

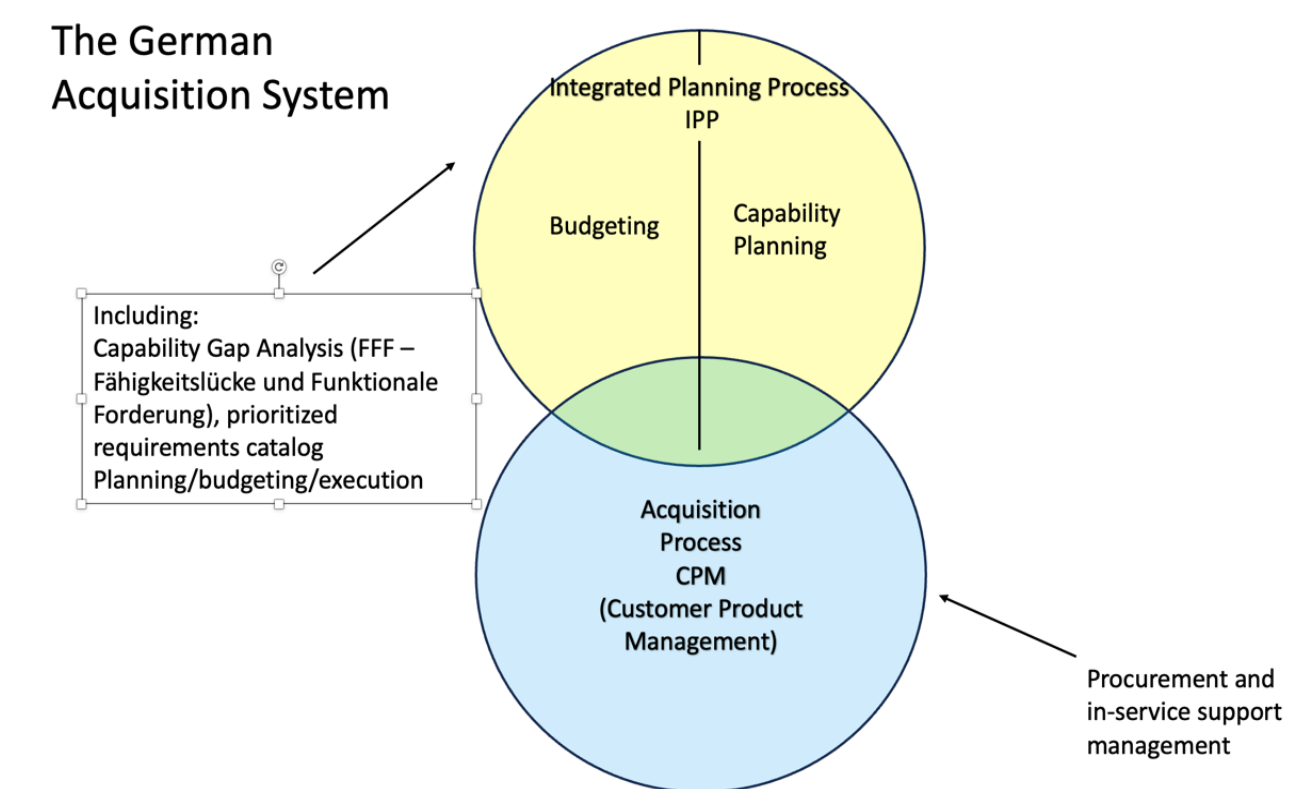
# A Comparative Analysis of Defense Acquisition Systems: Bridging the Gap Between the U.S. and Germany



