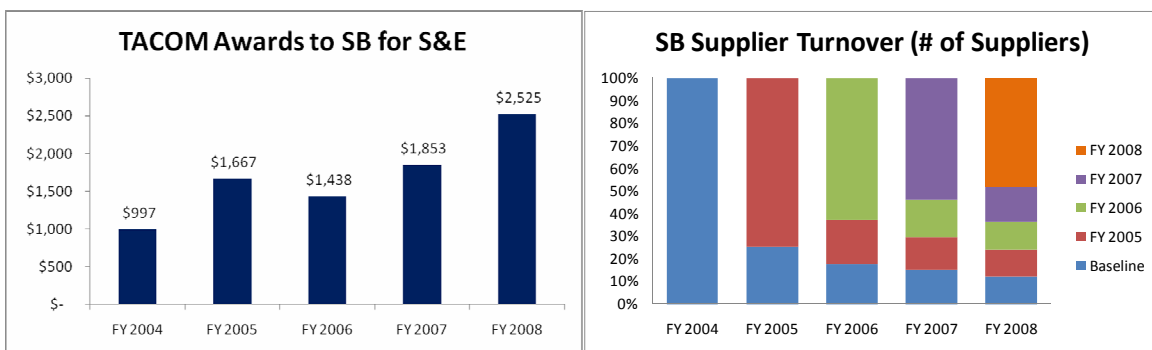


The Asaba Group (consulting arm) Completes Industrial Base Research Effort for Army TACOM

(March 2008)

In accordance with Army Regulation 700-90, the TACOM LCMC Industrial Base Operations Office (IBMO) has the responsibility to ensure “the ability of the production and maintenance industrial base to support future years defense program (FYDP) and surge”, including surge planning and contracting activities. Additionally, IBO must ensure the ability of the industrial base to support requirements above FYDP and surge, i.e. mobilization and contingencies. As a result of the Global War on Terrorism (GWOT), TACOM has experienced dramatic increases in production requirements across major weapons systems. Efforts to meet these surge needs have greatly impacted both the commercial and organic facility components of the TACOM industrial base.

This impact has been greatest for TACOM’s small business suppliers who have faced an average increase in output requirements of 28% to successfully execute on \$1.4 billion in incremental contract awards. As these small businesses continue to absorb large requirements increases, TACOM faces increased risk of constraints at the individual supplier, commodity, and weapon system levels impacting Warfighter readiness.



In March 2008, The Asaba Group completed a research study that analyzed the extent of these risks and the specific small business performance drivers that contribute to them. This study focused on four distinct small business industrial base challenges as follows:

1. Supply risks created by individual underperforming suppliers
2. Insufficient capacity to meet critical surge requirements on deployed weapons systems
3. Insufficient viable sources to sustain parts requirements on low density items
4. Capabilities for prototype development, supply chain management, & engineering

Following this research effort, The Asaba Group/IBO team concluded that the level of risk presented by these scenarios warranted piloting a manufacturing technical assistance production program (MTAPP) to help ensure the continued solid performance of its small business industrial base. IBMO has now established an MTAPP Program Office to provide a focal point for Command efforts to address these supply constraints through corrective action assistance provided to small business suppliers.