



R-TOC Two Years Later: A Loggie Perspective

6 March 2001

Insanity

**Doing something the
same way as always
and expecting to get a
different result**

What the R-TOC Pilot Programs Have Done

- **Demonstrated improved performance at reduced cost**
 - 10 Programs projected 20% reduction
 - All programs reporting progress
- **Pushed the “system” as hard as they could**
 - PM quote, “We will only fight the system so hard”
- **Highlighted difficult “bumps” and roadblocks**
- **Implemented a variety of performance-based logistics strategies at system or subsystem level**
 - TSPR
 - DVD
 - Prime Vendor
 - Life Cycle Competition
- **Demonstrated effective partnering (within government and with industry)**

What OSD Has Done (Recently)

- **Established 4 special pilot programs to test performance-driven agreements**
- **Coordinated Product Support Working Capital Fund for Pilot Programs with USD(C)**
- **Coordinated A-76 waiver consideration within OSD**
- **Consolidated acquisition logistics policy and oversight in DUSD(L&MR)**
- **Incorporated Product Support emphasis in revised DoD 5000 Policy**
- **Issued revised incentive policy to emphasize “fair” risk sharing and long-term agreements**
- **Developed roadmap for implementation (modifications and new starts)**
- **Took the logistics transformation message to the Congress**

Where We Are

- **Evaluating Service implementation plans on “special” performance-based pilots**
 - Program-unique WCF
 - Performance agreements with warfighters
 - Performance agreements with organic providers
- **Reengineering product data management systems**
 - Moving to international standards
 - Re-assessing mission requirements
 - Re-assessing current solutions
- **Focusing on near-term required products**
 - PM implementation guide
 - Evaluation metrics and methodology
- **Driving Implementation**
 - Roadmaps for all major systems
 - DAB Reviews

What We Need

- **Focused R-TOC energy on operational requirements**
 - **Prioritize investments based on CINC needs**
- **Migration to even greater emphasis of performance agreements**
 - **Output driven**
 - **Increased leasing**
- **Industry to step up to world-class performance**
 - **Distribution management**
 - **Risk sharing**
 - **Financing**
- **Achieve Financial Reform (This Year)!**

Never give up!

