

Portfolio Acquisition

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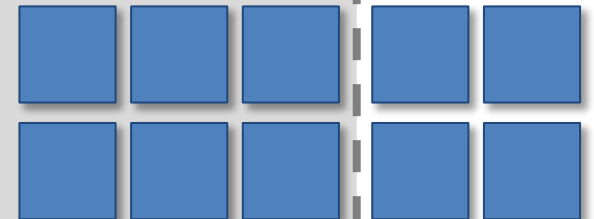
Portfolio Acquisition Concept

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



Portfolio

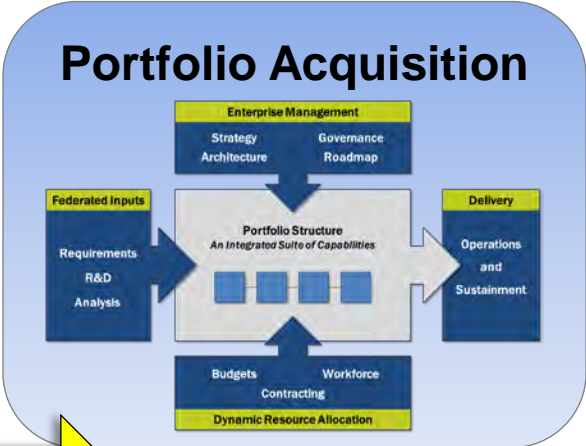
A collection of programs, projects, increments, and related R&D and development efforts designed to achieve a set of strategic outcomes



Break from a Program-Centric Model



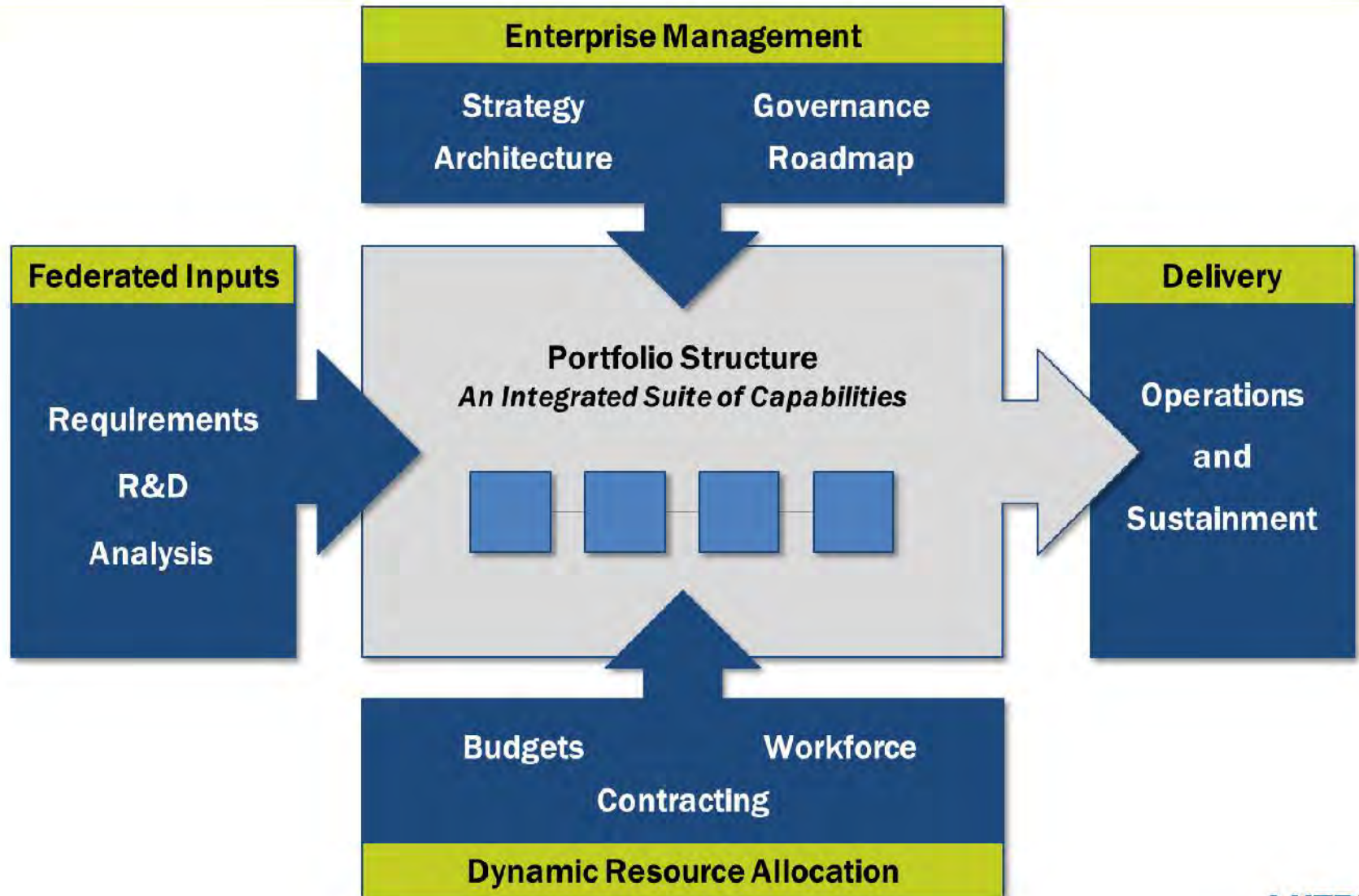
**System of Systems
Family of Systems
Net-Centric Systems**



