

Peter Modigliani
pmodigliani@mitre.org
(703) 983-9131
2 Oct 15

pmodigliani@mitre.org

(703) 983-9131

2 Oct 15



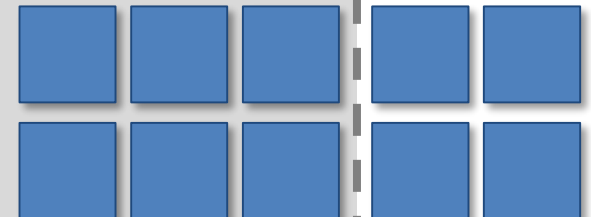
Portfolio Acquisition Concept

Elevate acquisition elements up to a portfolio structure for speed, agility, and an integrated capability suite

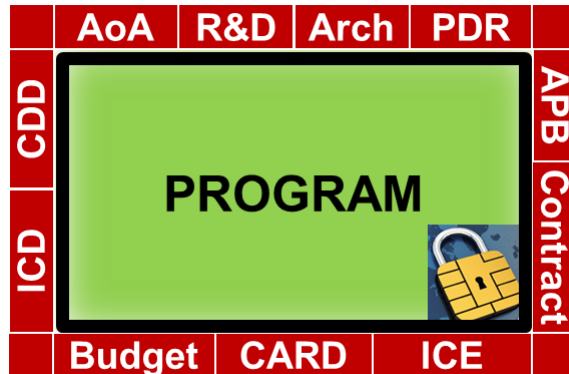


Portfolio

A collection of programs, projects, increments, and related R&D and development efforts designed to achieve a set of strategic outcomes



