

SYM-AM-20-044



PROCEEDINGS  
OF THE  
SEVENTEENTH ANNUAL  
ACQUISITION RESEARCH SYMPOSIUM

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**Acquisition Research:  
Creating Synergy for Informed Change**

**May 13–14, 2020**

**Published: April 06, 2020**

Approved for public release; distribution is unlimited.

Prepared for the Naval Postgraduate School, Monterey, CA 93943.

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The research presented in this report was supported by the Acquisition Research Program of the Graduate School of Defense Management at the Naval Postgraduate School.

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# ARMY MODERNIZATION: Steps Needed to Ensure Army Futures Command Fully Applies Leading Practices (GAO-19-132)

## What the Government Accountability Office Found

Since 2017, when the Army announced its initiative to update its forces and equipment with improved capabilities—known as modernization—it has

- prioritized six broad areas of capability needs as shown in Table 1;
- established and assigned eight cross-functional teams to pilot how to address these needs;
- established the Army Futures Command as the focal point for modernization efforts, with a four-star general to oversee it; and
- realigned over \$1 billion in science and technology funding to support modernization efforts within the \$7.5 billion expected to be spent over the next five years.

**Table 1. Description of the Army’s Six Prioritized Capability Needs**

Source: Government Accountability Office (GAO) review of Army documentation; GAO-19-132

Army priority	Description of priority
Long-Range Precision Fires	Capabilities, including munitions that restore Army dominance in range, lethality, and target acquisition.
Next Generation Combat Vehicle	Manned and unmanned combat vehicles with modern firepower, protection, mobility, and power generation.
Future Vertical Lift	Manned and unmanned platforms capable of attack, lift, and reconnaissance missions on modern and future battlefields.
Army Network	A mobile system of hardware, software, and infrastructure that can be used to fight cohesively in any environment where the electromagnetic spectrum is denied or degraded.
Air and Missile Defense	Capabilities that ensure future combat formations are protected from modern and advanced air and missile threats.
Soldier Lethality	Capabilities, equipment, and training for all fundamentals of combat—shooting, moving, communicating, protecting, and sustaining. This includes an expansion of simulated training.

To date, the Army has generally applied leading practices identified by the GAO to its modernization efforts. For example, the cross-functional team pilots generally applied leading practices for determining requirements and technology development and for establishing effective teams. Similarly, as the Army began the process of establishing the Army Futures Command, it has started to apply the leading practices for mergers and organizational transformations by establishing a clearly defined mission and providing a clear consistent rationale for the command; however, the GAO identified other areas where the Army has not fully applied leading practices to its modernization efforts, including the following:



- Under the modernization effort, the Army plans to begin weapon systems development at a lower level of maturity than what is recommended by leading practices. The GAO has raised concerns about this type of practice for almost two decades for other Army acquisitions because proceeding into weapon systems development at earlier stages of technology maturity raises the risk that the resulting systems could experience cost increases, delivery delays, or failure to deliver desired capabilities. Taking this approach for acquisitions under the modernization effort raises similar concerns for the Army's six prioritized capability needs.
- The Army has not developed a plan for capturing the lessons learned from the cross-functional team pilots and therefore may miss an opportunity to leverage the experience of these teams in applying leading practices.

### **Why the GAO Did This Study**

In order for the Army to maintain its technological edge over potential adversaries, it plans to invest in near- and long-term modernization efforts; however, the Army has struggled with modernization initiatives in the past. For example, the Future Combat System was canceled after a cost of \$21 billion and delivery of few new capabilities.

The National Defense Authorization Act for Fiscal Year 2018 included a provision for the GAO to report on the Army's modernization strategy. This report assesses (1) the status of the Army's near- and long-term modernization efforts and (2) the extent to which the Army has applied leading practices to these efforts. The GAO reviewed Army directives, procedures, and policies, and compared the Army's efforts with leading practices for requirements and technology development, effective cross-functional teams, and mergers and organizational transformations.

### **What the GAO Recommends**

The GAO is making four recommendations, including that the Army follow leading practices for maturing technologies to a higher level than currently planned and develop a plan to capture lessons learned from the cross-functional teams. The Department of Defense (DoD) concurred with all the recommendations.

