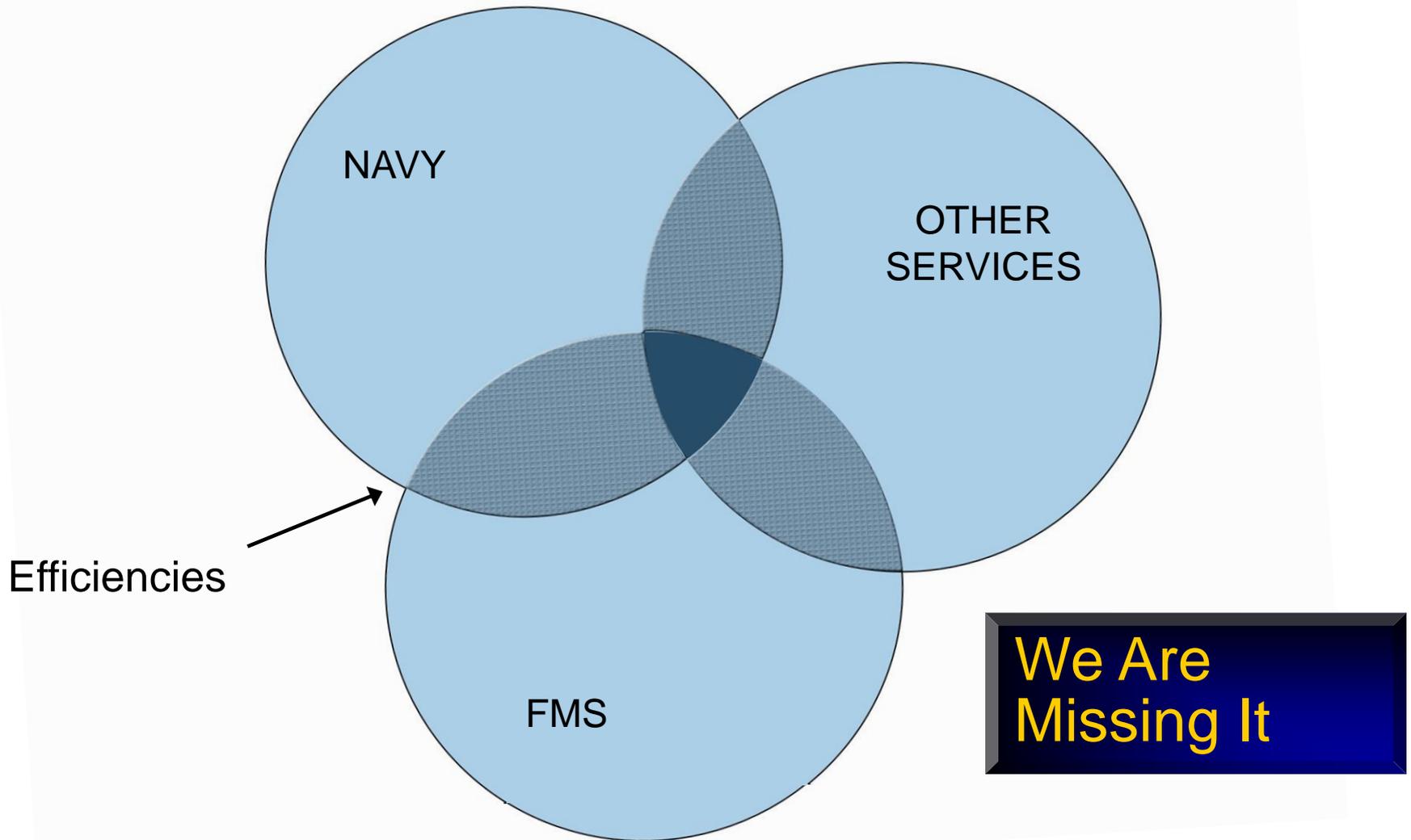
