MARKET RESEARCH CAPABILITIES

1. To promote innovative ways to optimize systems performance while minimizing costs and schedules, DoD 5000.2-R requires program managers to conduct market research and analysis while developing and updating the program's acquisition strategy. The intent is to identify all prospective sources of supply and/or services of commercial or non-developmental items that can meet program requirements (DoD 5000.2-R, para 3.3.1).

2. Historically, DoD relied on segments of the U.S. technology and industrial base dedicated to supporting DoD requirements. Now, integrating a constricting industrial base and a fast-paced technology sector is driving DoD to rely more heavily on commercial/non-developmental items, components, processes, and practices. Our knowledge of these commercial markets, and the suppliers in these markets, is not widespread or thorough, frequently demanding more wide-ranging market research than used to be necessary.

3. DCMC is structured to accomplish market research tasks, which are oriented toward early CAS and support to acquisition strategy planning. DCMC strengths and capabilities are:

- Their worldwide CAO network provides a direct source of rapid, accurate, and reliable information.

- The Industrial Analysis Support Office (IASO) has unique industrial, technological, and financial/economic analysis capabilities.

- Customer Liaison Representatives (CLRs) at each SYSCOM provide acquisition program managers with an effective conduit to access DCMC/IASO resources.

  - CLRs provide or facilitate early CAS support to acquisition PMs and can put them in touch with the appropriate resources.
  - CLR's also provide essential feedback to DCMC/IASO on project activities and report on the value added benefits as perceived by their customers.

4. IASO is conducting a pilot program to assess cost-benefit implications of a long-term market research program.

- With CLR assistance, three projects are planned (one for each Service.) Two have been identified - one each for Army and Navy.
  - Army: CECOM acquisition of a super high frequency on the move antenna.
  - Navy: SPAWAR acquisition of Extremely High Frequency (EHF) Low Data Rate/Medium Data Rate Satellite Communication Systems.
  - Air Force: Pilot program discussions are ongoing with ESC CLR Mark L'Ecuyer.

- CLRs will also help assess value added customer benefit and estimate the potential magnitude of the demand for DCMC market research service.

- Pilot efforts will assist in identifying:
  - internal DCMC teaming process/interfaces/responsibilities
  - workload impacts to DCMC resources (i.e., cost and manpower).

5. Based on the pilot program performance/results/feedback, IASO will prepare a program development plan to offer DCMC market research capabilities to program managers. This plan will facilitate implementation of DoD and FAR policy to cost effectively optimize the use of commercial and non-developmental items. The plan will:

- Address impacts to existing DCMC workload requirements; and

- Assess areas/programs which may offer the greatest "bang for the buck". Potential candidates include systems/subsystems/components for new ACAT 1 & 2 acquisitions and commercial service contracts for maintenance/overhaul/repair of items previously supported by military service depots (i.e., privatization).

6. IASO already has capabilities in the areas of:

General Performance Specifications and Product Information
Length of time a product has been produced
Product quality, reliability, and maintainability experience of similar users
List of products and company services satisfying identical or similar service requirements
Applicable regulatory standards

Supplier Capability
Number of Manufacturers producing similar product
Size and location of manufacturers and their current market
Business practices in sales and distribution
Production capacity to meet requirements

Market Acceptance Criteria
Company annual sales
Current backlog
Anticipated future orders

Supportability Issues
Breakdown of employment (office support, engineering, management and production)
Competitive or sole source repair and support base
Commercial repair capabilities
Manufacturer commitment to out-year support
Technical data package availability/ownership
Stability of current configuration and technology
Union data (contract expiration, last strike, length of strike)

References
List of those currently using/servicing the product or a similar product

7. Offices interested in exploring the potential for IASO market research support should contact LTCOL Chris Hayer at DSN 444-4000 or 1-800-441-1837, x4000.

[NOTE: The official mission and functions of the IASO are shown on the following page.]

DEFENSE CONTRACT MANAGEMENT COMMAND
INDUSTRIAL ANALYSIS SUPPORT OFFICE
MISSION STATEMENT

1. MISSION: The Defense Contract Management Command's Industrial Analysis Support Office (DCMC IASO) assesses and supports the military services' and defense agencies' major weapons acquisition, logistics, and readiness programs by performing integrated industrial capability analyses. Industrial, technological, and financial capabilities are analyzed to identify problem areas and develop resolution alternatives in order to ensure capabilities meet current and future national security requirements.

2. FUNCTIONS: DCMC IASO is responsible for developing and implementing processes for the Command to evaluate industrial capabilities to design, develop, produce and support weapons systems and components required to supply and equip the existing and planned force structure of the Armed Forces. Specific duties include:

a. Conduct acquisition studies. These studies normally contain an analysis of the following:

(1) Probable methods of production and industrial effort involved by weapon program.

(2) Labor requirements, skill mix availability, and constraints and potential impact on other work.

(3) Material requirements, availability, and manufacturing lead times and impacts on cost, schedule, and performance.

b. Evaluate and analyze the business and manufacturing capabilities of the private and public prime and subtier industrial base and the technologies associated with this base to support current and projected weapon system programs under varying requirement scenarios.

c. Perform industrial and technology capability assessments and financial viability analyses relative to foreign procurement of key weapon systems.

d. Provide information and analyses on commercial and international manufacturing capabilities that have potential application to satisfy defense acquisition and weapons system production requirements.

e. Identify pertinent industrial trends impacting the manufacturing base supporting Defense acquisition and maintenance requirements.

f. Develop estimates for regeneration startup for major equipment, facilities and labor requirements as affected by various force levels and scenarios. Perform Break Even Analyses to validate contractors' minimum sustaining rates.

g. Develop and implement processes to collect, validate, and distribute industrial capability information and analyses related to skills, processes, technologies, facilities, and financial viability to support office of the Secretary of Defense (OSD), the military services', and defense agencies' requirements. Identify the requirements for and maintain a statistical and historical industrial information management system.