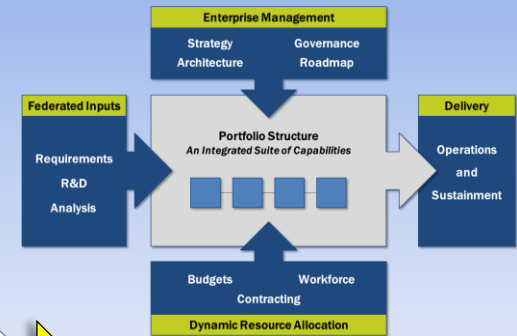
Break from a Program-Centric Model



System of Systems
Family of Systems
Net-Centric Systems



Portfolio Acquisition



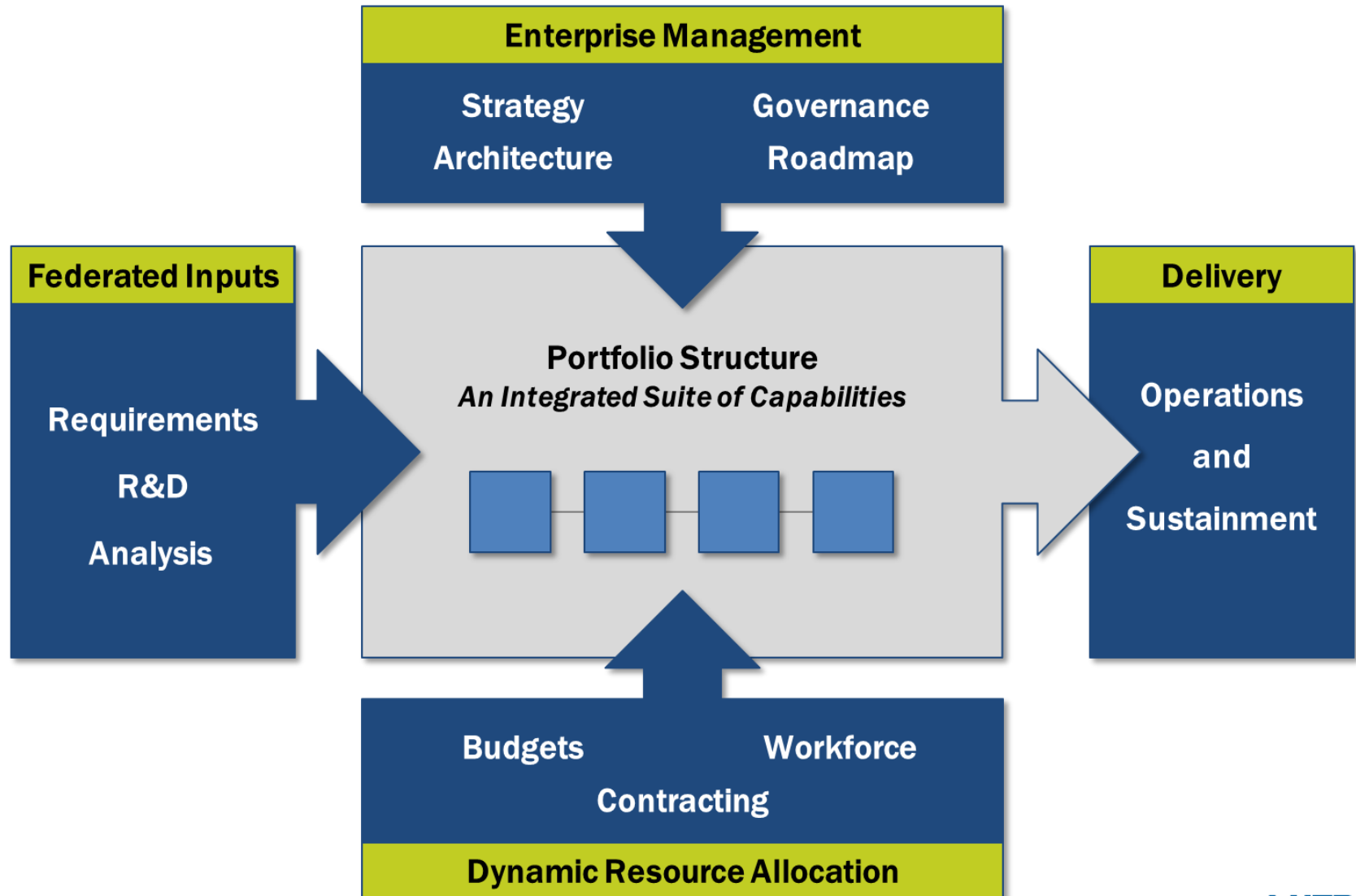
Stove-piped solutions,
long cycle times,
high cost, schedule,
and performance risks



Need a model responsive to changes in
operations, technologies, and budgets



Portfolio Acquisition Framework



Portfolio Requirements

Portfolio ICD

Capability requirements
and gaps for broad
mission area

Portfolio Requirements Backlog

1. Requirement
2. Requirement
3. Requirement
4. Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- . Requirement
- n. Requirement

CDD

Program 1

CDD

Inc 2

CDD

Program 2

CDD

Program 3

Changes in:

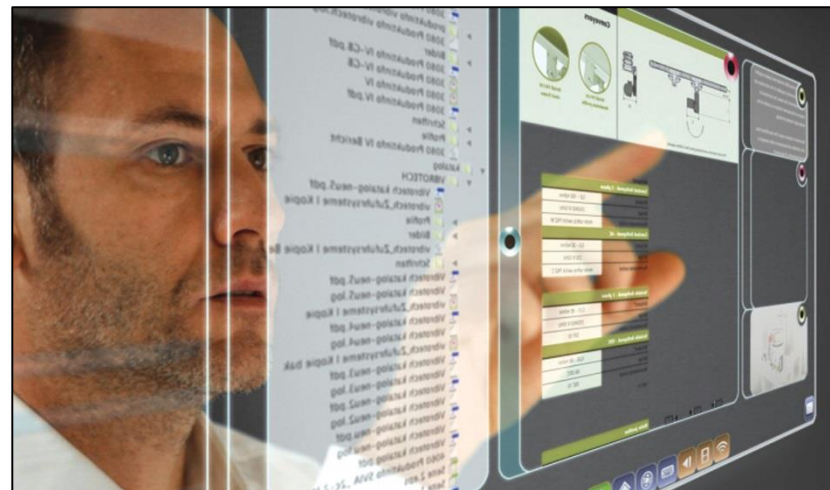
- Operations
- Technologies
- Threats
- Analysis



