



Strengthening the Next QDR Through Timely and Relevant Analysis

Working Group 5:
Strategy, Force and Program Integration
Balancing Strategy, Capabilities and Resources

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A Clarion Call...

The defining principle of the Pentagon's new National Defense Strategy is balance... Just as one can expect a blended high-low mix of adversaries and types of conflict, so, too, should the United States seek a better balance in the portfolio of capabilities it has -- the types of units fielded, the weapons bought, the training done.

Secretary of Defense Robert Gates

Foreign Affairs, January/February 2009

Working Group 5 Task: Identify viable strategy-capability
balancing approaches for the upcoming QDR (and post-QDR)²

Analytic Requirements of QDR

Title 10 U.S. Code Section 118 requires that DoD shall "conduct a comprehensive examination... of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies of the United States with a view toward determining and expressing the defense strategy of the United States and establishing a defense program for the next 20 years.

The task/schedule of the QDR dictates that analysis be:

- Framed in terms of risk,
- DoD-wide; across missions/portfolios,
- Capable of considering alternative futures and forces,
- Ready at the outset of the QDR or shortly thereafter. ³

Working Group 5 Method

- Scope Issue (through discussion)
 - Develop criteria for evaluating approaches
- Review Current Approaches
 - Services, Joint Staff, OSD
- Survey Other Approaches
 - IDA, RAND, Allied, others...
- Characterize Approaches
- Develop Findings and Recommendations

Evaluating Various Approaches

To permit comparison and evaluation of various approaches, each presenter has been asked to address:

- What approaches does your component / organization currently use (or propose) to balance strategy and capabilities?
- What metrics does your approach use and to what timeframe(s) (near, mid, long-term) does the approach apply?
- How does your organization / component's approach feed or support DoD-wide balancing of capabilities across portfolios?
- How can your organization / component's approach be used in the upcoming QDR for balancing strategy and capabilities across all of DoD?

Key
Question

Presenters also completed worksheets providing additional background information.

Approaches Surveyed

- Balancing Capabilities in Defense (Navy)
- JCA Metrics and Linear Program (Air Force)
- Timeline Tool (PA&E)
- Risk Assessment Process (Joint Staff)
- Alternative Forces Development (PA&E)
- Trends and Shocks (Policy)
- Balancing Capabilities and Future Challenges (IDA)
- Capability Delivery Groups (Heartland Mgmt)
- Integrated Cross Capability Assessment and Risk Management Framework (IDA)
- Capability Investment Optimization Tool (Canada)
- Methods/Tools for Portfolio Analysis (RAND)
- Strategic Balance of Investment (UK)

Presentations consisted of BOTH processes and tools

Evaluation Criteria

- Stage of Development
 - In development
 - Tested
 - In use
 - Reviewed/VVA
- Purpose of Approach
 - Mission Analysis
 - Portfolio Analysis (component or DoD)
 - Cross-portfolio/mission (component or DoD)
 - National
 - Other...
- Metrics Used
 - Strategic Risk
 - Operational Risk
 - Funding
 - Other...
- Nature/Level of Senior Leader Engagement
 - Low
 - Medium
 - High
- Timeframes Addressed
 - Timeframe OR
 - Across
- Ability to Exploit Analytic Agenda Data
 - Low
 - Medium
 - High
- Function of approach in QDR process
 - Framing/Decision Support
 - Option development/Assessment
 - Analytical background
- DoD-Wide Applicability to this QDR (low, medium, high)
 - Time required (none (days), some (<month), considerable(<month))
 - Resources required (none (<\$10K), some (<\$500K), considerable (>\$500K))
 - Requirement for subject matter expertise: low, medium, high
- Applicability to QDR Follow-On Activities (low, medium, high)
 - Time required (none (days), some (<month), considerable(<month))
 - Resources required (none (<\$10K), some (<\$500K), considerable (>\$500K))
 - Requirement for subject matter expertise: low, medium, high
- Known Challenges
 - List 1-3

Overview of Evaluation*

Approaches Surveyed	App to QDR	App to Post QDR	Stage of Devt	Nature of Sr Ldr Engage	Exploit AA Data	SME Req
Balancing Capabilities (Navy)	◆	◆	◆	H	H	H
JCA Metrics/LP (Air Force)	◆	◆	◆	M	H	M
Timeline Tool (PA&E)	◆	◆	◆	L/M	H	L
Risk Assessment (JS)	◆	◆	◆	H	L	H
Alternative Forces (PA&E)	◆	◆	◆	H	H	L
Trends and Shocks (Policy)	◆	◆	◆	L	L	L
Capabilities/Futures (IDA)	◆	◆	◆	L/M	H	L
Cap Delivery Groups (HMC)	◆	◆	◆	M/H	M	H
ICCARM (IDA)	◆	◆	◆	H	H	H
Capability Optimization (Canada)	◆	◆	◆	L	M	H
Portfolio Analysis (RAND)	◆	◆	◆	H	H	H
Balance of Investment (UK)	◆	◆	◆	M	M	H

*Only reflects selected criteria. Details on each approach in backup.

