



Continuing Opportunities For Small Businesses

The 7th Annual Army Small Business Conference

**The Honorable Claude M. Bolton, Jr.
Assistant Secretary of the Army
(Acquisition, Logistics, and Technology) and
Army Acquisition Executive
November 4, 2003**

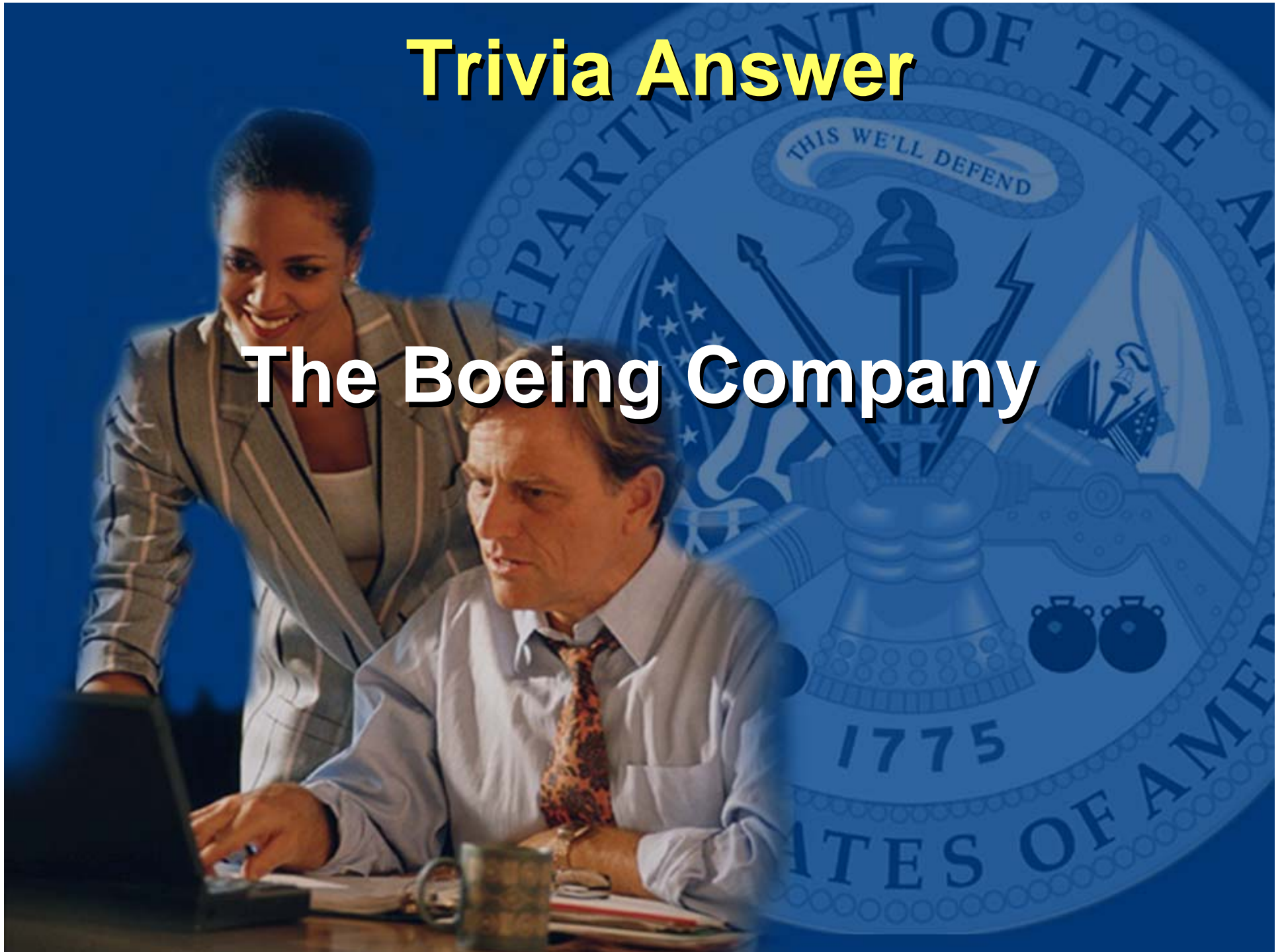
Trivia Question

What Major U.S. Defense Firm Started with a 21-Person Payroll?



