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## CONCLUSIONS AND RECOMMENDATIONS

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But the only way of discovering the limits of the possible is to  
venture a little way past them into the impossible.

— Arthur C. Clarke  
*Profiles of the Future*  
1972

Three collaborating/partnering concepts appear promising for possible Army exploitation: (1) forming real-estate partnerships using public-private partnerships, (2) using venture capital approaches to capture high-tech commercial technologies and products, and (3) forming spin-offs using FGCs.

Each concept requires resolving key issues before the Army for implementation can seriously consider it. In the case of public-private partnerships, various implementation issues must be resolved within the Army, including whether financially sound concepts can be proposed by the installations. In the case of the venture capital concept, the potential merits of such a concept to meet the Army's technology needs must be addressed in further detail. Monitoring the status of the CIA's venture capital efforts will help in this assessment. In the case of FGCs, the value of establishing the Army laboratories and depots as FGCs will depend on how many external commercial opportunities exist and further analysis on how to best structure continuing relationships with other Army organizations.

Once these key issues are satisfactorily addressed, the Army should create pilot programs to test the concepts. This approach is consistent with the new industry paradigm that argues that one learns more about something by acting on it (in this case, by establishing pilot programs) instead of, as in the past, waiting until it is thoroughly understood before acting.<sup>1</sup> This paradigm argues that one learns more and faster from tinkering and experimenting. For fast-moving technologies, not acting is equivalent to staying behind.

Our recommended next steps are as follows:

- Test the hypothesis that there are a lot of good ideas for public-private partnerships at Army installations.
- Take steps to establish an Army Venture Capital Fund by:
  - Identifying technologies and problems amenable to solution through Army venture capital funding,
  - Establishing an Army venture capital advisory committee, and
  - Initiating the establishment of the AIIC by either
    - » Drafting appropriate legislation and working with Congress to enact it as a part of the next DoD budget, or
    - » Identifying current funds and, using an Other Transaction, contract with an appropriate organization (either an FFRDC or an existing venture capital firm).
- Review the results of the assessment methodology of alternative laboratory and depot models and assess the operational payoff of establishing laboratories and depots as FGCs.

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<sup>1</sup>In the foreword to Michael Schrage's 1999 book on how the world's best companies simulate to innovate, Tom Peters refers to the act/learn paradigm in terms of "Ready.Aim.Fire!" The act/learn paradigm is based on the scientific method of experimentation. After 100 years of plodding along with emphasis on analysis, or the "Aim" in "Ready.Aim.Fire!," the business schools are now extolling the virtues of experimentation as a way of testing new concepts ("Ready.Fire!Aim").