A paratrooper with the 82nd Airborne Division's 1st Brigade Combat Team passes before the rising sun during a patrol into a village 4 May 2012 in Ghazni Province, Afghanistan. The equipment on his back is used to block remotely detonated improvised explosive devices. (Photo by Sgt. Michael J. MacLeod, U.S. Army)

New Business Practices for Army Acquisition

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Chief of Staff of the Army (CSA) Gen. Mark A. Milley has stated that U.S. military superiority is disappearing and that improved strategic planning is needed to maintain qualitative dominance beyond 2025.[1] Milley describes a future force structure based mainly on smaller units acting in disaggregated teams that can combine into larger formations so the Army can meet the demands of asymmetrical, peer,

and near-peer conflicts.[2] The outdated and inflexible acquisition system is not adequate to meet the needs of future force structure and engagement. Strategic planning needs to integrate how the Army acquisition system will equip soldiers with technologies and innovative solutions. This article discusses new business practices that would enable the acquisition system to field more near-term innovative capabilities faster and support preparation for future operations.

Milley can improve the acquisition process using existing authorities and targeted recommendations to Congress on how to enhance the CSA's role in acquisition. For instance, by exerting influence through provisions in the National Defense Authorization Act for Fiscal Year 2016 (the FY 16 NDAA), enacted 25 November 2015, the CSA can reshape the acquisition enterprise to more effectively meet his stated objectives of improving operational readiness, aligning Army modernization to future operations, and preparing soldiers to operate in a variable global environment.[3]

Fortunately, Milley's term as CSA coincides with increasing congressional support for tweaking the Army acquisition process to create a service provider/customer business model. In his testimony at his 2015 nomination hearing, and in his recommendations to Congress regarding the NDAA acquisition authorities in March 2016, Milley acknowledged the opportunity to increase his role in acquisition to meet the needs of current and future land forces.[4]

The Opportunity to Improve Army Acquisition

While an increase in the CSA's influence on acquisition represents a positive change, more change is needed. The media have reported widely on concerns over the U.S. military's seeming inability to meet increasing global threats to U.S. security. Amid these concerns, Congress has been calling for the military service chiefs to have an increased role in Department of Defense (DOD) acquisition to ensure their operational needs are aligned with the acquisition community's priorities and investments.[5]

Policies such as Department of Defense Instruction (DODI) 5000.02, *Operation of the Defense Acquisition System*; Army Regulation (AR) 70-1, *Army Acquisition Policy*; and Chairman of the Joint Chiefs of Staff Instruction 3170.01I, *Joint Capabilities Integration Development System* (JCIDS), all allow for rapid, flexible, and agile acquisition.[6] Their policy guidance, however, is essentially undone by the Army's organizational culture. That culture lacks a synchronized purpose and shared objectives; sustains a multilayer bureaucracy that impedes acquisition policy by overimplementing, overmanaging, and overregulating; and tolerates entrenched organizational agendas.[7]

These organizational and cultural impediments have an inhibiting effect on positive change and reform. Instead of removing these impediments, and moving toward eliminating centrist organizational agendas and a burgeoning multilayer bureaucracy, leaders are often incentivized to defend their turf, so they request additional resources to cover the cost of bureaucratic processes. In the absence of shared Army goals, and in response to increasing oversight, organizations default to this common mantra: "more money, more people." This situation illuminates why culture change is needed—to focus on maximizing the flexibility of the acquisition system to meet shared priorities and operational objectives.

The Army can improve how it conducts business. It needs to identify and resolve the core problems and obstacles within the acquisition system. Now that the FY 16 NDAA has begun to address acquisition

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problems, the CSA and the secretary of the Army can advocate for and influence strategic planning that synchronizes Army operational needs and objectives with acquisition planning. This will free up senior leaders to sharply focus resources on achieving mission objectives with fewer individuals, organizations, and resources.