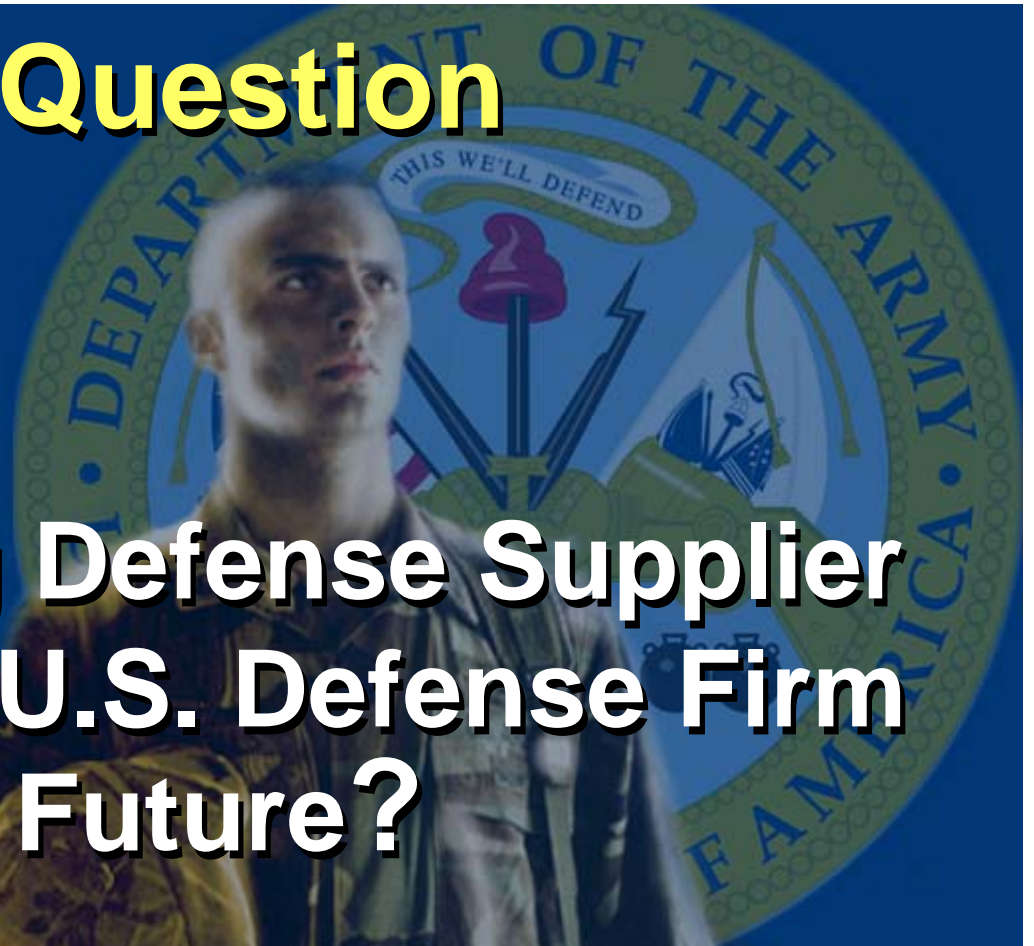
Trivia Answer

The Boeing Company



Trivia Question

What Emerging Defense Supplier Will be a Major U.S. Defense Firm in the Future?



