquisitions



Collaborative Acquisition



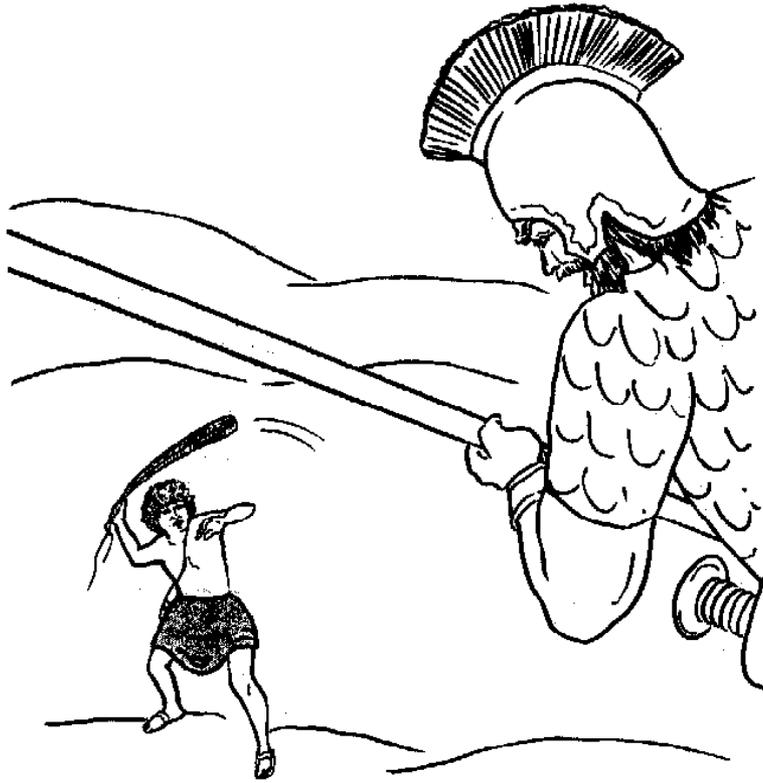
Many Different Voices



Consistent Contract Language



Market Entrance Barriers



Level playing fields



Obscure Landscape

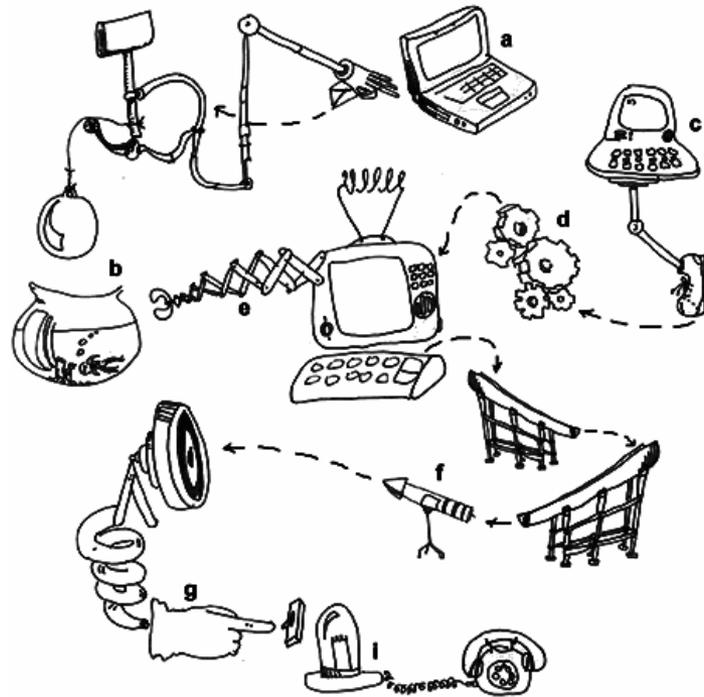


Transparency = Opportunity



Transparency reduces risk, increases reuse, and improves speed to the warfighter.

Technology-centric architecture



Business-centric architectures



We Need Innovation and Lower Price

*“Our destiny is, thus, in our own hands...
with enablers such as ... open-architecture combat systems ...
All operated by the finest sailors and Marines in our history.
They fight as a single, interconnected, and cohesive team.*

*The Coming Naval Century
Proceedings – May 2012
Hon. Robert O. Work*

- Leadership Wants
 - Enduring Solutions
 - New Methods for delivering capability
- Industry Has the Ability – OA Report to Congress
 - SEWIP
 - UCS
 - FACE
 - A-RCI/SWFTS
- Industry is ready, the environment is set – Government must make these decisions



The Need for Marketplace Design

- We have a marketplace design– Consequence of independent actions
 - What does Industry hear when we publish RFPs?
- Industry Positioning and Response
 - Profit maximized solutions
 - Platform/Program focused



Marketplace Design

1. Free Flow of Information:

- Programs and businesses communicate and share info.