Integrated, Dynamic, Prioritized Set of Portfolio Requirements

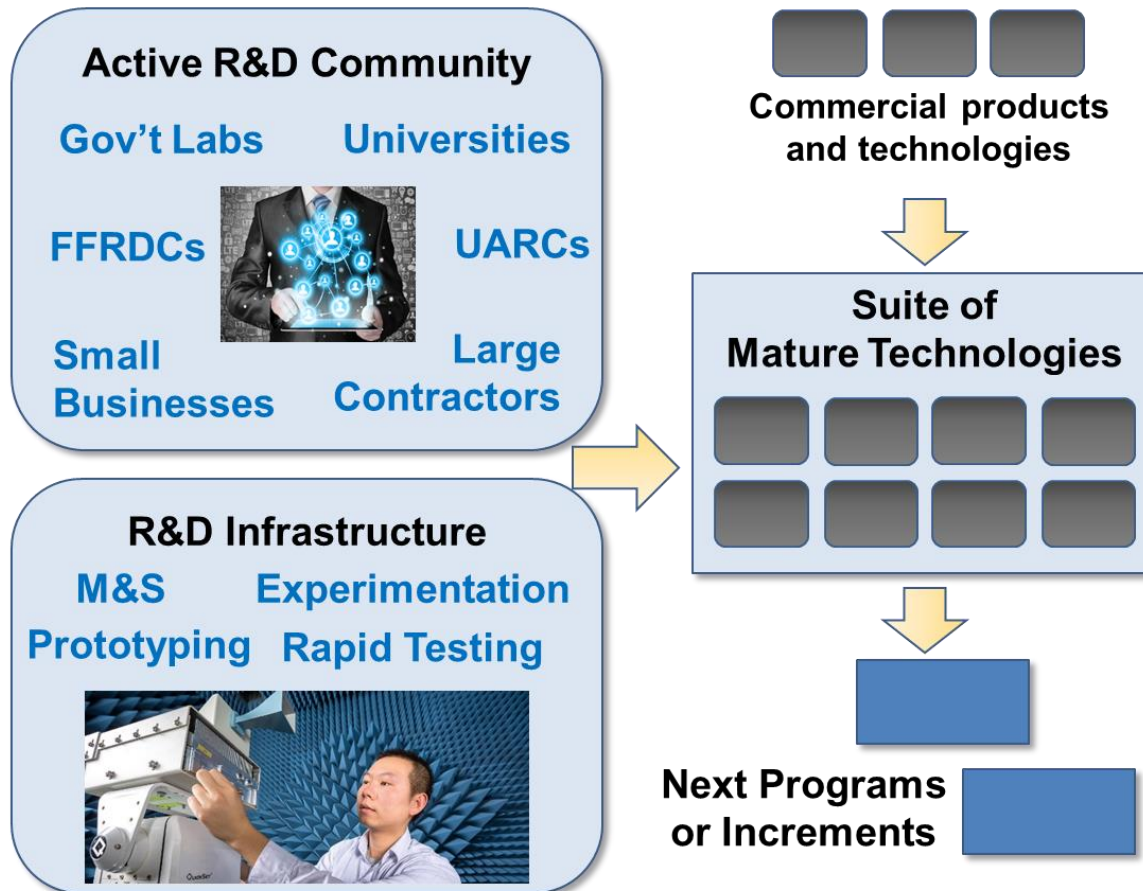
Analysis

- **Analysis of Alternatives**
- **Integrated cost, schedule and technical models**
- **Integrated risk management**
- **Threat assessments – operational, system, technology, services**
- **Optimizing investments and capability mix for mission impact**