The Need to Improve Army Acquisition

Acquisition has three major pillars: *identification* of the capabilities needed through the JCIDS; *resourcing* the capabilities via the Planning, Programming, Budgeting, and Execution (PPBE) process; and *execution* of programs by science and technology (S&T) and research and development (R&D) organizations, program executive officers (PEOs), and their program managers (PMs).[8]

There have been many attempts to reform DOD and Army acquisition over the last fifty years, most intending to overcome inherent bureaucratic and incentive-driven practices (some say counter-incentive-driven practices). However, reform has been stymied because of inertia due to entrenched organizational stakeholder equities and a bureaucracy that believes in overlapping oversight.[9] A 2009 report published by the Business Executives for National Security describes the DOD's acquisition process evolution as not reflecting "any rational overall design. It is, rather, a collection of Band-Aids laid over other Band-Aids, each an incremental measure intended to fix a narrowly defined problem."[10]

Within Army acquisition practices, senior leaders rarely are authorized to make wholesale change, and they do not stay in their positions long enough to see change through. Consequently, enacting total acquisition system reform has been nearly impossible, leaving minor incremental improvements as the most pragmatic approach.[11] Unfortunately, many improvements made in this manner have exacerbated the underlying problems. In a 2015 review of acquisition reforms enacted between 1980s and 2015, the Center for Strategic and International Studies found that "despite many implemented reforms being apparent 'successes,' the problems of cost and schedule growth have remained significant and persistent."[12] They have increased the amount of oversight and documentation rather than identifying meaningful business practices that would reduce cost and time and eliminate needless layers of oversight.

The authors of this article, members of a team from the Chief of Staff of the Army Strategic Studies Group (CSA SSG), offered recommendations for facilitating rapid capability development in an article in the September-October 2016 issue of *Military Review*.[13] The previous article, "Strategic Acquisition for Effective Innovation," explained why the Army needs a rapid acquisition and innovation organization modeled after those within the Office of the Secretary of Defense (OSD) and the other services. Such an organization could deliver objective, analytics-based capability recommendations to the CSA and the secretary of the Army. This article extends the discussion by proposing new business practices that would focus Army priorities, maximize investments, and rapidly assess solutions through prototyping and experimentation.

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Maj. Gen. Cedric T. Wins (left), commanding general of the U.S. Army Research, Development and Engineering Command (RDECOM), learns about a prototype version of the Joint Tactical Aerial Resupply Vehicle from Sgt. 1st Class Daniel Guenther (right), an enlisted advisor at the U.S. Army Research Laboratory Weapons and Materials Research Directorate 8 September 2016 at Aberdeen Proving Ground, Maryland. (Photo by Conrad Johnson, RDECOM)

To identify good business practices for acquisition, the authors reviewed the Air Force's Rapid Capabilities Office, the OSD's Strategic Capabilities Office, and the Office of Naval Research TechSolutions and SwampWorks programs. In addition, they explored successful research, development, and acquisition business practices used by U.S. Special Operations Command (USSOCOM). The effectiveness of USSOCOM's practices illustrates that the Army could overcome its reduced unity of command, which results from bifurcated authority chains.[14] This bifurcation impairs the requirements, resourcing, and execution phases of the acquisition process.[15] A key aspect of the USSOCOM business model is its single chain of command that authorizes the commanding general of USSOCOM to have oversight over the USSOCOM Acquisition Executive. This organizational structure creates a single pathway for articulating and acting on operational needs and priorities that are understood across its enterprise. The Army could mitigate the negative impacts of its bifurcated system by streamlining the enterprise to create enduring organizational processes that better align acquisition activities across the under secretary of the Army and the Army staff.

Furthermore, the PPBE funding process conditions Army organizations to seek sustained funding through materiel programs without consideration of nonmateriel or less sexy technology solutions. This promotes not only a harmful stovepipe culture but also an insatiable appetite for resources. This situation may have been manageable in the past, but the expanding operational requirements of the Army, coupled with the increasing nondiscretionary cost of

Army personnel, are more than can be funded. Not all acquisition programs can continue in perpetuity if the Army plans to have resources for emerging threats and needs.

The Way to Improve Army Acquisition

The FY 16 NDAA included language in its Acquisition Policy and Management sections affecting two aspects of defense acquisition.[16] First, it provided language reforming the CSA's current acquisition responsibilities—changes that created some controversy between civilian acquisition leadership and the uniformed services' leadership over the separation of duties established by the 1986 Goldwater-Nichols Department of Defense Reorganization Act.[17]

Second, it called for the service chiefs to review their authorities under Title 10, U.S. Code, and all subordinate acquisition statutes and regulations. They were to report to Congress in March 2016 on how their roles should be revised to improve overall acquisition responsiveness.

