



Workshop on Actions to Enhance the Use of Commercial IT in DoD Systems



Group II

-Options for a New Institution - **Accessing and Using Commercial Information Technologies for Defense**

OUTBRIEF

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Panel Co-chairs

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Participants

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Workshop Roadmap

Workshop Roadmap	
Wednesday	Introductions and Background
	Task One: What's the Pain? (<i>Problem Definition</i>)
	Task Two: How Could a New Entity Reduce the Pain? (<i>Mission/Service Offerings</i>)
Thursday	Task Three: What Kind of Entity Could Do that? (<i>Organizational/Institutional Approach</i>)
	Task Four: How Could We Create That in the Real World? (<i>Implementation Approach</i>)
	Summary of Conclusions and Recommendations



Task 1: Basic Problems Detail



Basic Problems

Knowledge/ Information Problems (K)

- Lack of common language or schema
- Requirements too specific (define solutions versus problems)
- Commercial IT firms don't understand DoD needs and can't find right customers
- DoD slow to understand evolving commercial technology and markets
- Technology not shared

Problems Transacting And Relating (T)

- Slow and Inflexible Funding Processes
- Color of Money
- Policy Compliance Issues

Organizational/ Infrastructural Problems (O)

- Lack of end-to-end perspective (handoff issues, broken interfaces)
- Program managers overloaded
- We do this part time
- Underfunded or unfunded opportunities



Task 1: Key Problems

Basic Problems

**Knowledge/
Information
Problems**

***Problems
Transacting
And Relating***

***Organizational/
Infrastructural
Problems***

Symptoms

- Technology Transfer Problems
 - R&D to Procurement
 - Between commercial and government
- Cycle Time Mismatches
 - Can't keep up with commercial
 - Too late to influence "future COTS"
- Can't access many potential vendors
- Difficulty weighing COTS tradeoffs
- Program manager overload
- Duplication

End Results

- DoD Losses
 - Under use of commercial technology
 - Wasted money
 - Missed opportunities
 - Capabilities
 - Security
 - Global insights
- Industry Losses
 - Lost sales
 - Missed opportunity to leverage DoD as "lead user" for commercial
 - Missed opportunity to access DoD technology



Task 2: Service Offerings (to Address Problems)



Ongoing Services

- Collect, articulate, translate DoD priorities/problems/(future) needs (K)
- Understand emerging and evolving commercial technology, companies, markets (K)
- Discern implications of above
- Influence commercial technology and markets
- Influence DoD policy (O)
- Sustain knowledge base and relationships
- Education and Awareness
- Interact with other government organizations



Customer Specific Services

- Collect, articulate, translate DoD problems/needs (K)
- Custom market research (market forces, trends, companies, tech, etc.) (K)
- Connect technology with experimental and test environments, catalog and disseminate findings (O)
- Build relationships and make matches (esp. non-traditional) (T)
- Support screening and due diligence (T)
- Structure and facilitate transactions (make deals, overcome funding issues, programming) (T)
- Oversee execution, manage risk, document results (T)