**Continual, Integrated Analytical Environment to
Optimize Cost, Risk, Performance, and Mission Impact**

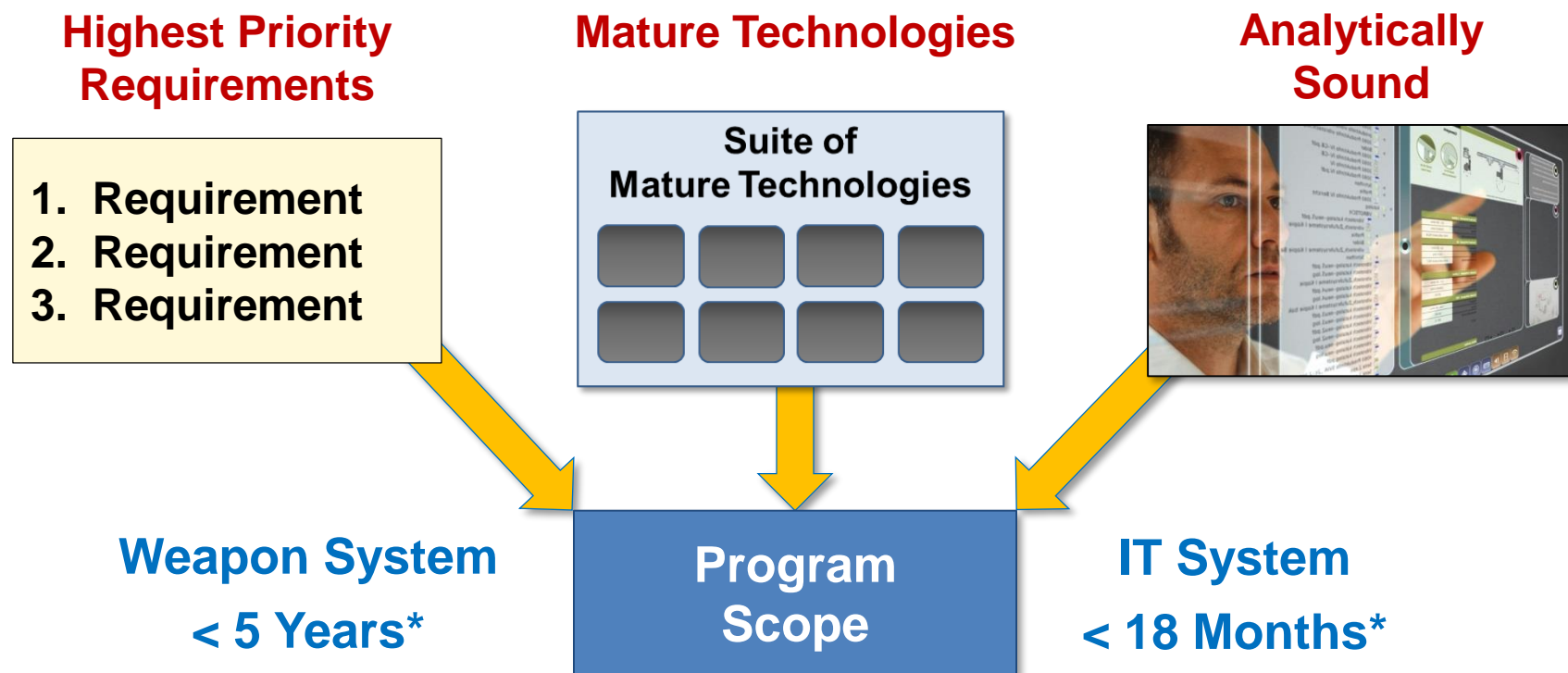
Research and Development



- **Separate technology R&D from systems development**
- **Robust R&D will shape CONOPS and requirements**
- **Faster technology maturity, transition, and use of comm technology**