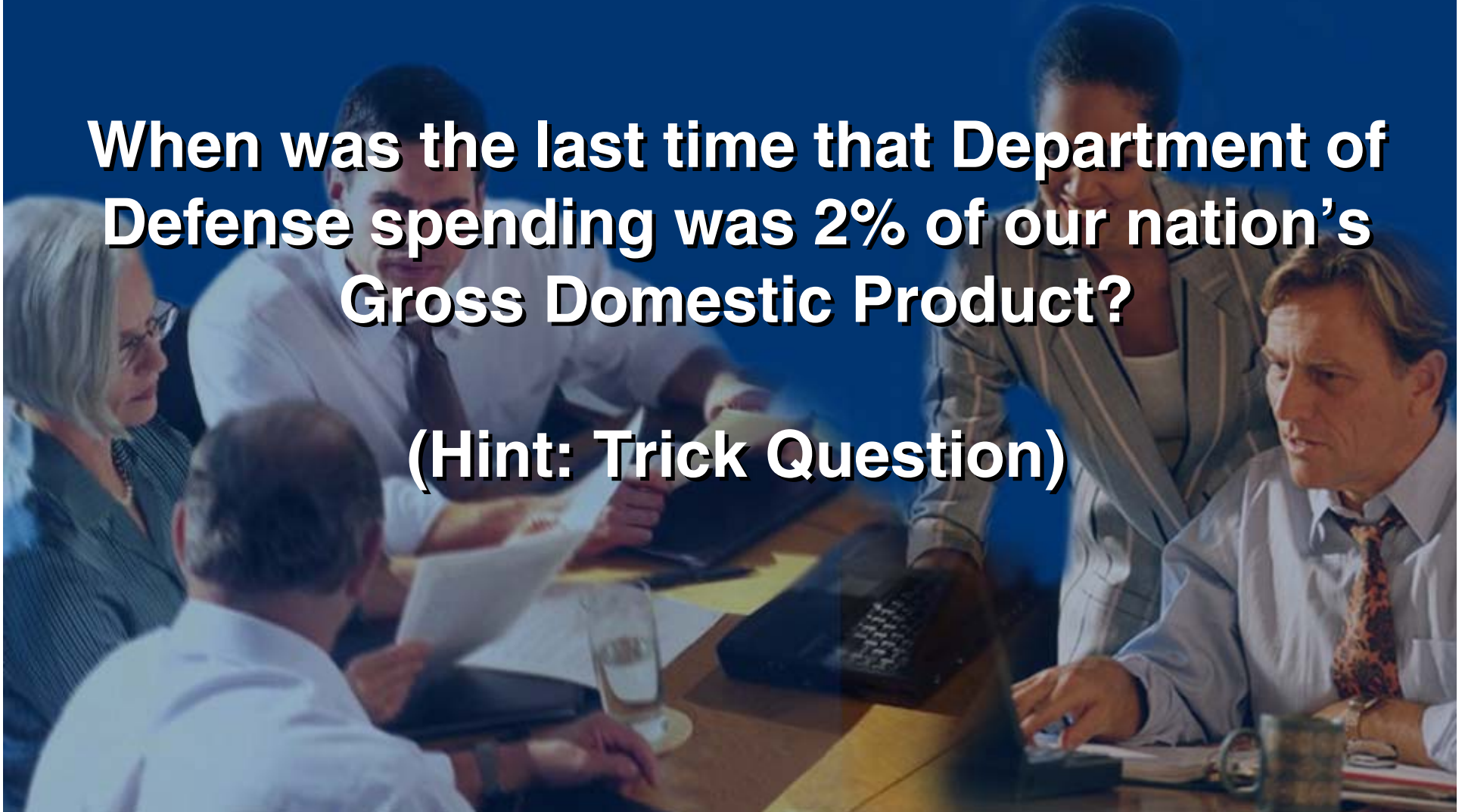
Trivia Answer



Trivia Question

When was the last time that Department of Defense spending was 2% of our nation's Gross Domestic Product?

(Hint: Trick Question)



Transforming the Way Soldiers Fight

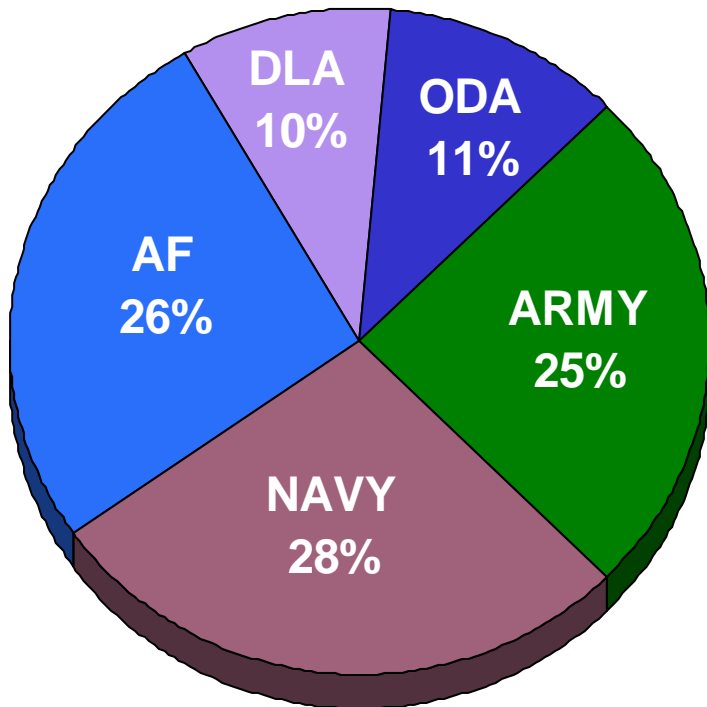


Army Prime Contract Awards

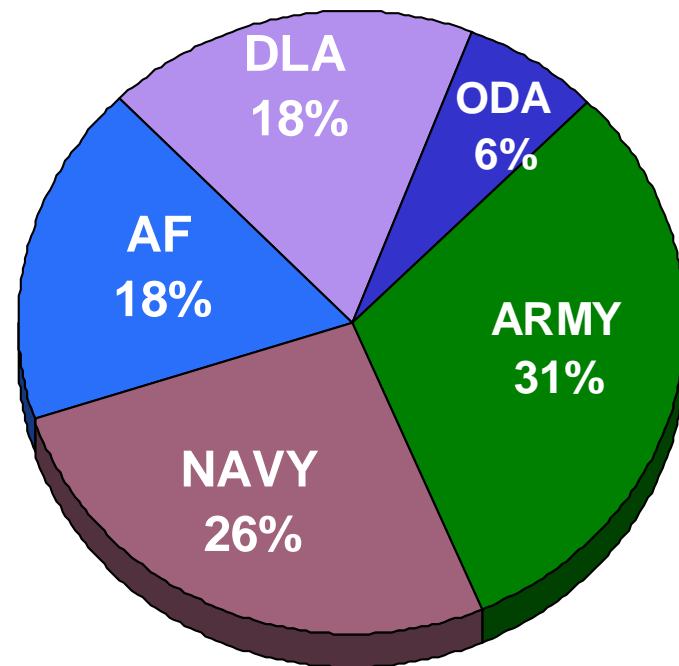
	DOLLARS (M\$)		NAT'L GOAL		% ACHIEVED	
	FY01	FY02	FY01	FY02	FY01	FY02
US Business	\$33,797	\$39,131				
Small Business	\$9,204	\$10,386	23.00%	23.00%	27.20%	26.50%
Small Disadvantaged Business	\$3,063	\$3,356	5.00%	5.00%	9.10%	8.60%
Women-Owned SB	\$1,346	\$1,577	5.00%	5.00%	4.00%	4.00%
HUBZone Small Business	\$540	\$888	2.00%	3.00%	1.60%	2.30%
Service Disabled Veteran-Owned SB	\$68	\$98	3.00%	3.00%	0.20%	0.30%