Under the NDAA, defense acquisition's goal is "to meet the needs of its customer in the most cost-effective manner practicable."[18] The law defines the "customer" as the military service having the primary responsibility for fielding newly acquired systems. Further, the customer is now represented by the respective service secretary and the military service chief.

It is clear that these reforms will enhance the chiefs' role in acquisition. However, the NDAA's amendments are also littered with qualifiers such as "strongly consider," "advise," and "assist."[19] Nor did the FY 16 NDAA repeal Section 2546 of Title 10, which provides specifically for civilian management of the acquisition system. Rather, these reforms are really about influence—who gets more of it and who gets less. Additionally, these reforms shift the balance of influence within the system closer to the services—and their chiefs. However, they do not eliminate the OSD or service acquisition executives or their authorities.[20]

The importance of influence should not be underestimated—especially when backed up by a congressional mandate and, perhaps more important, continued congressional interest. That influence could give the chiefs a louder, if not quite deafening, voice at a very crowded table. Accordingly, since the chiefs were required to submit additional recommendations to Congress in March 2016, it was clear that Congress had not yet completed this round of acquisition reform—a fact that may further enhance the chiefs' influence over time.

Milley's recommendations in March 2016 included establishing an Army Rapid Capabilities Office (ARCO), which would be similar to the Air Force's rapid capability business model. The ARCO would increase his influence on critical R&D investments. A key objective would be to increase operational prototyping of promising technologies within a streamlined acquisition organization.

Acquisition and Near-Term Capabilities

Section 804 of the FY 16 NDAA, "Middle Tier of Acquisition for Rapid Prototyping and Rapid Fielding," provides the undersecretary of defense for acquisition, technology, and logistics the opportunity to shrink the bloated bureaucracy. According to Section 804, in coordination with the service chiefs and DOD comptroller, the undersecretary may establish middle-tier programs using an expedited process waiving the JCIDS and DODI 5000.02 requirements. These middle-tier programs must address near-term capability needs, i.e., they must be able to begin production within six months of program initiation and be completely fielded within five years. This streamlining for developing and fielding near-term capabilities is similar to the USSOCOM acquisition model, in which senior leadership's priorities are executed within an environment that appropriately tailors an acquisition approach and then fully resources its needs.

Precedent exists for the CSA to influence near-term capability development and prioritization of needs through programs such as the Rapid Equipping Force, Asymmetric Warfare Group, and others. These rapid acquisition activities were mobilized to accelerate fielding equipment during operations in Iraq and Afghanistan for urgent warfighter needs. While these ad hoc programs succeeded at meeting immediate operational needs, they were urgent workarounds to a cumbersome acquisition process that failed to respond to operational needs quickly. Acquisition's underlying problems are exacerbated during conflict, when warfighters are in harm's way.

Therefore, the natural tendency is to work around the system rather than fix it.

A postconflict regression from wartime, operations-based, innovative solutions to the lethargic traditional acquisition methods would rob the Army of innovative thinking and technological discovery. Reverting to the prewar methodologies for acquisition also would bury good business practices such as early prototyping and experimentation prior to product development. The establishment of the ARCO would be a positive step for institutionalizing innovation and rapid solutions.

The National Defense University's Center for Technology and National Security Policy report titled *A Strategic Vision and a New Management Approach for the Department of the Navy's Research, Development, Test and Evaluation (RDT&E) Portfolio* provides recommendations for the Navy that are similar to the ARCO concept.[21] The report advocates for consistent resourcing of "early experimentation and operational demonstrations of new technology-driven capabilities to get warfighter buy-in on requirements, specifications, and capabilities before initiation of a major product development."[22] Fortunately, the Army's ability to rapidly build prototypes and operationally assess innovative technologies and their impact on tactics, techniques, and procedures can be applied using the new NDAA middle-tier prototyping and fielding authorities in conjunction with the ARCO. Strategies and program plans for critical capability prototyping can be generated using analysis-based and operationally vetted inputs from organizations such as the Army's Research, Development and Engineering Command (RDECOM) in collaboration with Army internal and external organizations. With the removal of the organizational barriers that have overwhelmed the flexibility of the JCIDS and DODI 5000.02, the CSA can influence a streamlined prototyping and fielding process. That process could effectively address the CSA's highest priorities and align the Army acquisition community with shared Army objectives and end states that are informed by operational and technical analyses.