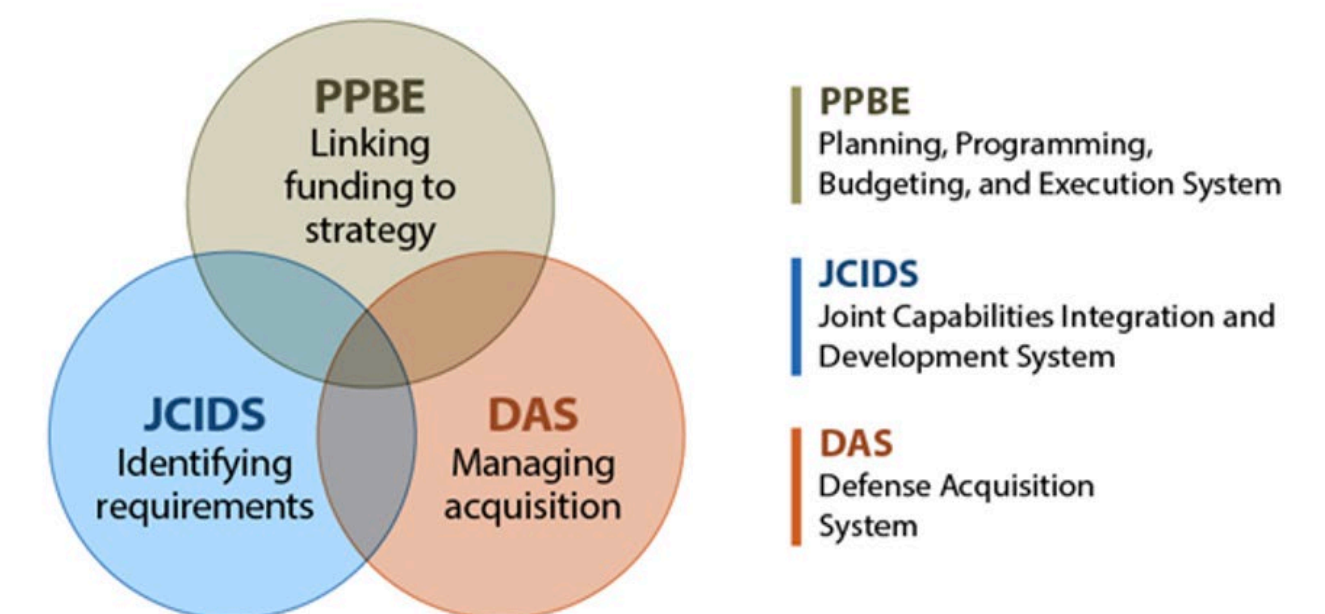
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## Abstract

- This study conducts a detailed analysis of the U.S. and German defense acquisition systems amid global security shifts. It examines how each nation's procurement strategies handle current military threats, revealing distinctive strengths and weaknesses. The U.S. benefits from a flexible procurement model, while Germany's system is challenged by rigidity. Our recommendations propose reforms for enhancing agility and efficiency in both systems, aiming to improve responsiveness to modern security demands.
- Research Questions
  - What are the key differences between the U.S. and German defense acquisition systems?
  - How do these differences impact the efficiency and agility of procurement processes in responding to contemporary military threats?
  - What recommendations can be made to enhance the procurement strategies of both nations, considering their unique strengths and weaknesses?