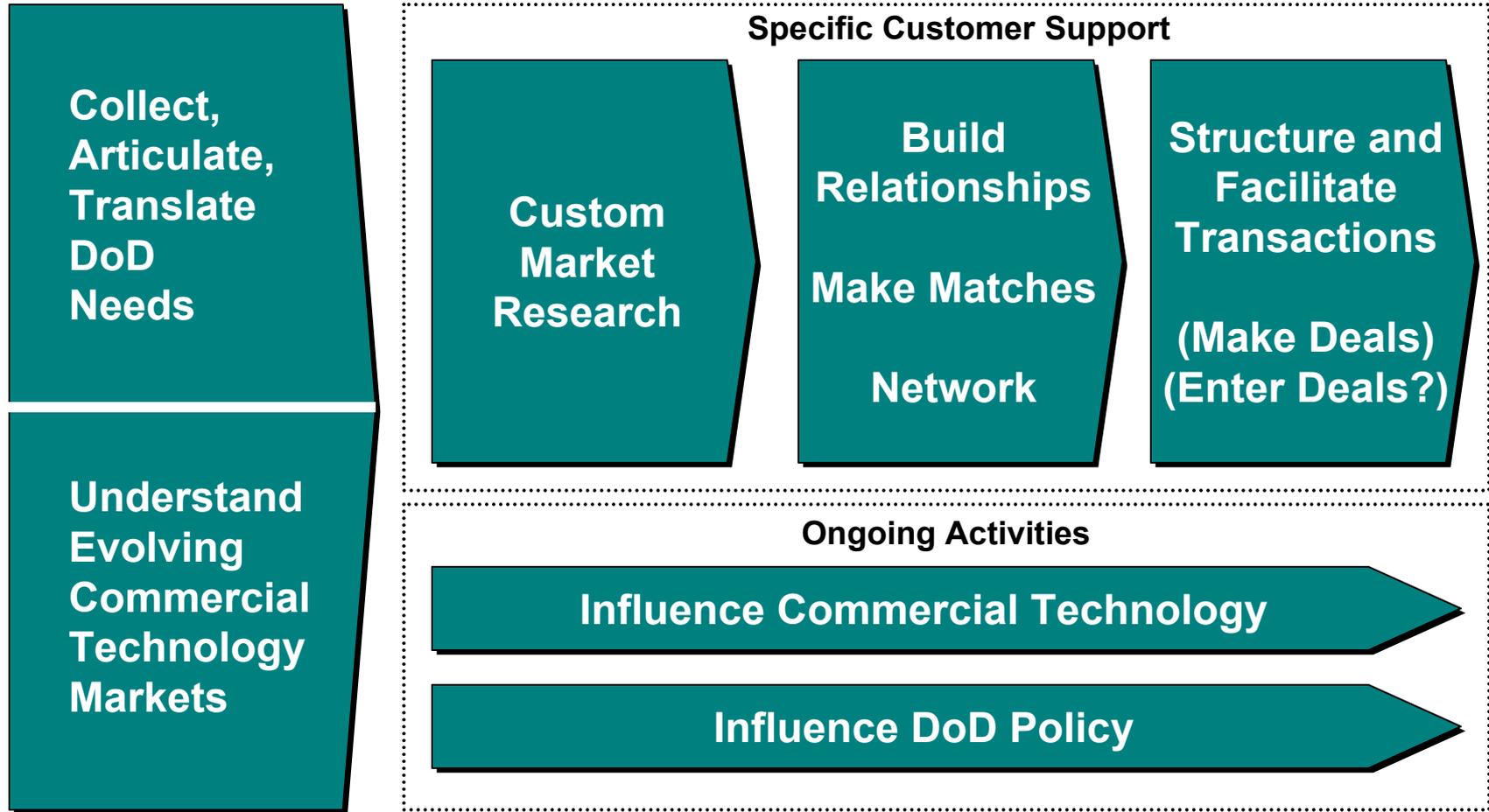
Dod Launch

Industry Launch

Either Launch



Task 2: Service Offerings





Task 3: Services Must Be Delivered via Mix of Central and Distributed Entities



Centralized

- Easy one-stop access for industry and DoD customers
- Global knowledge capitalizations
- Weight in market and in DoD policy/funding world
- Expertise in building mutually beneficial relationships

Decentralized

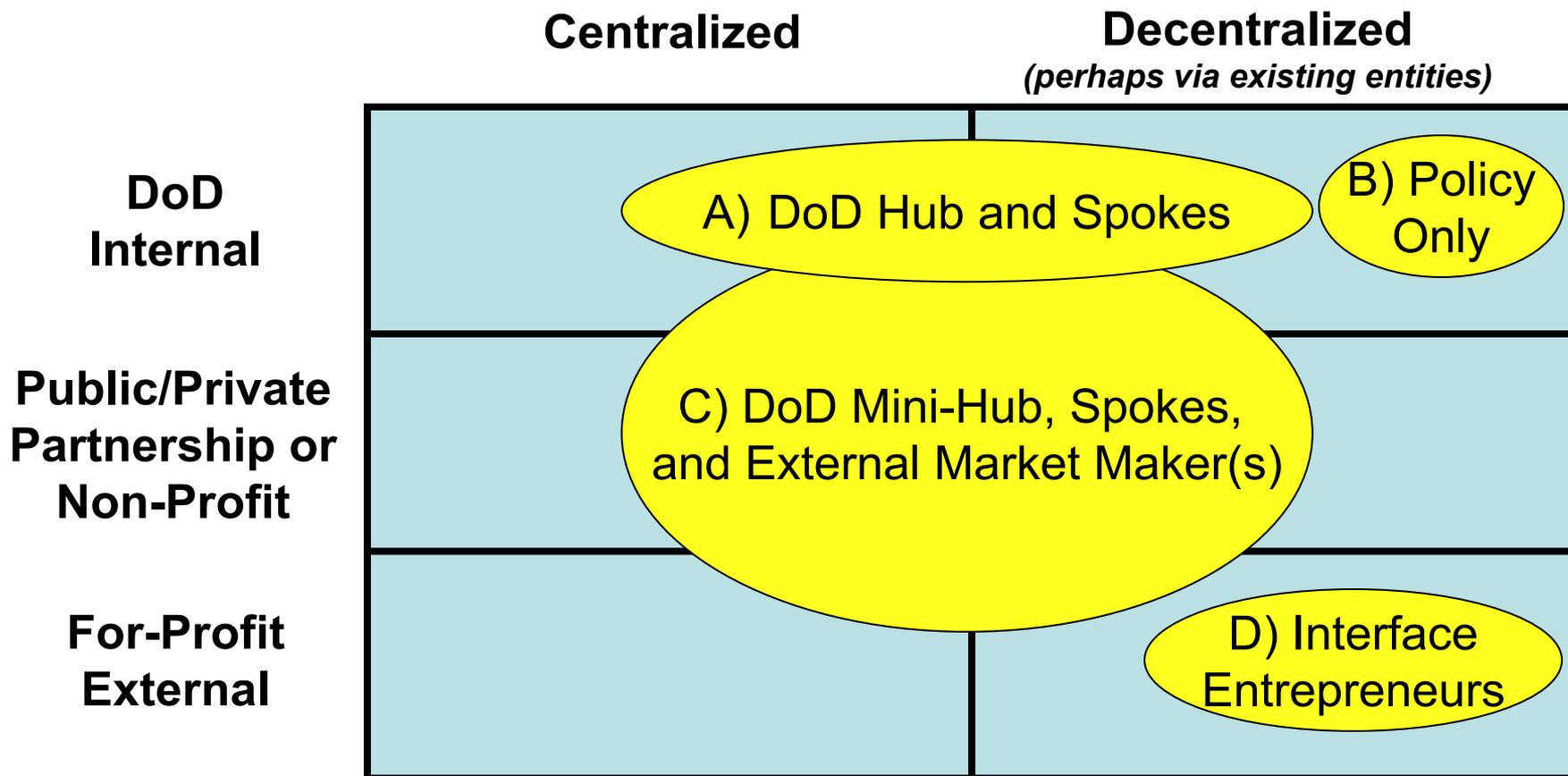
- Intimate understanding of customer needs
- Customer trust
- Superior access to customer funds
- Ability to provide hands-on help with technology transition/insertion



