Where Our National Security Begins...
NRO
Application Service Provider
Industry Advisory Working Group

Overview & Charter
December 2015
The ASP Challenge: Why an IAG?

Government Stated Challenge: “Industry (developer) resistance”
- Move from vertically integrated system-based acquisitions to “platform-based”
- Perception that industry-wide preference is for vertically integrated systems

How do we “get there from here”?
- Government cannot act unilaterally and expect a positive outcome
- Industry cannot wait for government guidance and expect a positive outcome
- Breadth, depth and number of issues: too many to address at one time
- Industry partners approaching government one at a time is unproductive
- RFI’s and Industry Day meetings serve a different purpose

Industry must self-organize around specific issues and provide rational, pragmatic perspectives on viable ASP business models
What is an IAG?

Industry partners self-organizing to discuss matters of mutual concern and affecting the future business of the national industrial base.

An IAG is:
- Volunteer-based
- Strategic in nature
- Objective (pros & cons)
- Open to participation
- Company-agnostic
- Problem-centric
- Focused on outcomes

An IAG is not:
- Sponsored by the government
- Restricted in participation
- Proprietary
- A pursuit/capture venue
- A shaping & positioning opportunity
- A venue to recommend products
- An open ended discussion forum

Future Business Models are of Strategic Importance to the Industry Base
Charter & Objectives

**Mission:** Help NRO ASP and Industry jointly achieve transformation objectives
- Identify business models that will support government and industry objectives
- Identify potential pitfalls and recommend potential solution

**Charter:** Provide expert industry resource and sounding board focused on:
- Business aspects of emerging acquisition models used to acquire software services
- Ramifications of componentizing software applications,
- Benefits accrued to the government & industry,
- Intended and unintended consequences against the industry base,
- Limitations and viability as a reasonable course of action

**Objectives:**
- Provide strategic industry input to a changing acquisition landscape
- Provide an objective and neutral venue for discussing approaches to business models
- Foster effective communication between government and industry leadership
Expectations & Ground Rules

- Issues need “360” view (big/small, HW/SW, Integrator/Developer)
- Active participation vs Passive attendance
- Using the Terms of Reference, call out vernacular issues
- Try not to “cross the streams” between issues; recognize when doing so
- Focus on business aspects, defer technical aspects to parking lot
- Maintain vendor neutrality, no proprietary discussion
- Exercise fact-based assessment; assertions without data create confusion
- Results will be published
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<thead>
<tr>
<th>Topic</th>
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<tbody>
<tr>
<td>1. <strong>(Govt) Requirements</strong>: learning from demos, what govt wants vs. what industry can give, requirements vs “desirements”</td>
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<td>2. <strong>(Govt) Adopting agile methods</strong>: evolving dev-ops paradigm, workforce knowledge base, changing industry base</td>
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<td>3. <strong>Viable industry revenue models in an ASP-ISP cloud world</strong>: what the business model looks like @ 1 year, 4 years, 10 years (roadmap; requires cloud provider participation)</td>
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<td>4. <strong>(Govt) Implications of 100% remote development &amp; elimination of factory environments</strong>: minimum viable development “Platform” (GFE/GFI implications, data location, core services)</td>
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<td>5. <strong>(Govt) Impacts of excluding shared service development from mission acquisitions and deferring “enhancements” from sustainment to follow-on programs</strong></td>
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<td>6. <strong>Systems integration vs Software integration</strong>: Total system prime vs segment integrator model</td>
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<td>7. <strong>Funding model</strong>: govt-govt and govt-industry traces; where does industry fit?</td>
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<td>8. <strong>IP rights models</strong>: source code vs executable, govt funded vs industry capitalized; GPR vs unlimited vs restricted use rights based on who invested</td>
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<td>9. <strong>Small business role</strong>: how/where should smalls play? Barriers to entry?</td>
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<td>10. <strong>Appropriate metrics for program execution, procurement and delivery</strong></td>
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<td>11. <strong>Defining the “shared risk business model” construct</strong>: impact of LPTA on move to shared services</td>
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<td>12. <strong>Cost realism/estimation</strong>: price build up; impact of delivery standards on cost model</td>
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# Phase 1 Implementation Teams

**Software Decision F/W**
- LEAD: Nick Buck
  - Jared Putman
  - Pam Arya
  - Marc Kriz
  - John Farrell
  - David Beddoe
- ✔ In-Reporting

**S/W Biz 101 & Industry Partnership**
- LEAD: Mike Miller
  - Matt Madigan
  - Eric Amberge
  - Skip Maselli
  - Suzanne Sincavage
- Advisor: Kathy Pherson
- Advisor (TBD): Darryl Murdock
- ✔ In-Work

**S/W Dev vs Integration**
- LEAD: Keith Barber
  - Ben Avicolli
  - Erik Grant
  - John Hays
  - Doug Harts
  - Animesh Gupta
  - Ray Falcione/Michelle Combs
  - Nick Buck
- ✔ In-Reporting

**Time Phased Migration Plan (Government led)**
- Lead: TBD
  - Kick Off-TBD
- GED ICITE Transition Liaison planning
COTS/OSS/GOTS Action Teams

**Business Model**
LEAD: John Hays
Mike Miller
Danny Rajan
Marybeth Wootton
Suzanne Sincavage
Alex Fox
Marc Kriz
Skip Maselli
Nick Buck
Shannon Silverstein
John Farrell
Keith Barber

**TOPICS**
- Warranty, Licensing & Liability
- Version control & certification
- CM, modifications/updates
- Buy vs Build decisions
- Business models (capital investment vs labor/FTE model)
- Metrics & cost realism

☑️ In-Work

**Terms of Reference**
Lead: John Farrell
Keith Barber
Ben Avicolli
Eric Amberge
Jim Metsala
Pam Arya
Matt Madigan
David Beddoe
Tim Diquinio
Andy Murren

**TOPICS**
- Misunderstandings: policy, definitions of OSS/COTS (what it is, what it’s not), who uses it?
- Miscommunications: “Open Software” vs “Open APIs” vs “Proprietary” vs “Closed”
- Government PM biases against paying for commercial licenses

☑️ In-Work

**Drivers**
Lead: Nick Buck/Keith Barber
Allen Shepherd
Animesh Gupta
Glenn Geoghagen
Doug Harts
Ken Kincel
Jared Putman
Leigh Thompson

**TOPICS**
- Architectural compliance & alignment
- Unique/esoteric functional reqts
- Preferences for Config Control
- Software liability & warranties
- Patch/update incorporation
- Certified configuration & I/F perf
- Amortized costs of function points
- Baseline currency & upgrade paths

☐ To Do