Big A Acquisition



## Comparison Results

### JCIDS vs IPP

Aspect	IPP	PPBE
Legislative Budget Process	In Germany, the defense budget is approved by the Bundestag, ensuring parliamentary oversight and alignment with national priorities.	In the U.S., Congress reviews, amends, and authorizes the defense budget, reflecting democratic scrutiny and fiscal responsibility.
Strategic Alignment	The IPP ensures that defense planning is consistently aligned with Germany's national security strategies and objectives.	The PPBE integrates U.S. defense objectives with strategic planning, ensuring that budgeting supports overarching strategic goals.
Transparency and Oversight	The IPP involves structured engagements with the Bundestag, facilitating oversight and ensuring accountability in defense planning.	The PPBE process involves submitting detailed justifications and reports to Congress, promoting transparency and enabling effective oversight.
Structural and Procedural Nature	Both systems are schedule-driven, aligning defense planning and budgeting with the fiscal years and governmental budgetary cycles, showcasing a disciplined approach to fiscal management.	Both systems emphasize a forward-looking perspective, planning typically over a five-year horizon to integrate defense capabilities with financial planning effectively.
Integration vs. Serialization	The IPP adopts an integrated approach, where planning and budgeting are conducted simultaneously, enhancing agility and responsiveness to changing defense needs.	The PPBE follows a sequential process, where requirements are established before budgeting, potentially introducing delays in adapting to new threats.
Legislative Oversight	In Germany, the Bundestag's approval is required for acquisitions exceeding a certain threshold, focusing on major investments and budget allocations.	The U.S. Congress exercises broader authority, impacting budget decisions and specific acquisition programs, reflecting a more granular level of control.
Budget Categories "Color of Money"	The IPP operates under a consolidated budget framework, allowing for flexible allocation of resources without stringent categorization.	The PPBE system uses specific budget categories ("colors of money"), aiming for transparency but possibly limiting flexibility in fund reallocation.

### PPBE vs IPP

Aspect	IPP	JCIDS
Stakeholder Involvement	Involves stakeholders from various military branches for a holistic understanding of requirements.	Involves a diverse range of stakeholders, including military services and defense agencies.
Adaptability	Demonstrates adaptability through an integrated approach combining strategic directives with operational insights.	Adapts to shifting needs by assessing and addressing capability needs and gaps.
Capability-Based Approach	Focuses on aligning capability planning with strategic directives and operational needs.	Emphasizes the identification and prioritization of capabilities based on broader strategic objectives.
Strategic Alignment	Ensures that capability development is in full harmony with Germany's defense strategic outlook.	Operates under the guidance of U.S. strategic documents to ensure that capabilities fulfill strategic objectives.
Planning and Budgeting Integration	Integrates budget considerations directly into the planning phase to align resources with strategic defense objectives.	Identifies capabilities and operational needs first, with budget considerations addressed in subsequent phases.
Management Approach	Employs a portfolio-structured approach for holistic capability development and flexible resource allocation.	Utilizes a program-centric focus, emphasizing the development of individual programs through a structured process.

### AAF vs CPM

Aspect	Adaptive Acquisition Framework	Customer Product Management
Acquisition Pathways	Offers six distinct pathways for flexibility and adaptability, including a specific pathway for rapid software acquisition.	Primarily utilizes two pathways: one for Major Defense Acquisition Programs and another for Urgent Operational Needs.
End-user Involvement	Blends formal and informal practices with significant emphasis on operational testing and evaluation for end-user feedback. Not mandatory for Programs.	Incorporates end-user feedback comprehensively throughout the process, with formal operational testing and "Einsatzprüfung". Mandatory for every Program.
Milestones and Decision Reviews	Employs structured milestones and decision reviews as critical checkpoints to assess and approve project progression.	Utilizes Quality Gates for a flexible approach to project assessment, allowing strategic placement throughout the lifecycle.
Decision Authorities	Centralized Milestone Decision Authority (MDA) makes critical decisions, ensuring projects meet strategic, performance, and budgetary criteria.	Implies a more decentralized, project manager-centric approach without a formalized MDA, focusing on agility and project-specific decision-making.

## Recommendations

U.S. Acquisition System	German Acquisition System
Reduced Congressional Control to Enable Department Flexibility	Implementation of the Middle-Tier Acquisition Procedures
Integration of the JCIDS and PPBE Processes	Introduction of a Software Acquisition Pathway
Introduction of Mandatory Defense-Wide Portfolio Management	Revision of the Urgent Acquisition Pathway Criteria
Mandatory User Involvement Through Integrated Product Teams	Adjustment of Financial Thresholds for Parliamentary Oversight
Enhance Flexibility Within the Defense Budget – 'Colors of Money'	Incorporation of fixed Milestones and Milestone Decision Authorities
	Adoption of the adaptive principle for flexible pathway transitions

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