Applicability of Approaches

		Approach Name	Function in QDR
Applicability to...	This QDR	<ul style="list-style-type: none"> • Timeline Tool (PAE) • Risk Assessment (JS) • Alternative Forces (PAE) • Trends and Shocks (Policy) • ICCARM (IDA) • Portfolio Analysis (RAND) 	<ul style="list-style-type: none"> • Analytical background • Option assessment (iterative) • Option dev, assess, framing • Analytical background • Option development/assess. • Framing, decision support
	Post-QDR	<ul style="list-style-type: none"> • Capabilities and Futures (IDA) • Capability Optimization (Canada) • Balance of Investment (UK) • JCA Metrics/LP (AF) 	<ul style="list-style-type: none"> • Analytical background, framing • Option development/assess. • Option development/assess. • Option development/assess.

Function in QDR Categories:

Analytical Background
Framing

Option Development
Decision Support

Option Assessment

Balancing Issues for this QDR*

Adjustments to Strategy/Force Planning Construct

- Tier 1: Most significant issue for senior leaders
 - IW vs. Conventional
 - Current vs. Future (impact on capabilities mix)
 - Operations in the presence of nuclear armed foes, Ctr WMD, etc.
 - Etc..
- Tier 2: Either dependent on Tier 1 ... or, not as significant as Tier 1
 - DoD/Interagency roles (State, USAID); maximizing their contributions
 - Countering disruptive technologies
 - Etc...

Programmatic Issues

- Tier 1: Most significant issue for senior leaders
 - Synchronization of major acquisition programs with strategy (C17, F22, FCS, DD-1000, CGX, SSBN, CVN 21, shipbuilding, EFV, Airborne Electronic Attack)
 - Etc...
- Tier 2: Either dependent on Tier 1 ... or, not as significant as Tier 1
 - Sourcing of individual augmentees
 - DoD/Interagency resourcing(state, USAID); maximizing their contributions
 - Etc...

*NOTE: Complete list in back-up 10

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Findings/Recommendations

- Promising tools for balancing exist; they need varying levels of time/investment to implement
- No single tool/approach is likely to answer all QDR questions; some assembly required
 - Recommendation: Assemble notional suites of approaches, evaluate their strengths and weaknesses, select one suite for investment and use in the QDR
- Relevancy of analytic approach to QDR entirely depends on key questions to be addressed
 - Recommendation: Identify early, the likely strategic capability questions this QDR will address.

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Findings/Recommendations (cont.)

- Lack of shared starting point (i.e. taxonomies, risk definitions, MOE, etc.) hinders meaningful cross-service debate on balancing capabilities
 - Recommendation: DoD components should share common taxonomies, definitions, etc. to promote comparability of analyses.
 - Recommendation: In advance of the QDR TOR, publish agreed to or leading definitions/taxonomies for use in QDR analysis.
- Analytic Agenda doesn't currently address balancing issues; Should it?
- Need analytic approaches generalizable to DoD-¹² level, strategic decision making

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Findings/Recommendations (cont.)

- Ways to strengthen QDR --to respond to the law
 - Focus on strategic risk assessment / mitigation options early and throughout
 - Develop explicit strategic-level balancing mechanisms and use/highlight them throughout
 - Engage with senior leaders at the National level to derive strategic priorities from early comprehensive strategic risk assessment
 - Build methods to integrate near-term and mid, longer term trades as quickly as possible.
- Prepare for interagency planning and analysis

BACK-UP

Balancing Issues for this QDR

Adjustments to strategy/force planning construct

- Tier 1: Most significant issue for senior leaders
 - IW vs. Conventional
 - Current vs. Future (impact on capabilities mix)
 - Most likely vs. Most stressing
 - Persistent presence
 - Adjustments to the set of defense planning scenarios
 - Impact of defense support to civil authorities and homeland defense missions (equipping, readiness, AC/RC)
 - Global basing and posture
 - Operations in the presence of nuclear armed foes, counter WMD, etc.
- Tier 2: Either dependent on Tier 1 ... or, not as significant as Tier 1
 - DoD/Interagency roles (State, USAID); maximizing their contributions
 - Nuclear forces as deterrent for conventional threats (2nd MCO) – pending NPR
 - Countering disruptive technologies
 - Outsourcing of military functions
 - Use of general purpose forces for IW missions (e.g., Security force assistance, FID, TAA)
 - RC (role of RC, AC/RC force mix, access, equipping/readiness level)

Programmatic issues:

- Tier 1: Most significant issue for senior leaders
 - Synchronization of major acquisition programs with strategy (C17, F22, FCS, DD-1000, CGX, SSBN, CVN 21, shipbuilding, Expeditionary Fighting Vehicle, Airborne Electronic Attack)
 - Supplemental vs. Base funding of GWOT, Afghanistan
 - Quality of life – e.g., Wounded Warrior, retention, recruiting, healthcare
 - Missile Defense (potential bill payer)
 - Reset vs. Modernization (ground forces)
 - Sustainment of institutional base (e.g., Support, training, depot)
- Tier 2: Either dependent on Tier 1 ... or, not as significant as Tier 1
 - Implementation of BRAC
 - Sourcing of individual augmentees
 - DoD/Interagency resourcing(state, USAID); maximizing their contributions
 - Prepo reset
 - Force structure manning vs. Force structure equipping (options for tiered readiness)