DOD Small Business Prime Contract Awards FY 02

**Total Awards
(\$157,591M)**



**Small Business Awards
(\$33,592M)**



Future Combat Systems (FCS) Development

■ Manned Systems



Infantry Carrier Veh. (84)



Mounted Combat System (60)

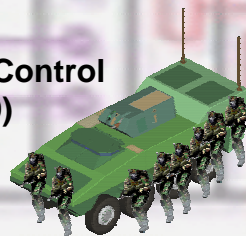


Reconnaissance and Surveillance (30)



NLOS Cannon (18)

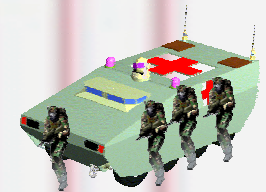
Cmd & Control Veh. (49)



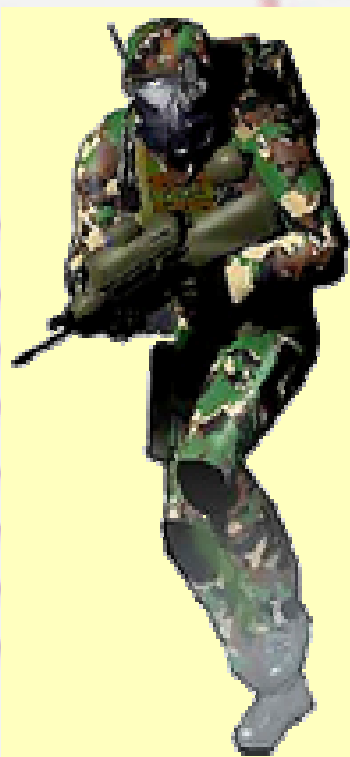
NLOS Mortar (24)



FCS Maintenance and Recovery Veh.**



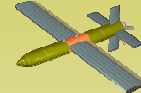
Medical Treatment, Evacuation (29)



■ Unmanned Aerial System



Class I* (54)



Class II*



Class III/IVa (56)

Unmanned Payloads

Unattended Ground Sensors(157)

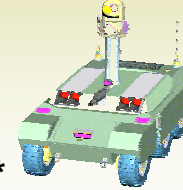
■ Unmanned Ground Vehicles



Small UGV (81)



ARV-Assault*



ARV-Recon*



MULE (54)

ARV-A (Light) (27)

Unattended Munitions -NLOS LS (24)

-Intelligent Munitions System*

Total UA WT: <10 K STONS Total UA Platforms: 294 Manned+453 Unmanned =747
 Derived From: FCS ORD, 14 Apr 03 (Change 3) Total Personnel: 2,540

* Spiral Forward
 ** Increment II
 *** UE

Lead Systems Integrator

Spiral Development

Evolutionary Acquisition

FCS Acquisition Strategy



Subcontracting Goals/Reporting Flow

OSD SADB

Army SADB

TACOM/Other MSC SADB

LSI

Goals/
Reporting
Requirements
Flow Down to
Subcontractors

- *Subcontracting information flows up to SADB*
- *Use a multi-tiered approach*
- *No prohibitions to this approach under an OTA*

