Where Our National Security Begins...
Incentive models for companies and government/industry individuals; business incentives to maximize migration to ASP-ISP model; including approaches to incentivize Government PMs

NRO ASP IAWG Action Team Report
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Clark van Buskirk
Problem Statement:

*What is Industry’s recommendation on the ECO-System that will enable the government, including the Program Managers within the NRO, to achieve the goals of the NASP, while, enabling industry, both large and small to build justifiable business cases supporting the NRO ASP transformation, adoption, migration of legacy and delivery of new services?*

Team Members: Great Mix across Industry

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>Suzanne Sincavage</td>
<td>IDIQ Inc</td>
</tr>
<tr>
<td>John Hays</td>
<td>GD-AIS</td>
</tr>
<tr>
<td>Carl Stuekerjürgen</td>
<td>Blackstone Analytics</td>
</tr>
<tr>
<td>Gene Keselman</td>
<td>Finnd</td>
</tr>
<tr>
<td>Karen Valenta</td>
<td>Valenta Consultants</td>
</tr>
<tr>
<td>Andy Cibula</td>
<td>CTS</td>
</tr>
<tr>
<td>Chris Deros</td>
<td>Northrop Grumman</td>
</tr>
<tr>
<td>Eric Amberge</td>
<td>APG Technologies</td>
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<tr>
<td>John Amazigo</td>
<td>IBM</td>
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<tr>
<td>Peter Hanson</td>
<td>GD-AIS</td>
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<tr>
<td>Jeff Weaver</td>
<td>Raytheon</td>
</tr>
<tr>
<td>Alan Feldhausen</td>
<td>Raytheon</td>
</tr>
<tr>
<td>Clark VanBuskirk</td>
<td>Lockheed Martin</td>
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Pre-Conditions/Disincentives to be Addressed: Industry Perspective

Industry Defined Challenges

- No clear, 0-3 year architecture or program defined for NISP or NASP
- Government program actions inconsistent with FGA vision
- IC ITE Leadership
  - Lack of programmatic resources & support
  - Actions do not appear to match words
  - Operational One size fits all philosophy
- Confusion on OCI: applied differently for every acquisition

Industry Recommendations

- NASP issue “Baseline of Record” & “program segmentation” artifacts
- Senior Leadership demonstrated through program actions and decisions
- Firm actions & direction on ICITE
  - Publish application migration plan & timing
  - Program for application mods to join ICITE
  - Support varying mission workloads
- Evaluate OCI - Consistency across NRO, Directorates, & Programs
NASP Business Enablers

- Easy to understand the governments targets

- Clearly defined roles in action:
  - Govt vs Industry Integration
  - SETA vs Industry integration
  - Developer vs Commercial

- Acquisitions that “Value” identification of NASP and Enterprise Risks

- Outside the “Norm” GED Solutions
  - Engagement without a significant “marketing” investment
  - Solutions outside of large integrators
  - Funded “Incubators”: “Try before Buy”
NASP Eco-System: Attributes for Comparing Alternatives

**Financial**
- Clear, unambiguous Financial model, supported by Free Market Principles: recognizes importance of industry capital
- Currency that monetizes and compensates value of innovative applications, *data and content*
- Stable, well defined and long lasting currency
- Funding tail clearly defined
- Methodical, trusted and consistent measurements - Metrics tied to value
- Predictable enough to forecast 2-4 years

**Architectural**
- Backward Compatibility
- Use of standards as business enablers
- Heterogeneity (not one-size fits all)
- Evolvable with commercial technology

**Leadership**
- Defined Engagement Model
- Clearly defined profitability approach
- Ownership / IP / Data Rights approach that is mutually beneficial and consistent
- Encourages a larger community of talent – helps the govt do the mission better
- Effective, Responsive business processes consistent with ASP-ISP model (not legacy)
- Mission Value Trades; risk vs cost
- Staying Power: Eco System not personality driven
Benefits of a Successful NASP Eco-System

- NASP as first to market – defining how it is done

- Eco-System enables white spaces between agencies to be addressed
  - Promotes open data sharing between agencies

Other Business Considerations
- Currency may not always be funding – eg. bigger payday down the road
- Enabler for creative & innovative approaches, making the govt better
- Industry Executive Incentive Plans must align to model in order to align govt and industry goals
- Assure competitive advantage exists for govt; Govt ability to attain needed results
Defining a Govt Incentive Approach

Challenges

- Early NISP + NASP Programs will be harder and PMO’s will have less control of deliveries
  - Programs are more complex but direct Contract Size reduced
  - Increased GFE
- Govt PM’s worry C/S/T with Infra as a given – not necessarily accurate in the short term
- Long term Cost Risk might be low, but tech risk may rise as NRO learns how to be an ISP

Recommendations

- Provide Incentives to “do hard”
  - Credit for reuse, enterprise complexity & total program cost
  - Openly reward & Advertise @ NRO & IC Level Innovation & Cross Org Teamwork
- Execution Incentives
  - Demonstrate & communicate how implementation schedules & risk have been reduced
  - Take advantage of shorter timelines
- Invest in Specialized Training
  - Encourage certifications beyond PM – openly encourage SE + ISP/ASP address “how do I manage in this world”
  - Reinvigorate partnership training with Industry (e.g. the “Business of the NRO”)
- Focused Leadership Selection and Placement:
  - Reward those who “get it”
Range of Incentive Models for Requirements: Match Risk/Reward to the Role

Eco-System define & controlled compensation approach

Eco-System established evolution vision

Industry Reward

- CPFF
- CPIF
- T&M
- CPAF

Industry Risk

- Charge per X
- Charge by Click, user, time spent, data used
- Range (Dev vs Services)
- Licensing vs Pay per use
- Ability to “break into” Market

Well Define Compensation Approaches / Clear path to recoup investments, if you succeed

Well Defined Cost / Pricing Models

Govt / Solution / Integrators Establish and Maintain the integrated NASP Eco-System

Roles for Integrators

Roles for App providers

Industry Up front Investment

Maximize Reward for Maximize Mission Benefit and Extensibility

FAR/NAM Updates
Wrap up

- Dis-Incentives exist today and need to be addressed to eliminate mis-communications

- NASP provides NRO & GED the ability to establish a new, efficient capability solution provisions

- PMO Incentives need to provide value for “doing hard – early”
Backup