Acquisition and the Future Force—2030 and Beyond

In addition to Milley's views on improving processes to acquire near-term materiel capabilities, he recognizes that the Army community must collectively understand and visualize future operating environments before the Army can build an S&T investment framework for 2030, and beyond. At a minimum, the Army's understanding of the future must be "more right" than our enemies' future framework. To build the future force, the CSA can leverage the current momentum for change to drive thinking on what future operating environments may look like. In this way, he can start influencing Army organizations to focus on shared end states.

The Army's understanding of the future must be "more right" than our enemies' future framework.

The Army needs to adopt certain entrepreneurial business practices and success metrics to redefine what success means in future product and materiel development. For example, leaders in industry view and reward success based on what is produced with specified resources that meet performance objectives in a timely manner. On the other hand, Army leaders typically represent their success based on organizational charts and funding levels, as though the level of resources they manage and spend equates to success. Government leaders sometimes criticize industry for being too profit focused, but perhaps the Army's "profit" or outcomes should be defined as solutions to soldiers' problems that are produced in the fastest, simplest, and most efficient manner.

Another business practice that could help the Army maintain an advantage is to seek divergent thinking from multidisciplinary groups that span government, industry, futurists, and academia. The critical outputs from diverse groups on future operating environments and concepts can help create the foundation for acquisition and R&D strategies that unify the Army enterprise. By generating operational concepts based on a shared vision of the future and vetted across many types of thinkers, senior leaders are provided with information and data to make tough decisions today, such as divestment of weapon systems to make resources available for future capability.

Another useful practice for vetting technologies and operational concepts is capturing technical and operational data from early concept prototyping, systems integration, war-gaming, and other efforts. Currently, prototyping, systems integration, and war-gaming are discrete activities and are not guided by a consistent future vision. The outputs, therefore, do not provide guidance to the Army as a whole. Moreover, the results of these activities are often disconnected from the JCIDS process, and they tend to be biased by organizational interests. A more unified approach is needed.

Soldiers remove ammunition and supplies from the autonomous, unmanned Squad Mission Support System during a robotics demonstration 7 August 2014 at Fort Benning, Georgia. (Photo courtesy of U.S. Army)

For that approach to work, the CSA needs a network of trusted agents to provide objective and unbiased information and data. These trusted agents must be disinterested with regard to branch, lab, and PMs. Making the best investment decisions to meet the Army's needs will require a clear, robust, and objective process for analyzing and vetting potential solutions. Organizations such as RDECOM and the Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA[ALT]) can develop analysis-driven S&T and R&D strategic plans that fall within budgetary constraints. Those plans can apply realistic return-on-investment metrics, and they can drive a streamlined acquisition process that is responsive to the CSA's priorities.

Conclusion

The improvements guided by the FY 16 NDAA provide senior leadership an opportunity to drive effective changes in Army acquisition. The CSA can influence S&T and R&D investments to meet near- and far-term priorities by leveraging successful practices now in use at RDECOM, ASA(ALT), and in the other military services. The CSA can identify and eliminate wasteful practices that have outlived their usefulness and that no longer support operations effectively.

With this approach, the CSA can influence today's capabilities and systems and prepare for the Army's

future challenges. Most important, the CSA can join forces with the other service chiefs and the secretary of the Army to facilitate improvements already under way for enabling needed technology-based capabilities to be identified, demonstrated, vetted, and acquired efficiently.[23]

In addition, the Army should expand successful practices such as war-gaming and future-gazing exercises, prototyping, and experimentation before product development. It should explore using existing venues such as combat training center exercises for assessing non-program-of-record capabilities, and it should assess innovative materiel and nonmateriel solutions generated by soldiers during operations to solve challenging problems. In this way, a more competitive R&D environment would meet needs with the resources available. The greatest challenge is to change the existing culture, but through a shared vision of the future and modified incentives for the organizations that support capability development, the culture may begin to evolve. ■

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