

own right. Yet, as has been noted by an increasing number of the Navy's operational staff, lacking from the model is the ability to conduct any type of *integrated economic and operational* program assessment. Indeed, many individuals familiar with the SSPIM suggested that the most useful application of the tool would be the ability to incorporate capabilities assessments for individual programs. In the current environment, no precise approach links and assesses operational requirements, capabilities, and resources.

The difficulty has been the ability to relate the derived capability assessment to a budget in such a way as to enable a coherent basis for trade-off analysis

among competing programs within a defined capability universe. Adding to the equation a parameter that would factor in a program's marginal utility as it relates to operational requirements and capabilities would account not only for the program's economic attributes, but also its importance relative to what are known as Mission Capability Packages (MCPs). MCPs outline the operational capabilities and requirements needed to fulfill all assigned missions in accordance with the warfighting requirements of *Naval Power 21*.

Now all programs currently being procured could be aligned and prioritized within an MCP. By analyzing the mar-

ginal contribution of individual programs to MCPs, relative priorities could be determined. It would thus be possible for decision makers to rank desired programs within each MCP based on operational as well as economic factors.

Through the use of this methodology, a procurement strategy could be developed over the FYDP consistent with requirements, capabilities, and economic constraints. This capability would be *invaluable* during the budget build process and the development of the Integrated Strategic Capabilities Plan. In essence, the Navy would have a decision-making tool to identify areas of strategic risk with respect to both economic and operational capability shortfalls.

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Can We Grow SSPIM to its Full Potential?

Over the past two years, with the leadership and support of the ASN(RD&A) and the Navy staff, the SSPIM tool has developed into the Navy's definitive database for performing economic trade-off analysis and cost optimization. Even so, this decision-making tool's full potential to help the Navy acquire the best possible technology at the optimum cost to meet its required operational capabilities has not been reached.

The development costs for the SSPIM tool have been recouped many times over in the acquisition resources saved as a result of SSPIM analysis. The minimal development costs that would be incurred to expand the SSPIM tool and enable the capabilities described in this article would also be recouped easily. And fundamentally, the Navy—indeed the Department of Defense, or any other organizations that have a comparable procurement process—would benefit enormously from a tool that enabled *the most informed acquisition decision making possible*. Development of the enhanced SSPIM tool could be a major step forward in Rumsfeld's mandate to transform the defense acquisition process.

Editor's Note: The authors welcome questions and comments on this article. Contact Graham at grahjm@ispec.com.