Tier One

Tier Two

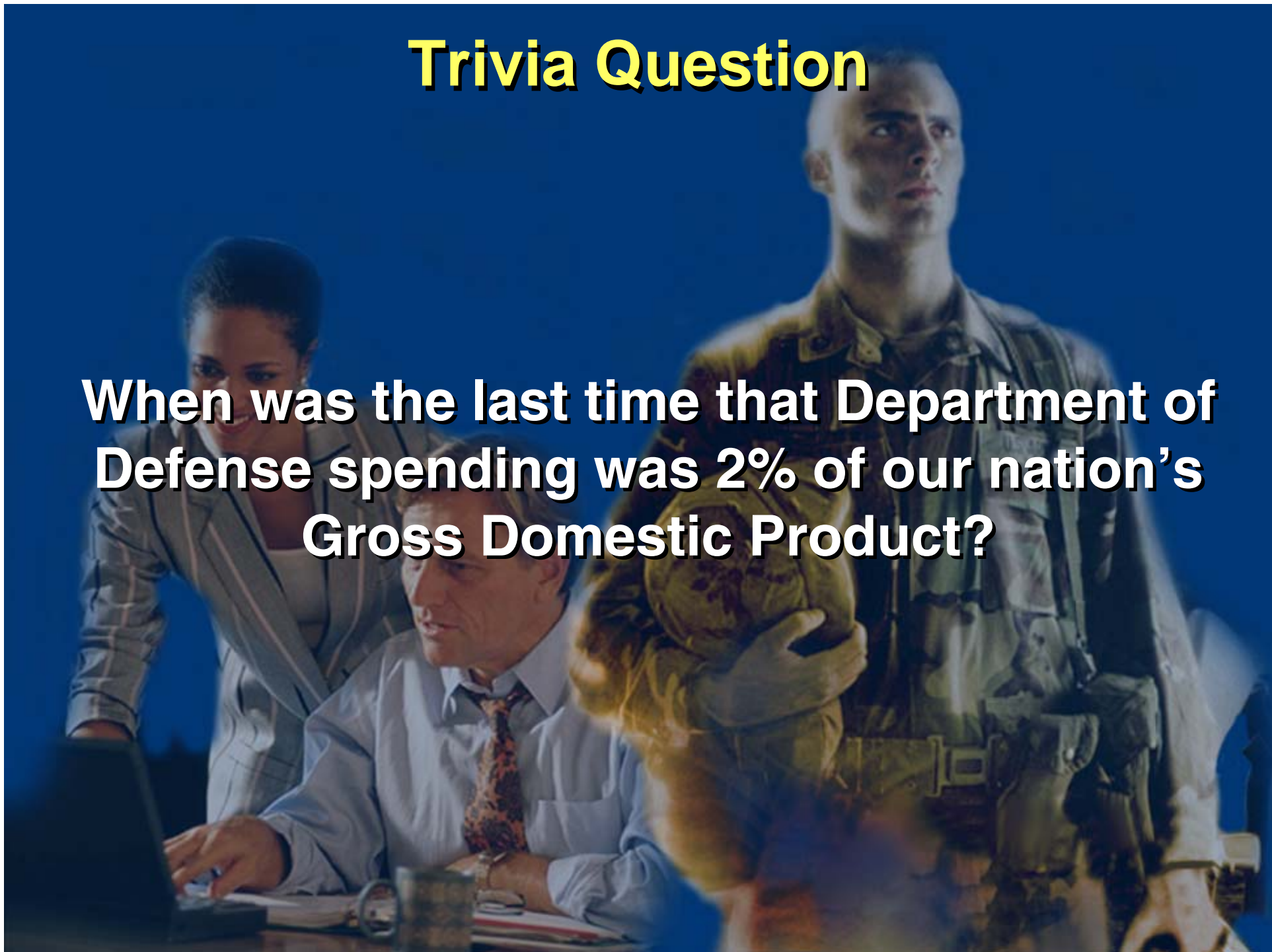
Tier Three

Small Business Viability Initiatives

- **Identify opportunities for small business early**
- **Program managers must involve small business specialists in acquisition strategy development**
- **Find or develop small business contractors to meet requirements**
- **Communicate**