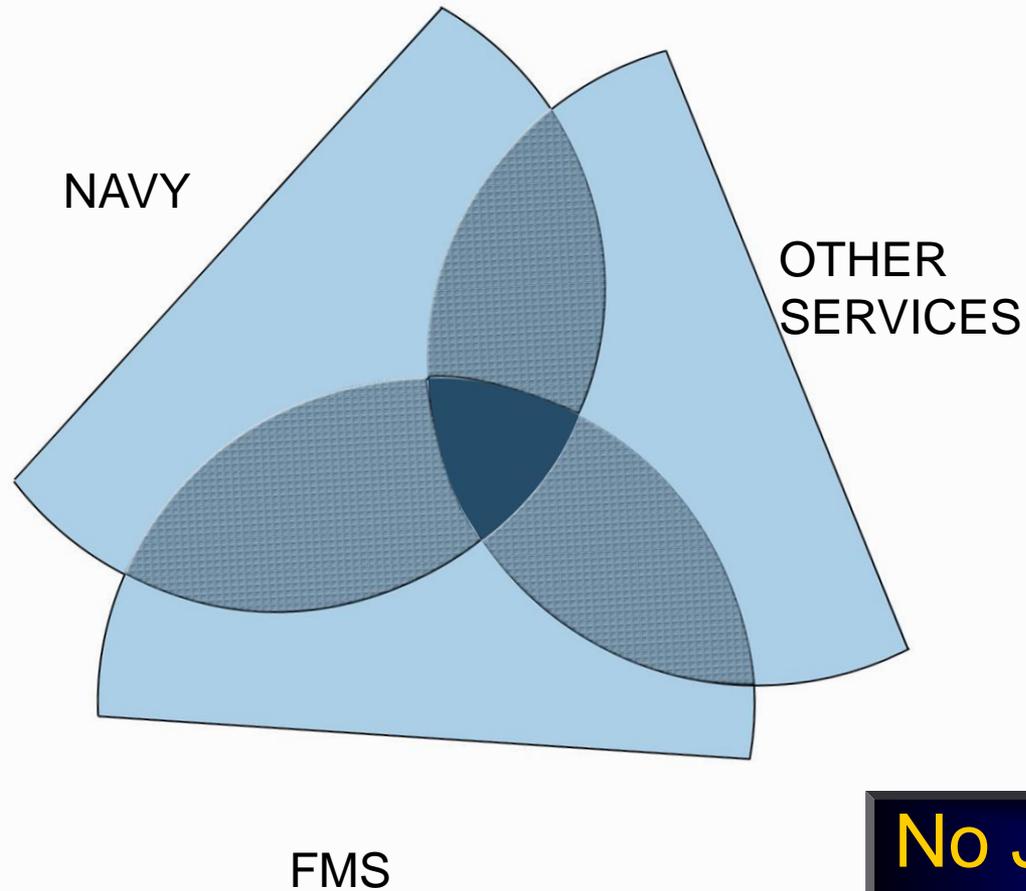