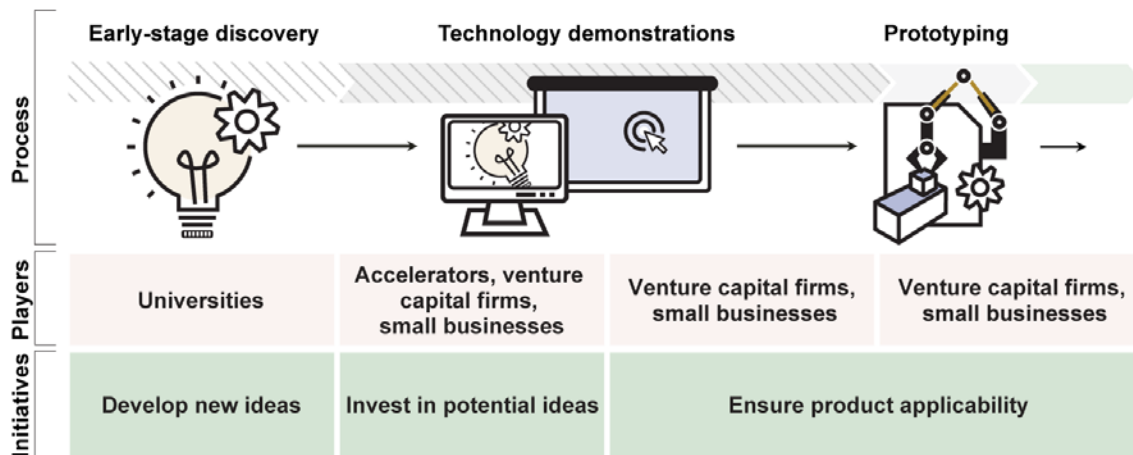
The full report can be found at <https://www.gao.gov/products/GAO-19-132>.



# ARMY MODERNIZATION: Army Futures Command Should Take Steps to Improve Small Business Engagement for Research and Development (GAO-19-511)

## What the GAO Found

The Army Futures Command, established in June 2018 by combining several existing Army organizations and expected to be fully operational in July 2019, is engaging with small businesses. The command considers small business engagement critical to its success, and officials reported it intends to continue the engagement activities of the organizations that are moving into it, such as conducting outreach and awarding contracts. The Army recognizes the importance of small businesses and has awarded \$2.3 billion to hundreds of small businesses from fiscal years 2013 through 2017. The command is also taking initial steps to enhance small business engagement (see Figure 1). Army officials noted that these new efforts are intended to address concerns raised by small businesses in working with the government, such as delays between initial outreach and entering into contracts.



Source: GAO analysis of Army Futures Command documentation. | GAO-19-511

**Figure 1. Examples of Army Futures Command Initiatives to Enhance Small Business Engagement**

The command, however, has not fully leveraged other Army organizations that work with small businesses, such as the Army Office of Small Business Programs. According to command officials, they prioritized setting up the command structure and engaging with small businesses quickly, instead of focusing on coordination. The command has recently been working to improve coordination, but has not formally coordinated such as by establishing agreements with other Army organizations that have small business expertise. Doing so would help the Army Futures Command leverage this past experience and avoid missing opportunities to engage with these companies and access innovative research and development.

The command does not track how frequently or in what ways it engages with small businesses for research and development across all command components. Similarly, command officials stated they have considered performance measures to assess the effectiveness of their engagement efforts but have not yet developed command-wide

measures or a plan to assess effectiveness. Tracking and measuring engagement would help ensure the command obtains quality information that may help the Army evaluate, and potentially enhance, its small business engagement.

### **Why the GAO Did This Study**

The Army is modernizing its weapon systems to improve its ability to face near-peer adversaries. To consolidate and oversee these efforts, the Army established the Army Futures Command. The command plans to work with small businesses to develop innovative capabilities through research and development activities.

The GAO was asked how the establishment of the Army Futures Command could affect small businesses that support research and development efforts. This report examines, among other objectives, how the command (1) engages with small businesses and coordinates with other Army organizations and (2) plans to track and measure the effectiveness of that engagement.

The GAO reviewed the Army's internal analyses of its own modernization efforts, reviewed and analyzed policies and procedures on the command's small business engagement, and interviewed Army officials engaged in modernization efforts as well as two private companies selected because they facilitate the Army's work with small businesses.

### **What the GAO Recommends**

The GAO is making three recommendations, including that the Army Futures Command coordinate with relevant Army organizations on small business engagement efforts for research and development, systematically track its small business engagement, and develop command-wide performance measures and a plan to use them to assess the effectiveness of its small business engagement. The Army concurred with all three recommendations.

The full report can be found at <https://www.gao.gov/products/GAO-19-511>.





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