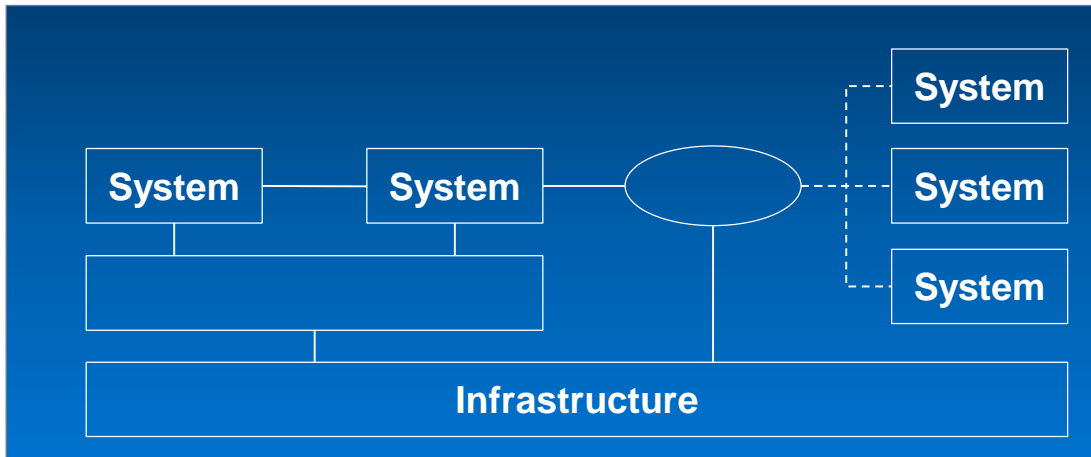
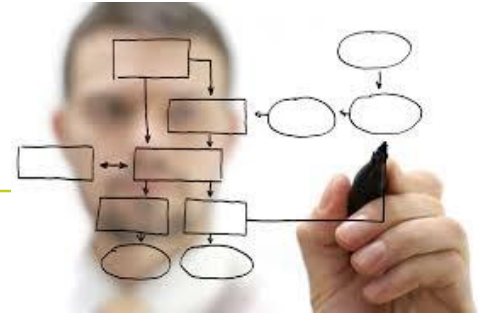
Invest in a collaborative, competitive environment to continually mature technologies and foster innovations

Structure



Scope programs to deliver capabilities in reasonable timeframe

Enterprise Architectures



**Technical and
business
integration**

- Integrated designs to optimize enterprise performance
- Design common standards and interfaces
- Drive use of common platforms/infrastructure and subsystems
- Maximize use of Modular Open System Architectures (MOSA)
- Establish technical governance

Strategies



- **Portfolios capstone documents**

- Short program docs capture unique content
- Reduce cycle times – streamline docs and reviews

- **Common, repeatable processes**

- Ensure programs leverage best practices
- New programs start with established framework

**Drive Speed
and Simplicity**

- **Enable broader competition and strengthen industrial base**

- Portfolio-wide strategies beyond competing for EMD contracts
- Leverage AT&L's Sector-by-Sector, Tier-by-Tier ([S2T2](#)) analysis
- Examine more dual awards, split buys, and parallel developments