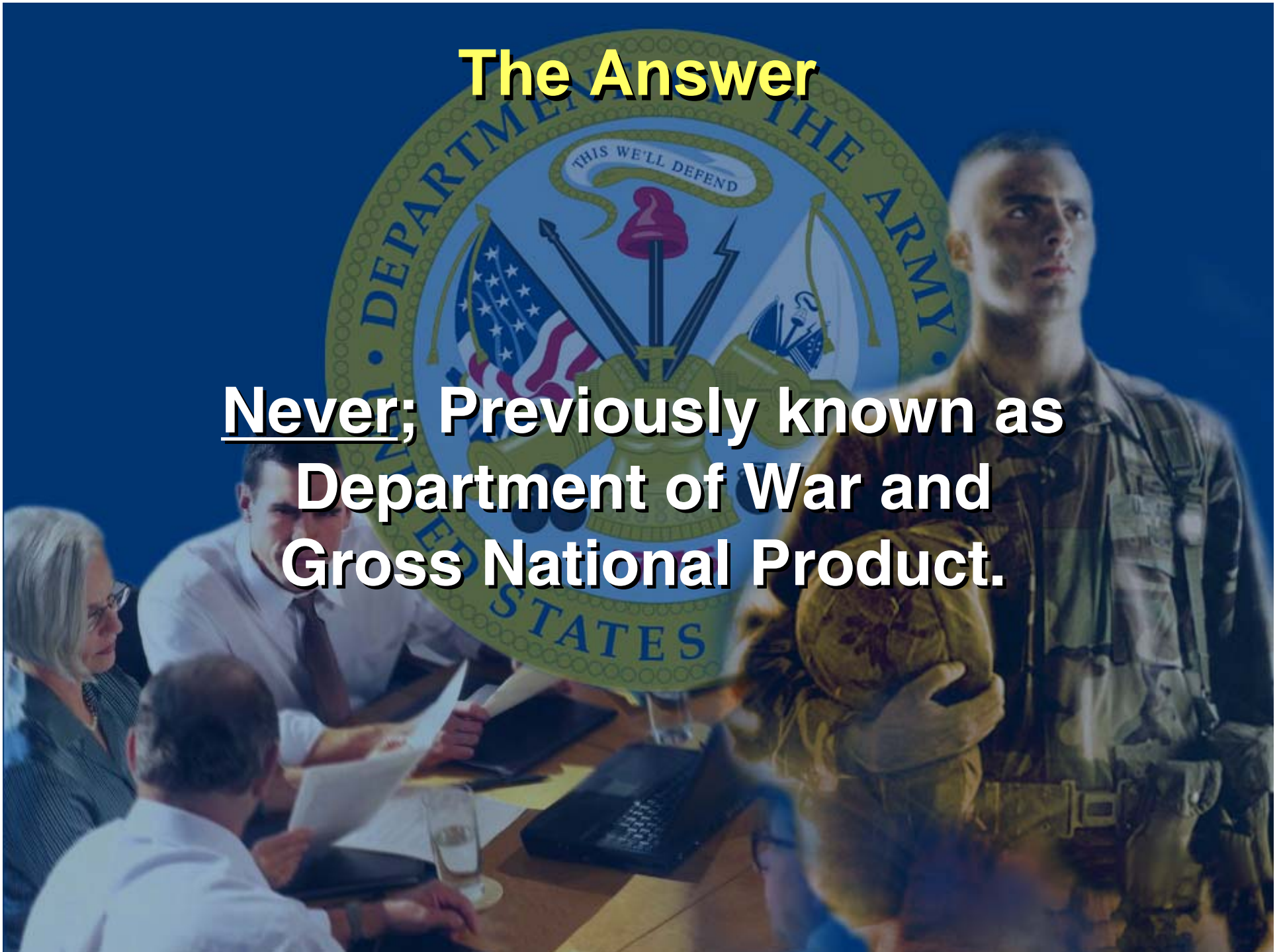
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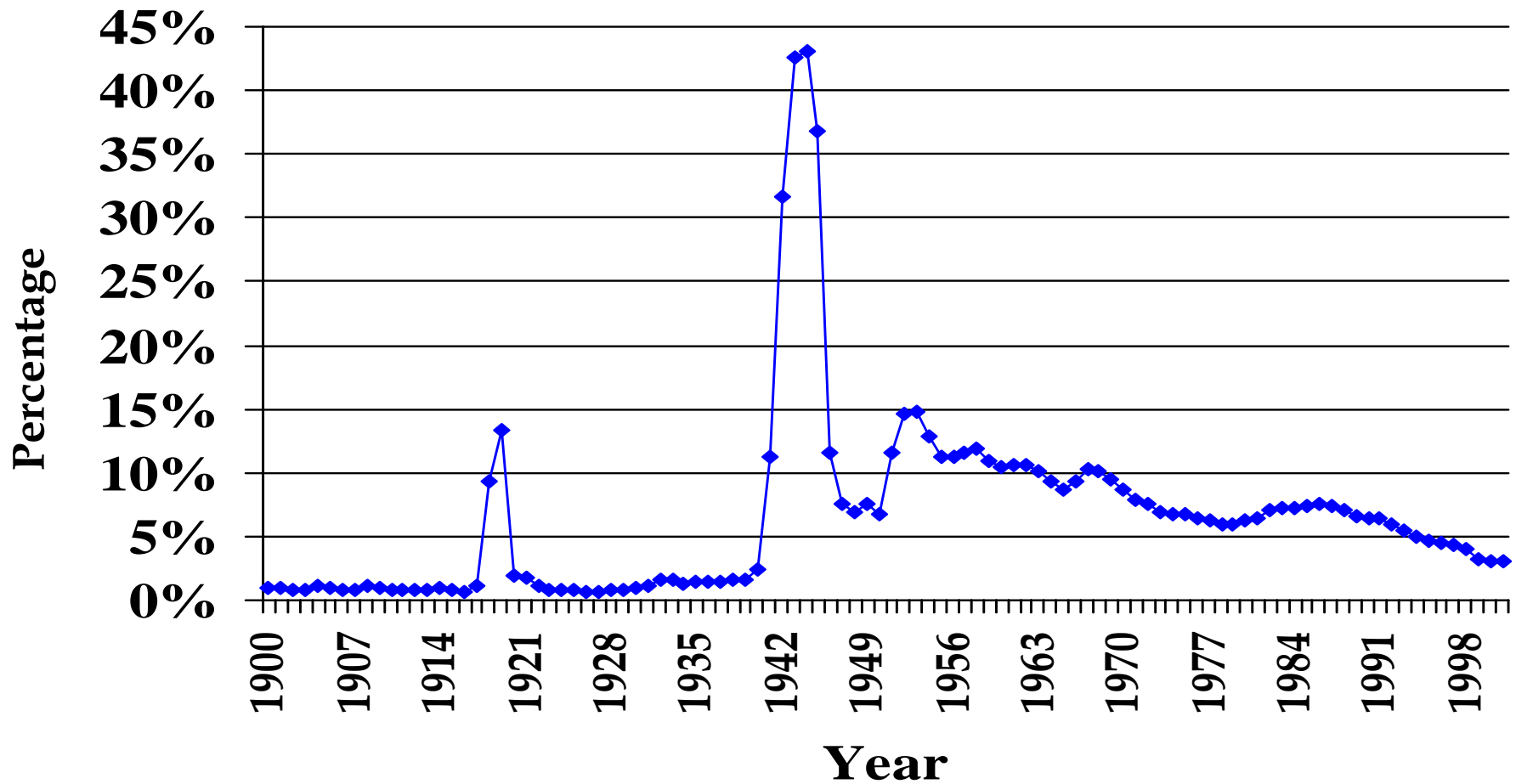
The Answer