**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
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Changes in:

- Operations
- Technologies
- Threats
- Analysis

CDD

Program 1

CDD

Inc 2

CDD

Program 2

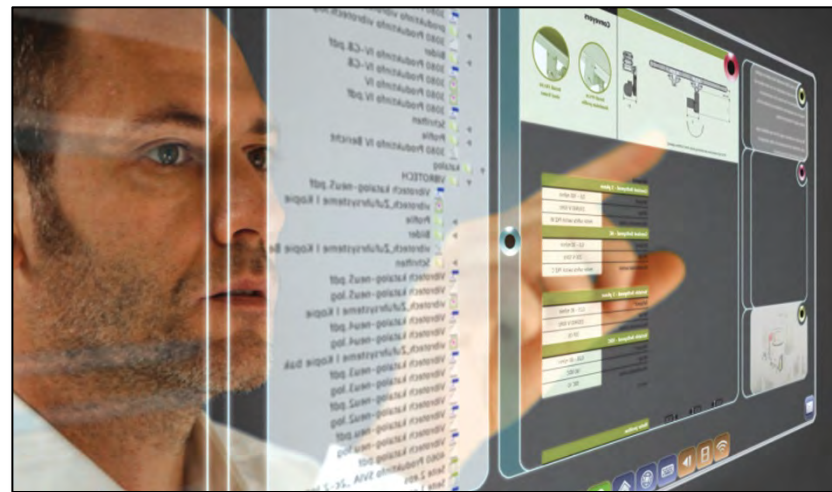
CDD

Program 3

Integrated, Dynamic, Prioritized Set of Portfolio Requirements

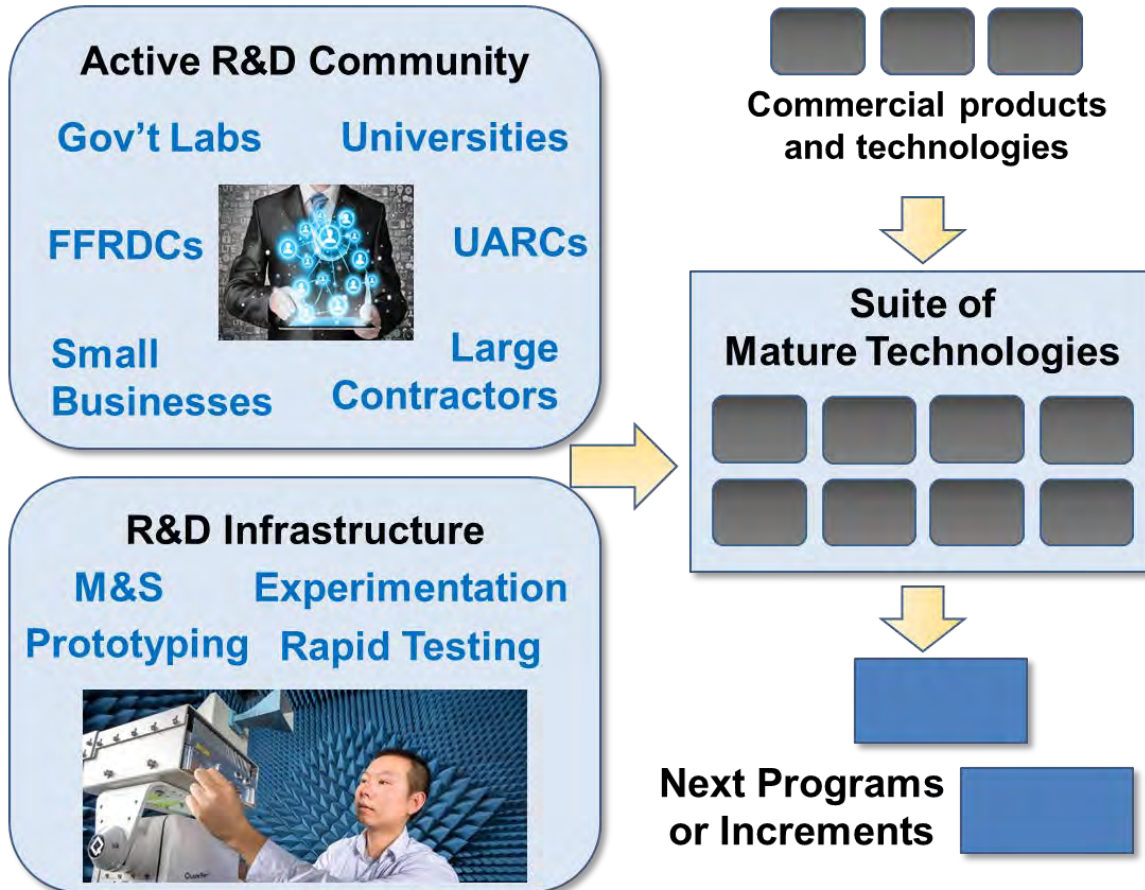