If This is the Focus...

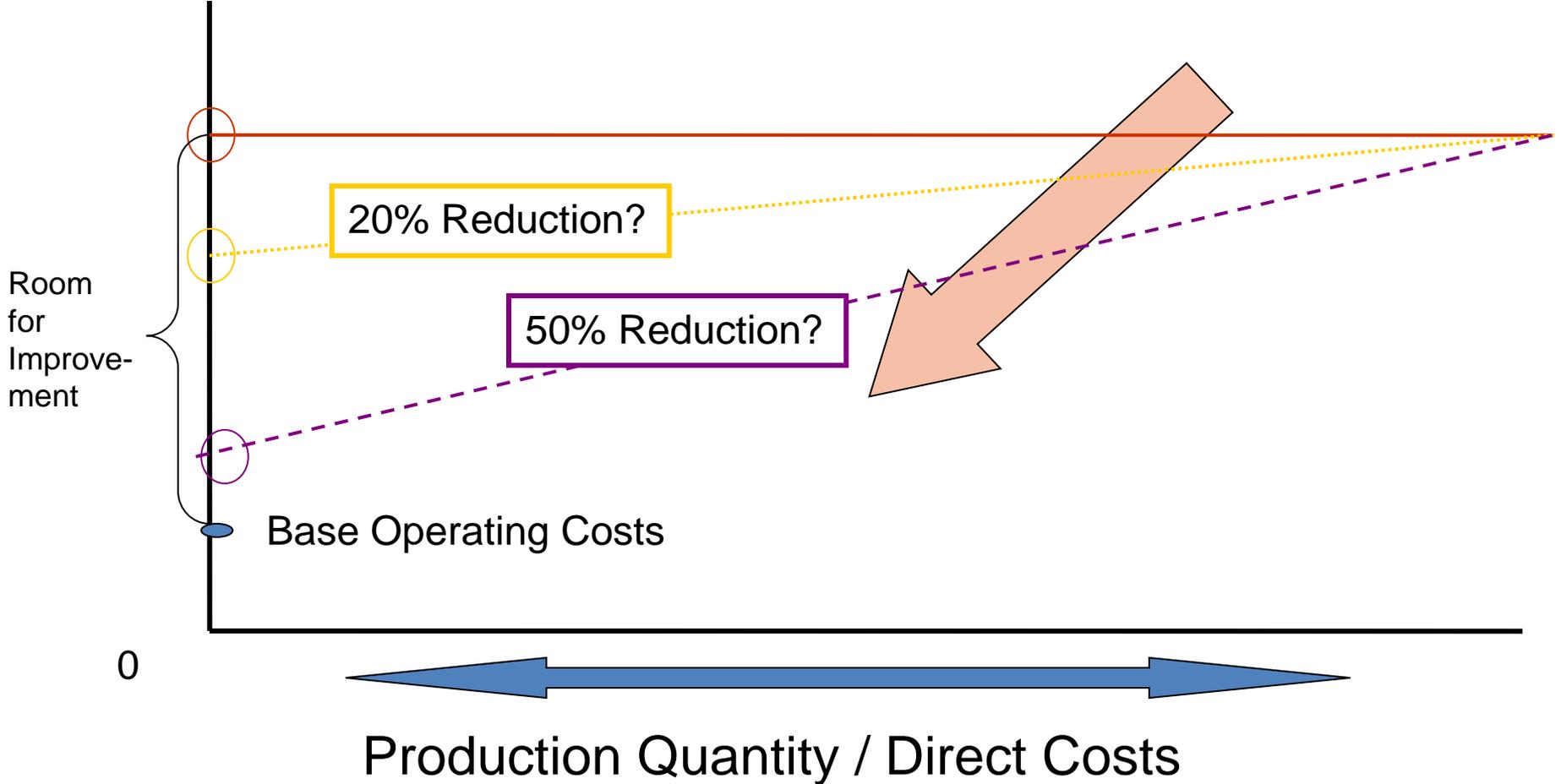


This is what is Expected

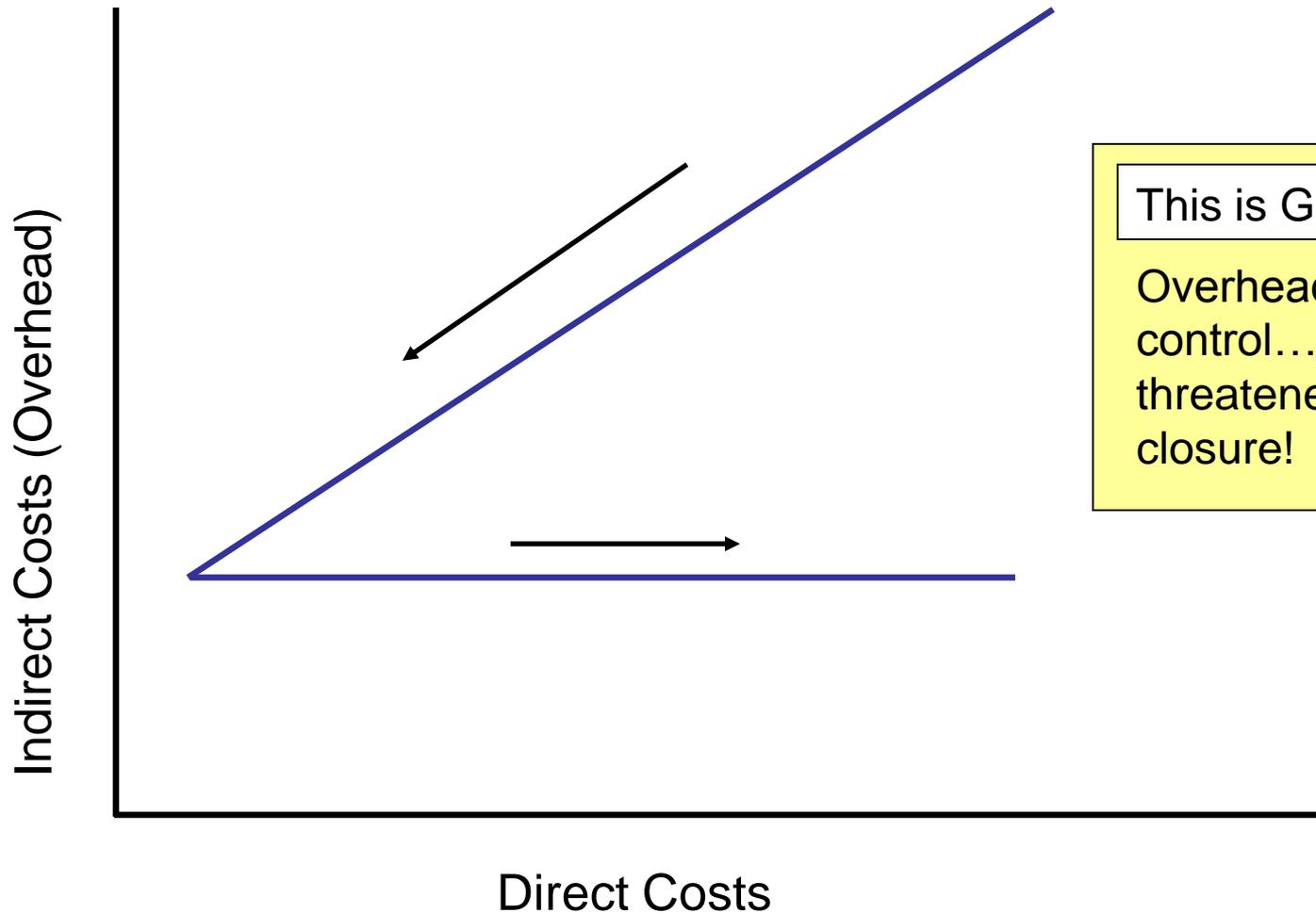


It's About Addressing Overhead Costs

Indirect Costs



Overhead vs. Direct Costs



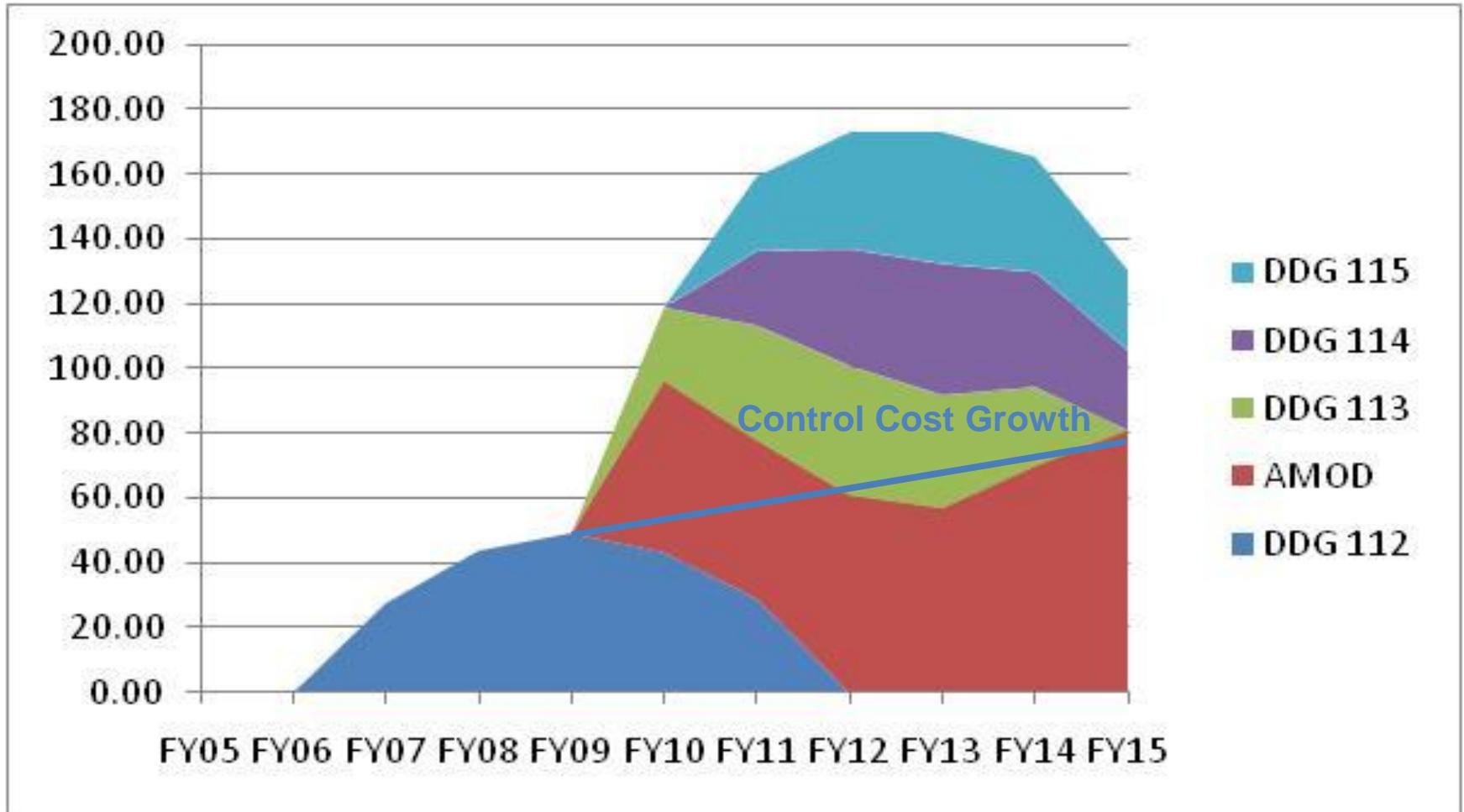
This is Good.

Overhead “found” control...when threatened with closure!

It's About Addressing Direct Costs

- How are cross program efficiencies budgeted, contracted and executed
- Pressurizing support costs at all levels
- Multi Year Procurement potential
- Planning realistic projections and margins

Example of System Cumulative FTE Support Effect



Community Perception is Reality - Pros

- Experienced Workforce
- **STRONG** Technical Knowledge
- DoN Center / Combat System of Excellence
