

# **M&S Leadership Summit**

## **Business Practice**

**The purpose of this Issue Area is to identify the most serious issues across the business and acquisition enterprise as related to use of Modeling and Simulation**

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# M&S Leadership Summit

## Status of Issues from 2006 Summit

Top Issues	Recommendation	Status
<p><b>M&amp;S Market Stimulation</b></p> <ul style="list-style-type: none"> <li>- Stimulate Demand</li> <li>- Stimulate Supply</li> <li>- Measure Return</li> </ul>	<ul style="list-style-type: none"> <li>•Congress will assume an increasingly active and energetic role as the principal advocate for M&amp;S policy and guidance</li> <li>•Congress to commission and fund a survey of M&amp;S activity</li> </ul>	<ul style="list-style-type: none"> <li>•Continued advocacy; held M&amp;S Expo and I/ITSEC caucus event</li> <li>•No survey</li> </ul>
<p><b>Use of M&amp;S in Acquisition and Operations</b></p> <ul style="list-style-type: none"> <li>–Objective measures for validity of M&amp;S results</li> <li>–ISO 9000-like process for industries outside DoD for M&amp;S</li> <li>–Prioritize M&amp;S expenditures in major acquisition programs; Tax incentives</li> </ul>	<ul style="list-style-type: none"> <li>•None</li> </ul>	<ul style="list-style-type: none"> <li>•None</li> </ul>
<p><b>Reuse</b></p> <ul style="list-style-type: none"> <li>–National repository for M&amp;S products</li> <li>–Incentivize reuse of COTS/NDI</li> <li>–Enforce FAR Parts 10, 11, 12</li> </ul>	<ul style="list-style-type: none"> <li>•NTSA will recommend mechanisms to Caucus that would enable small businesses to overcome obstacles related to.....reuse.</li> </ul>	<ul style="list-style-type: none"> <li>•None</li> </ul>



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## Issues for Consideration in 2007

- M&S Market Stimulation
  - Stimulate Supply
  - Stimulate Demand
  - Measure Return
- Place of M&S In the Enterprise
  - Cost/Benefit
- Commercial Items are Underutilized

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## Business Practice

- IDENTIFICATION: M&S Market Needs Stimulation
- CIRCUMSTANCES:
  - Need to Stimulate Demand
    - Incentivize Federal, State, Local end users to use M&S (disaster response plan, city planning, law enforcement scenarios, discounts for M&S training...) by ...
  - Need to Stimulate Supply
    - Venture Capital-like co-investment (similar to SBIR program) to stimulate commercial productization
  - Need to Measure Return
    - Nationalized standard metrics, and ongoing measurement of simulation value/ROI, risk reduction, savings to be re-invested
- ISSUE/OPPORTUNITY: Grow the M&S Market
- ACTION:
  - Create tax breaks, Government matching funds, insurance discounts, mandates, national policy
  - Create Grand Challenge-like Program for M&S
  - Create NAICS Code for M&S

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## Business Practice

- IDENTIFICATION: Place of M&S In The Enterprise
- CIRCUMSTANCES:
  - M&S is an integral part of the acquisition lifecycle
    - More than just materiel acquisition
  - M&S is part of the enterprise management process
  - Need to better communicate the business case and ROI
- ISSUE/OPPORTUNITY: Promote M&S across broad spectrum
- ACTION:
  - Develop information on business case and ROI
  - Develop communications strategy for M&S in the enterprise

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## Business Practice

- IDENTIFICATION: Commercial Items Are Underutilized
- CIRCUMSTANCES:
  - Many M&S systems are still developed from scratch by Government agencies
  - Market research for commercial and non-developmental items (required by FAR Part 10) is seldom conducted
  - Government is the largest competitor to small, commercial M&S companies
- ISSUE/OPPORTUNITY: Improved M&S Capability at reduced cost
- ACTION:
  - Include language in funding legislation that requires market research for acquisitions of new and upgraded M&S systems
  - Establish an organization that will accept and investigate reports of violations of FAR Part 10

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## **Business Practice *Out Brief***