Analysis

- **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

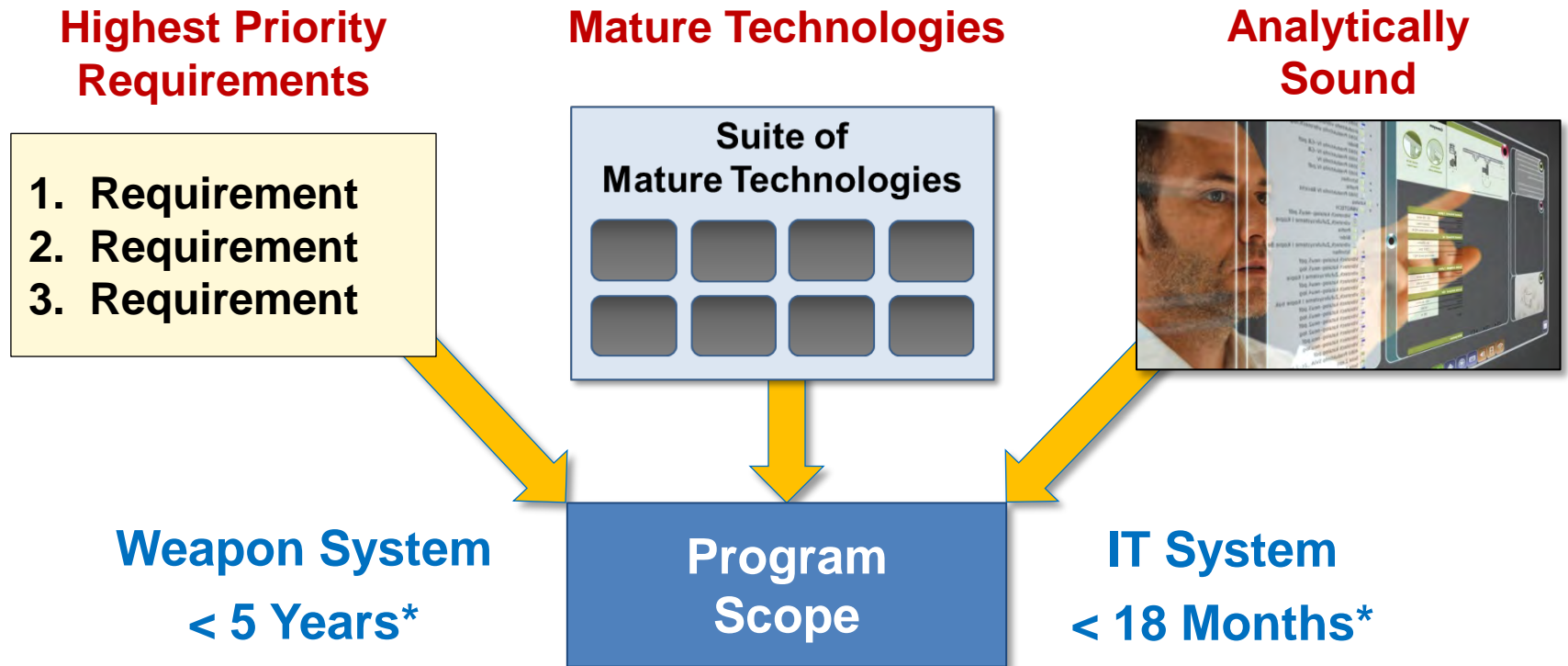
Research and Development



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

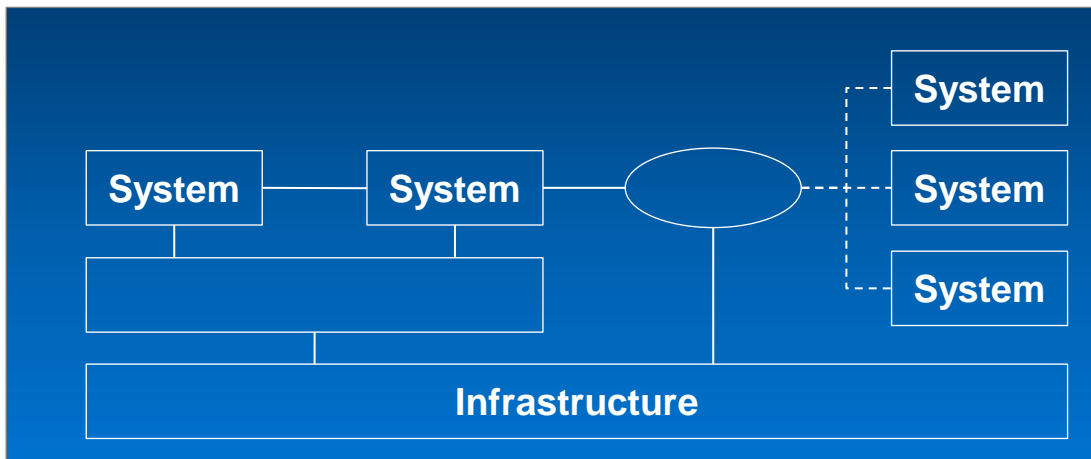
Invest in a collaborative, competitive environment to continually mature technologies and foster innovations