- Understand the Problems
- Many important contributions over decades of service

Recognized as World Leaders, but...

Community Perception is Reality - Cons

- Permit inefficiencies in order to maintain current staffing levels
- Cost is not important – High Overhead – Multiple management layers
- Encourage Duplicate Tasking
- Take too long to produce – Inefficient
- Suffer from Structural Arthritis – Organizational Misalignment / Silos
- Have Monopoly Mentality – Little competition drives bad behavior
- Exhibit Welfare State Symptoms – Why work hard?

Perceptions only get defeated with positive results

4 Questions:

25-50% Challenge for Support Costs

- Identify how to challenge fixed cost
- Identify how to maximize leverage across product lines and programs
- Identify what Government and Industry can challenge together
- Identify what each of you can challenge internally

Perceptions only get defeated with positive results

Transparency and Open Communication...

We're in this together

- **Achieving and sustaining a Competitive Playing Field**
- **Developing RFPs to stimulate innovative responses**
- **Sharing and Protecting Sensitive Information**
- **Making Timely Source Selection Decisions**
- **Sustaining Our Workforce through challenging Budget Times**
- **Stimulating and Fostering Legal and Ethical Collaboration**
- **Soliciting Competition with Incentives for Industry**
- **Adapting Acquisition Strategies to Enable Win-Win Outcomes**

➤ **PEO IWS will provide feedback**

➤ **Provide us yours today**