Contracting

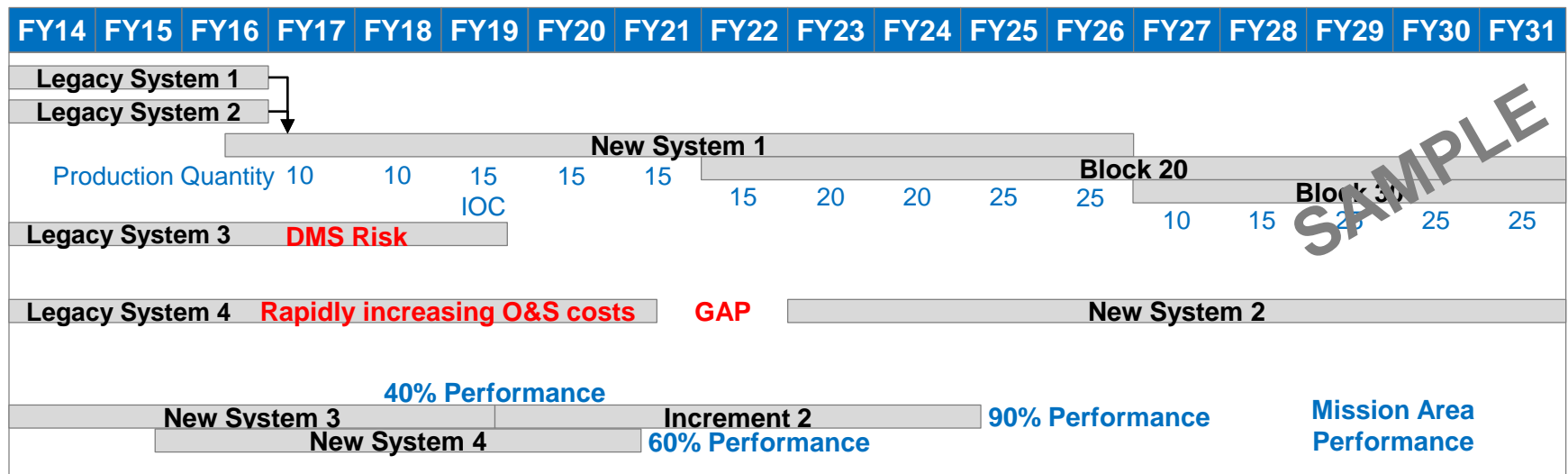


Develop active, long-term partnerships with many companies

- **Portfolio level contracts reduce contracting timelines and overhead costs while increasing competition and performance**
- **Multiple Award IDIQ contract(s)**
 - Rapid task order processes
 - Pre-negotiated terms, labor rates, metrics, and templates
 - Weigh performance on portfolio delivery orders for future awards
- **Align portfolio funded R&D with IR&D to foster innovations**
- **Increase small business participation via SBIR, STTR, and BAAs**

Roadmaps

- Long range planning and management tools
- Manage legacy system transition to an integrated capability suite
- Understand operational impacts to budget cuts, program delays
- Integrated cost, schedule, performance, and risk analysis/awareness



Governance



- **Shared responsibilities** Ops, acquisition, budget, sustainment
- **Align portfolios** Ensure same mix of programs
- **Delegate decision authorities** Enable timely decisions
- **Central knowledge repository** Provide transparency and insight
- **Align incentives** Ensure all seek common outcomes

Budgets

- **Transition to new budget model**

- PE: Portfolios
- BPAC: Programs



- **Dynamic allocation of portfolio funding to programs**
- **Allocate funding for portfolio R&D, analysis, and resources**
- **Reallocate funds based on priority, performance, budget changes**
- **Requires shared leadership and coordination across operations, acquisition, and budget executives**

Workforce

Dynamic Staffing Model



~50% assigned to PMO for long-term to become program experts



~50% Process or Technical SMEs assigned at key points across the lifecycle to provide targeted support

- **SMEs responsible for replicating best practices across programs**
 - Develop/maintain guides, templates, references, processes
 - Conduct research, collaborate with SMEs across DoD, Industry

Sustainment

- **Portfolio arch, designs enable strategic sustainment strategies**
 - Common platforms, subsystems, and services
 - Strategic capital investments across programs
- **Performance Based Logistics for mission-area capability rates**
- **Enterprise analysis/optimization**
 - Leasing vs buying
 - Public/private partnerships
 - Resources and Facilities
 - O&S Costs
 - Competition