Never; Previously known as
Department of War and
Gross National Product.



National Defense As Percentage of GNP/GDP

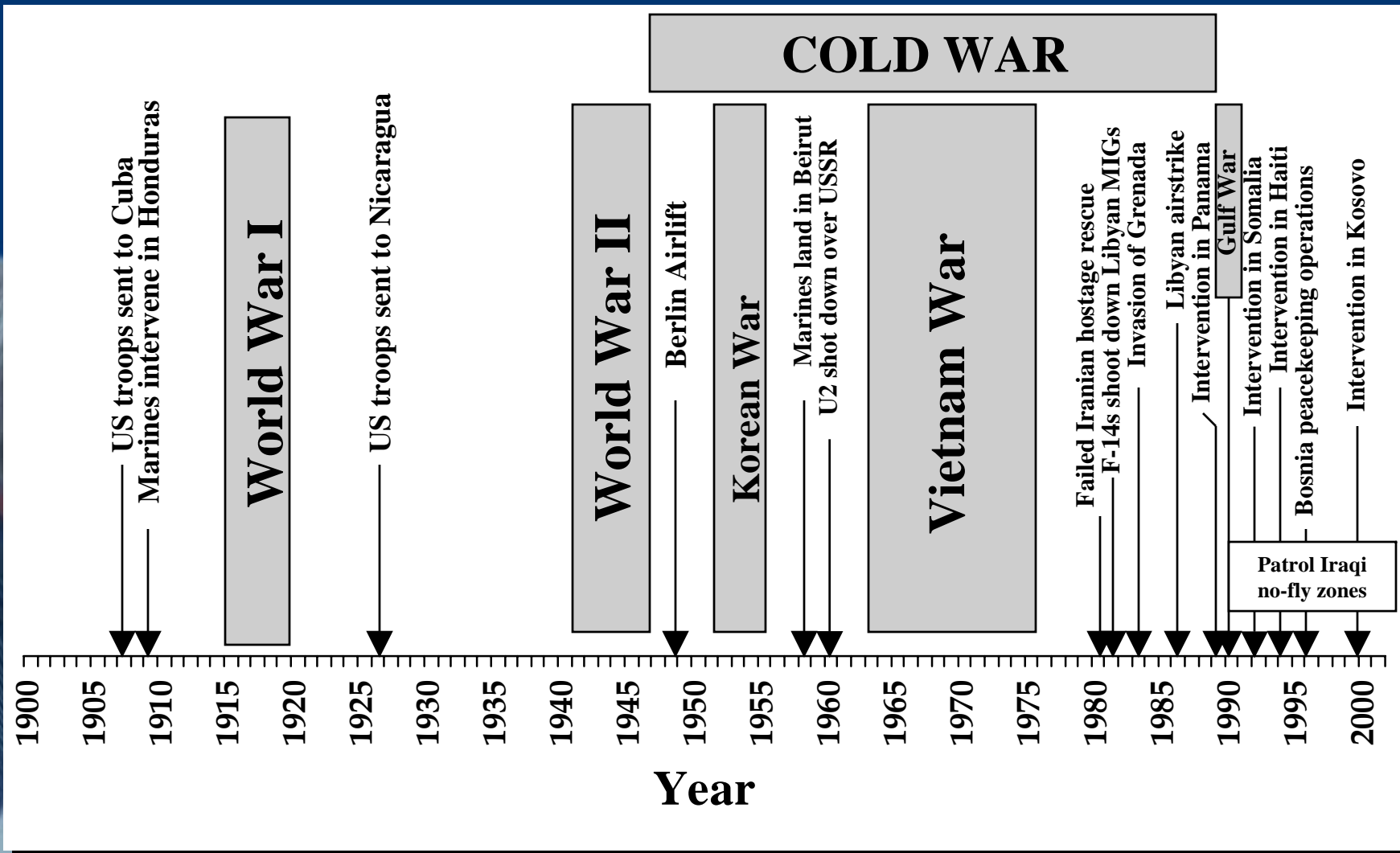
Since 1900



Sources: DOC's BEA Survey of Current Business, August 1998
OUSD(C) National Defense Budget Estimates for FY2000 (projections)

