



# From the Deputy Executive Editor

The articles included in this month's issue suggest a time-honored maxim that is consistent with the philosophy and guidelines espoused by Under Secretary of Defense for Acquisition, Technology and Logistics Frank Kendall (2013) in a recent memorandum. The maxim is *Caveat Emptor*—Let the buyer beware! One reasonably might ask: How does that maxim relate to Mr. Kendall's memorandum, or to the articles in this issue?

In the commercial world, *caveat emptor* means that the buyer bears the risk for the quality of goods purchased unless they are covered by the seller's warranty. A standard commercial principle is that product use other than for intended purposes may void any manufacturer's warranties. Extending that principle, acquisition managers inadvertently may negate anticipated benefits of best practices if they fail to thoughtfully and deliberately analyze their appropriateness to the context and conditions under which they are to be applied.

Mr. Kendall emphasized that key enduring acquisition principles and evolving best practices work when they are applied effectively with a thorough understanding of the program context and an understanding of the risks. He stressed the need to “apply our education, training, and experience through analysis and creative, informed thought” to program decisions (Kendall, 2013, p. 1). His principal guideline was succinct: *Think*.

In our first article, RAND coauthors (Blickstein, Nemfakos, and Sollinger) shared lessons learned from their analyses of nine major defense acquisition programs that experienced Nunn-McCurdy breaches. Their analyses provided insight into the breaches and some lessons for how other programs can avoid them. The authors also note that every program is different, and they caution that managers should be wary of applying policies founded on the premise that all program cost increases stem from common causes.

Coauthors from Lockheed Martin (Eiband) and The George Washington University (Eveleigh, Holzer, and Sarkani) examined reuse of legacy systems as an “oft-touted” approach to achieve affordability and reduce acquisition timeframes. Failure to analyze the implications of reuse may result in adverse cost, schedule, and system performance outcomes. The authors developed a Reuse Evaluation Framework to aid program planners identifying opportunities for reuse that offer the greatest chance of success.



Coauthors from the Institute for Defense Analyses (Arnold, Harmon, Rose, and Whitley) discussed the need for adjusting target fees when using Economic Price Adjustment (EPA) clauses in contracts. They noted that EPA clauses can entail unintended risks and drive unwanted behavior; assessing those risks and behavior motivations requires in-depth assessment of the specific contract and the contractor.

Similarly, coauthors from the Air Force Institute of Technology (Keller and Wirthlin) examined the Fast, Inexpensive, Simple, and Tiny (FIST) principles touted in various circles as a means to reforming acquisition. The authors offered their own planning considerations to augment the FIST heuristics and identified barriers and limitations to successful implementation of the concept.

Finally, authors from the Marine Corps Logistics Base Albany, GA, Defense Language Institute, and Naval Postgraduate School (Leon, Paulson, and Ferrer, respectively) explored the extent to which equipment reutilization can achieve cost savings from wasteful, duplicative purchases—savings that can be used to cover other shortfalls in a dwindling defense budget. Ironically, one obstacle that potentially prevents managers from aggressively seeking those savings is the DoD culture, implying that managers must constantly examine and challenge patterns of shared, basic assumptions about their business.

These articles represent research results from a variety of organizations and perspectives. I hope that you will enjoy them and can use the information they contain to inform your selection of best practices. Enjoy!



Dr. Mary C. Redshaw  
Deputy Executive Editor  
*Defense ARJ*

## Reference

Kendall, F. (2013, April 24). *Implementation directive for Better Buying Power 2.0—Achieving greater efficiency and productivity in defense spending* [Memorandum]. Washington, DC: Office of the Under Secretary of Defense (Acquisition, Technology and Logistics).