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

- **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

**Drive Speed
and Simplicity**

Contracting

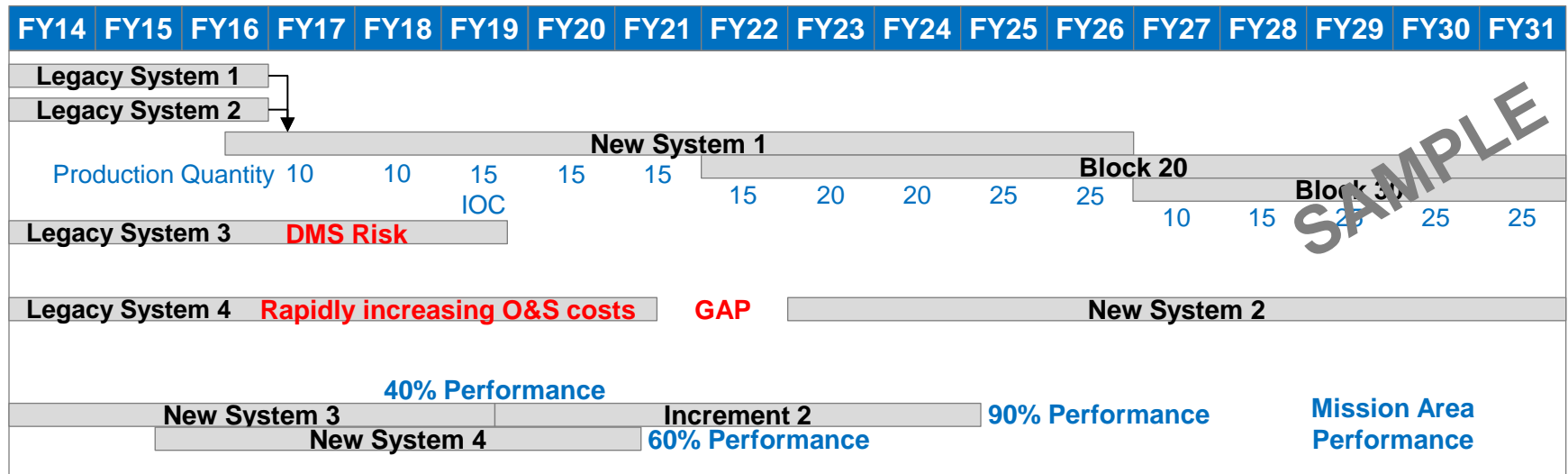


Develop active, long-term partnerships with many companies

- **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