Task 3: Four Organizing Models for consideration



Matrix of Service Delivery Options





Task 3: Recommended Architecture (Net-Centric Model)



Commercial IT

Mini-Hub

- Management of overall system
 - Policy
 - Resources
 - Able to give incentives (resources?)
- Formal external face in market (front door)
- Global knowledge synthesis, metadata repository, assessment, dissemination
- Advocate (policy level)

Knowledge +

Action Centers

- Local knowledge development
 - Customer
 - Industry?
- Executor of customer relationship
- Translator of DoD problems
- Technology insertion
- Advocate
- Evaluate/Due Diligence Support
- Centers of excellence
- Lead COIs

External

Facilitator(s)

- Knowledge development and translator about commercial markets, tech
- Translation of DoD problems?
- Transaction facilitation
- Tech advocate
- Evaluate (non binding)



Task 3: Mapping to Existing Entities

(closest examples – may change or create

Candidate Existing Entities – Related Examples ^{new)}

Mini-Hub

- OSD (NII, ATL, “CTO Concept”)
- JFCOM
- JCS
- **May be “new entity within existing” or policy change in existing (issue= marketing)**

Knowledge +

Action Centers

- SPAWAR System Centers
- CECOM
- ASD
- ESC
- AFIWC
- Battle Labs
- Research Labs
- National Labs
- FFRDCS
- IACS
- UARCS
- DISA
- DARPA
- NSA
- Other DoD Agencies
- **BIAS= Transform Existing**
- **But must earn the label (licensing?)**

External Market Maker(s)

- Govt VC (too narrow)
- Industry Associations
- Rosettex
- Small Business Functions
- Chambers
- **BIAS TOWARD NEW ENTITY(IES)**

May be defining vs creating entities

Market may create



Core Principles



1. Not biased against new tech/companies (incentives for!)
2. Hub supports/incentives excellence outward (Vs. control authority)
3. Does not strip PMOs of authority or funds
4. Mini-hub has funding for pilots, flexible fast action
5. Built as “bridge” to future joint military (works with current institutions in near term – supports evolution of future institutions)
6. Rapid acquisition capability (experimental acquisition) and way to hand off to program office
7. Distributed entities may be “virtualized”
8. External facilitators are not exclusive channels
9. External facilitators attract – not a cost/inconvenience
10. Existing entities become action centers by taking on ability to play via incentive provided by mini-hub (enhanced role)
11. Launch and learn (to evolve over time), also a portfolio strategy
12. Operates “like a business”



Open Questions/Issues



1. Does this imply a new or changed kind of program office?
2. Rapid acquisition capability (experimental acquisition?)
3. Issue: Marketing “new face” of existing entities transformed into new roles (e.g. JFCOM into Mini-Hub)
4. Level of government action in creating external market makers (setting conditions versus direct action)
5. How many external market makers? (competition)
6. Performance measurement
7. Should the external market maker be certified? What’s the due diligence requirement for certifying?
8. What’s the external market maker’s role in due diligence about candidate companies?
9. Should external market makers be for-profit, non-profit, PPP, or both, or all of the above?
10. How much access do external entities have to DoD entities?
11. How do we protect proprietary information, avoid conflict of interest?



Task 4: Action Steps to Implement



- **Define mid-level details (charter, roles/responsibilities, functions, relationships, op principles, funding requirements – business plan)**
- **Secure appropriate sponsorship**
- **Create pre-launch commercial IT Mini-Hub**
 - Design incentives
 - Attract partners
 - Stand up the architecture
- **Certify Action Centers and (Facilitators?)**
- **IOC**
- **Refine and scale up to FOC**