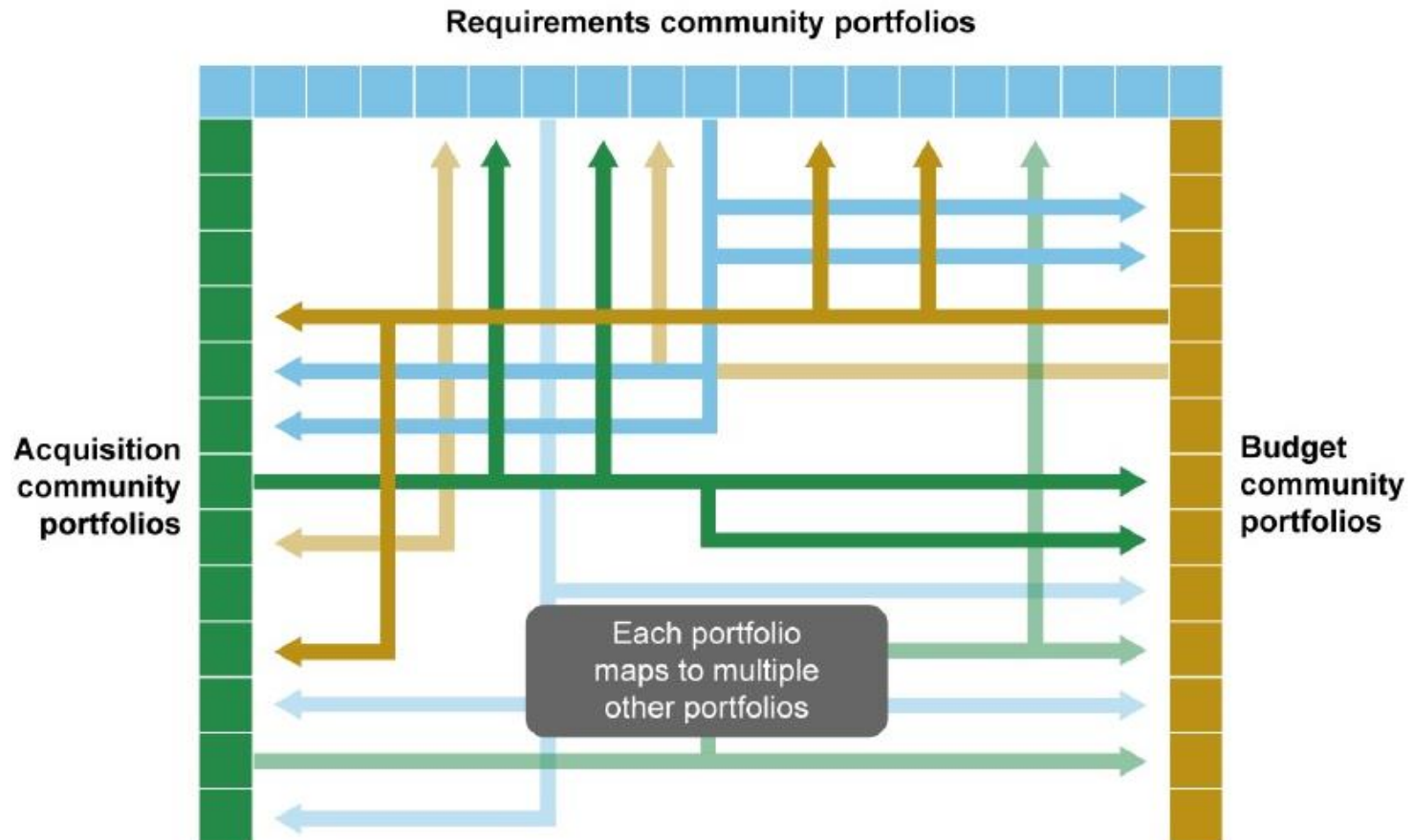


Portfolio Acquisition Could Address Many Better Buying Power Initiatives



- **Affordability and should cost management**
- **Stronger acquisition, requirements, and intel partnerships**
- **Improve productivity of Gov't and Industry R&D**
- **Increase use of prototyping, experimentation, and MOSA**
- **Decrease cycle times**
- **Create competitive environments including small business**
- **Strengthen organic engineering capabilities**