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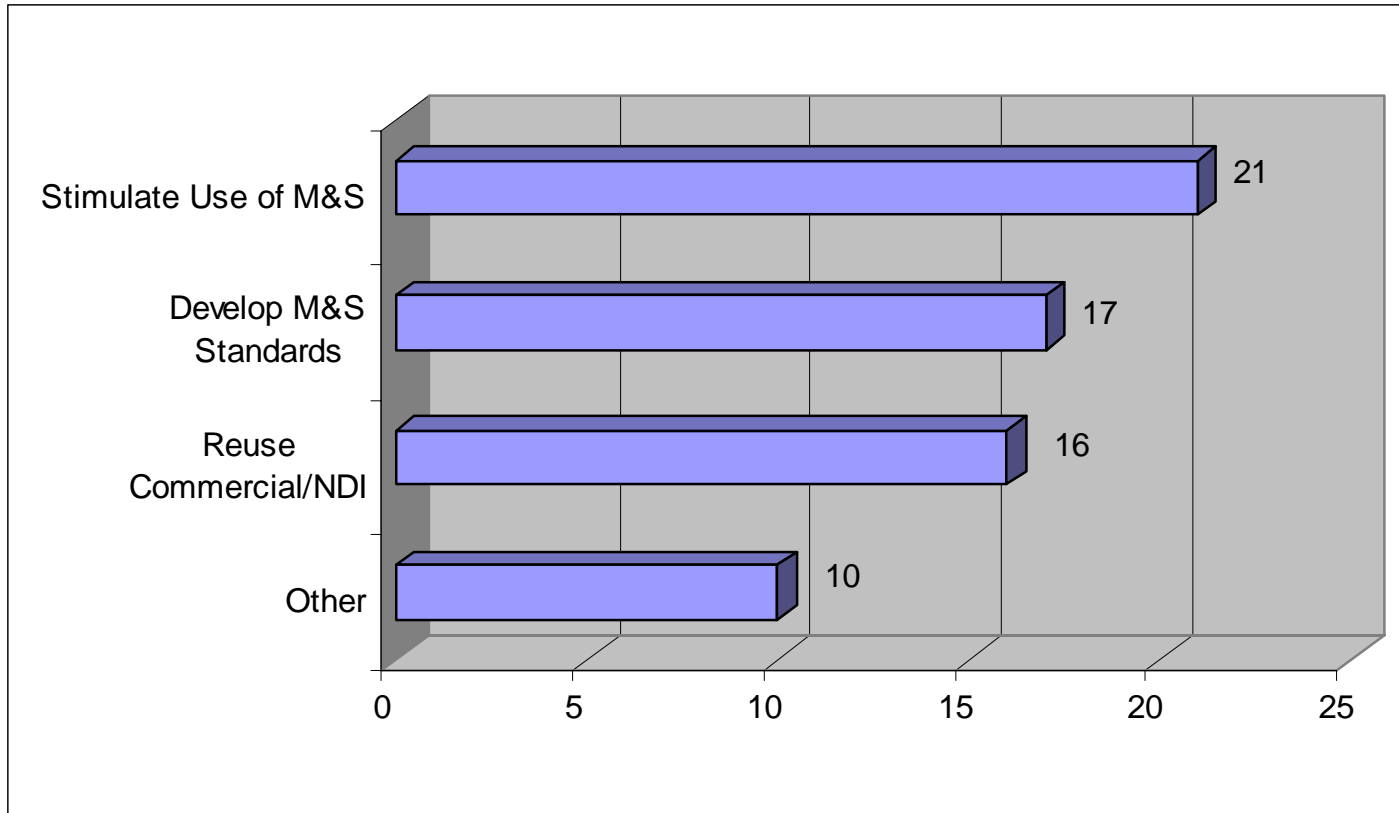
## General Observations

- Several different (and sometimes conflicting) perspectives
- Most comments focused on the problems; less emphasis on actionable solutions
- Majority of recommended solutions were for Industry or Government agencies; smaller percentage were actionable at the Congressional level



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## Top Business Practice Issues of 2007



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## Stimulate Use of M&S

- **IDENTIFICATION:** Increase the use of M&S in all possible Government programs
- **INDUSTRY/GOVERNMENT ACTIONS:**
  - Create repository of M&S capability
  - Create repository of M&S ROI analysis and success stories
- **CONGRESSIONAL ACTIONS:**
  - Require use of M&S where applicable (e.g. system testing, university grants, emergency management)
  - Formally recognize successful use of M&S

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## Develop M&S Standards

- **IDENTIFICATION:** Establish standards for M&S interoperability and component reuse
- **INDUSTRY/GOVERNMENT ACTIONS:**
  - Establish standards organizations
- **CONGRESSIONAL ACTIONS:**
  - None

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## Reuse of Commercial/Non-developmental Items

- IDENTIFICATION: Commercial/Non-developmental items (NDI) are underutilized
- INDUSTRY/GOVERNMENT ACTIONS:
  - Put more effort into researching existing capability
  - Learn and follow procurement regulations relating to commercial/non-developmental items (FAR Part 10, 12)
- CONGRESSIONAL ACTIONS:
  - Require adherence to procurement regulations relating to commercial/non-developmental items
  - Scrutinize (and terminate) Government programs that duplicate commercial products