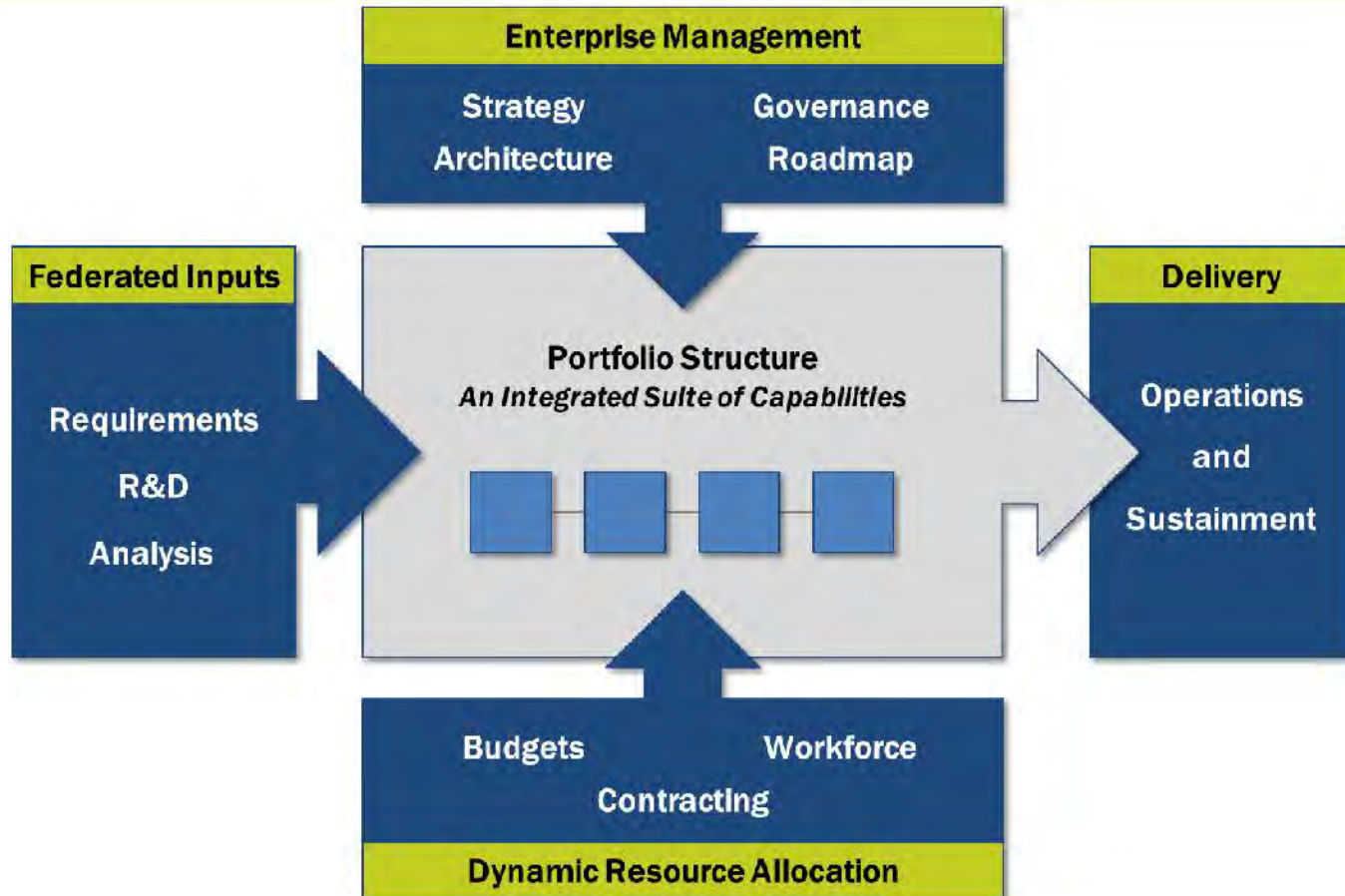


Portfolio Acquisition Could Address Many Better Buying Power Initiatives



- **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**

Portfolio Acquisition



Enable Faster Delivery of an Integrated Suite of Capabilities