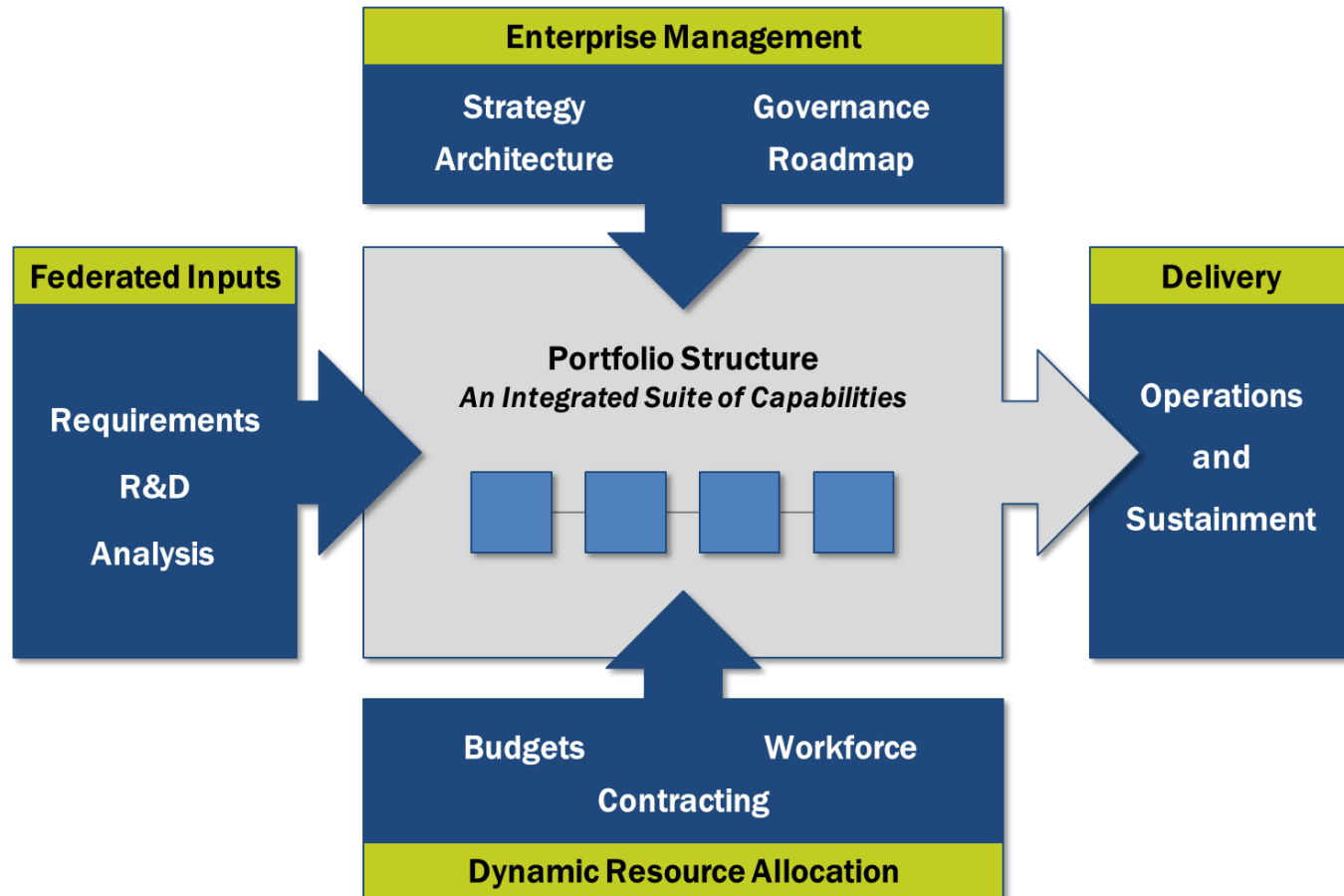
DoD Portfolios – Many to Many Relationship



Source: GAO analysis of DOD policies and documents. | GAO-15-466

DoD Needs to Align Acquisition, Requirement, Budget Portfolios

Portfolio Acquisition



Enable Faster Delivery of an Integrated Suite of Capabilities