2. Intellectual Property:

- Level playing field for Component Competition



4. Increasing Competition:

- Drives cost savings and quality



3. Trust Between Participants:

- Enforces both ethical and legal standards

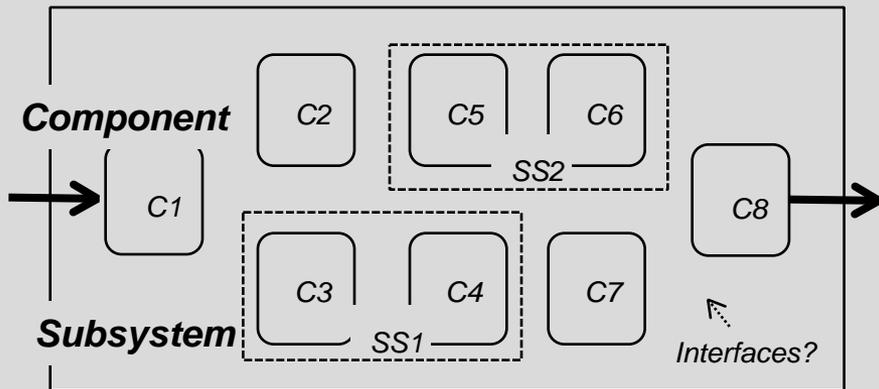


Business Architecture

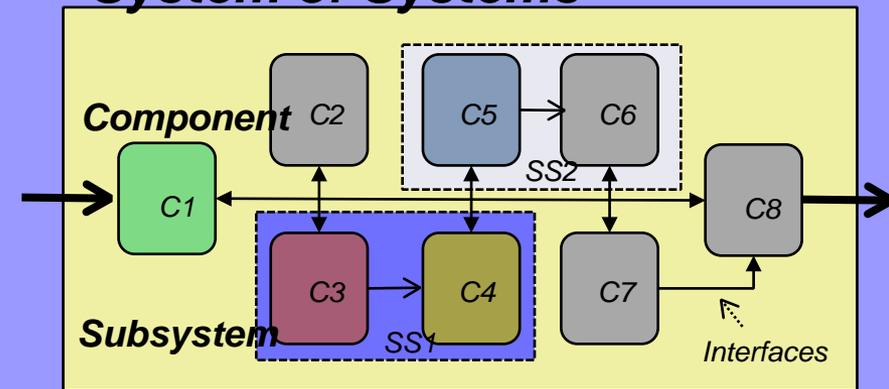
- Severable Business Units that represent competition boundaries
 - Platform Integrator
 - System of Systems Integrator
 - System Integrator
 - App. Developer and/or Component Provider

Platform

System of Systems



System of Systems



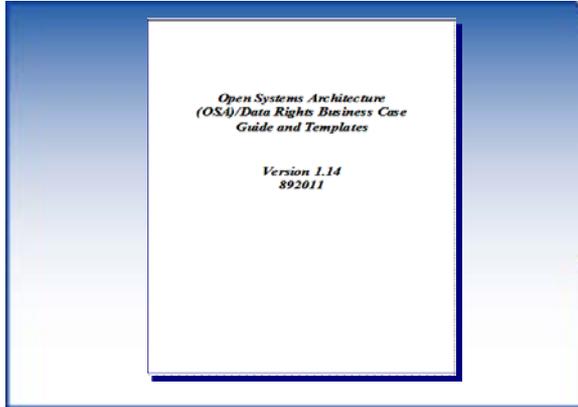


How We Get There – a level playing field

- Competition
- Consistency in RFP Language
- Full access to data needed for component competition
 - Value and honor IP exclusivity – where it is mutually beneficial
- Business architectures that drive technical design and innovation

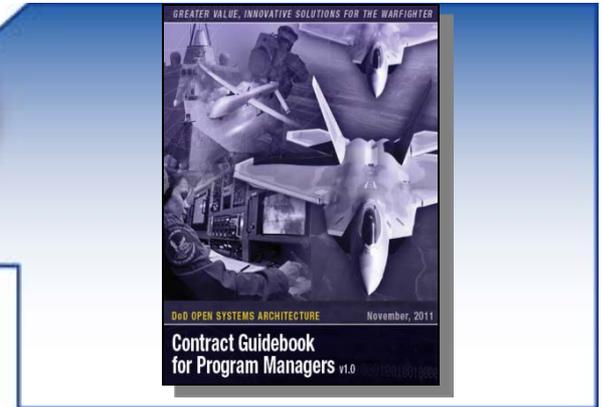
We have tools that help get there

DoD BCA Guide & Templates



1

DoD OSA Contract Guidebook



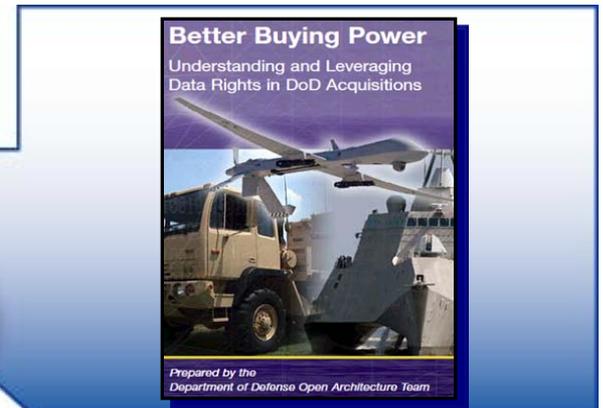
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DoD Open Marketplace



3

Strategic use of IP Rights



4





It is Our Game – We Must Write a New Playbook

- Sustain a Viable Defense Business Sector
 - Those that Hustle Survive
 - Competition Centric
 - IP is Valuable, But Not at the Interfaces
 - Innovation Wins
 - Enterprise Value



Leadership Challenge

Can a qualified third party – Big or Small . . .

- add,
- modify,
- replace,
- remove, or
- provide support

. . . based on open standards and published interfaces.

Message to Industry

- The Navy is moving out on OSA, getting a handle on our Data Rights and aggressively pursuing competition to get a better deal
 - More opportunities to win new work by competing
 - Platform, System, Component
 - You current work will be competed
 - Breaking Vendor Lock and getting a better deal is our responsibility





Backup