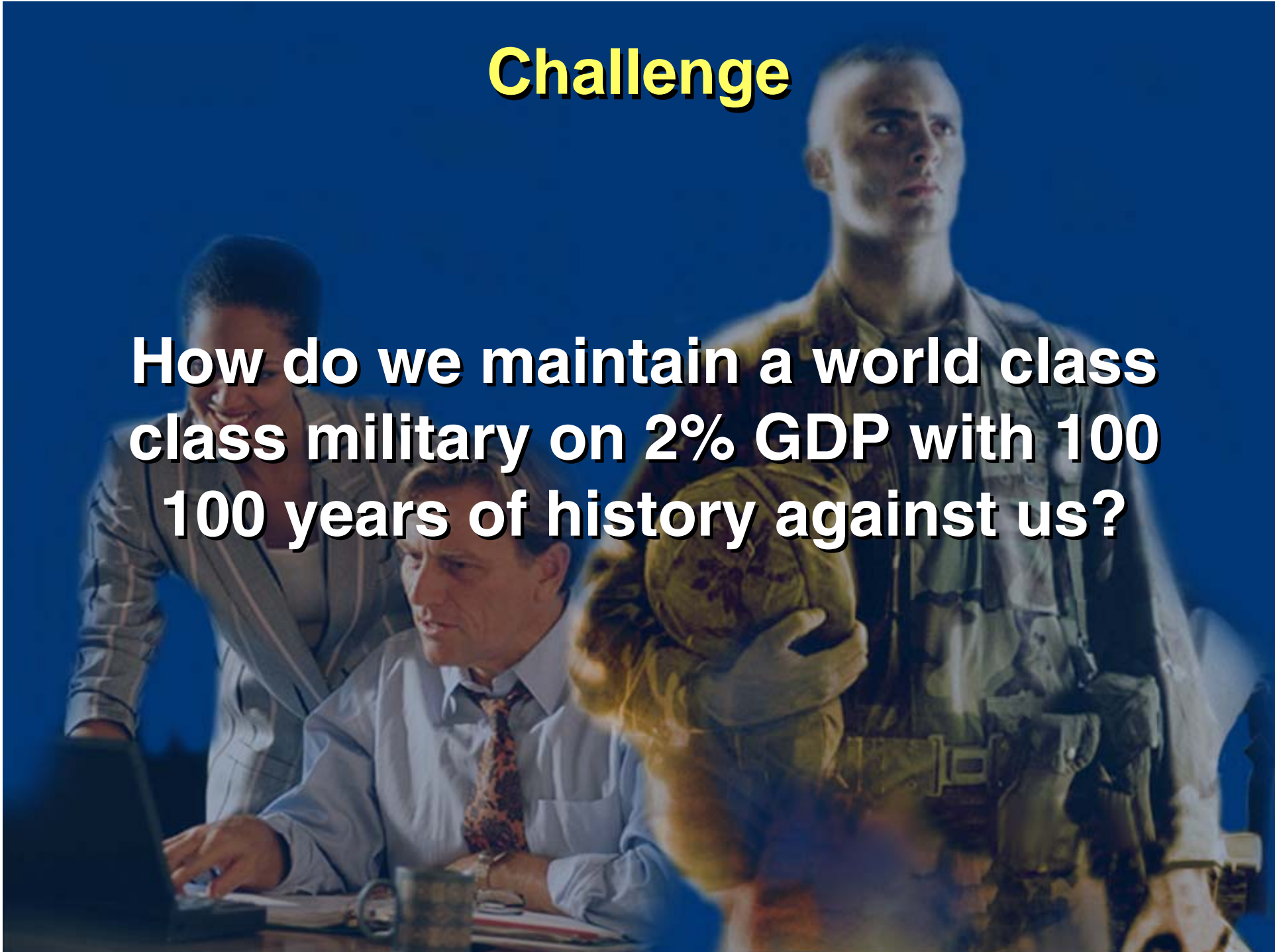
Conflicts with U.S. Involvement

Since 1900



Challenge

How do we maintain a world class military on 2% GDP with 100 years of history against us?



Solution

**We must change the way
DoD does business**

**a.k.a - Acquisition & Logistics Excellence . . .
Transformation**



