S.1. A Strategy-to-Tasks Framework for Deterrence .................. xx
S.2. All NAVSEA Products Are Plotted for Market Breadth and Relative Product Importance ................................. xxiv
S.3. RAND Market-Product-Activity Model, Showing Analyses Conducted in Each Stage ........................................ xxvii
S.4. Products in Figure S.2 by Market-Breadth Growth and Relative Product-Importance Growth .......................... xxviii
S.5. Spectrum of Niche Centrality for “Niche analysis required” Products in Figure S.4 ............................................. xxx
S.6. Activities Portfolio of NAVSEA Corporate Structure ........... xxxiii
S.7. Organizational Structure of the Market/Customer-Oriented Strategic Intent .................................................... xxxv
S.8. Organizational Structure for the Product-Life-Cycle Strategic Intent .......................................................... xxxvii
2.1. From Threats and Strategy to Tasks and Products for NAVSEA ................................................................. 8
2.2. Percentage of Time Select Ship Classes Spend Under Way .... 22
2.3. Trends in the Navy Budget ............................................. 27
2.4. The Navy Plans to Average Five New Ships per Year over the Next 20 Years ................................................. 28
2.5. Fleet Size Will Drop by 28 Ships in the Next 20 Years .......... 29
2.6. Number of Amphibious Ships Needed for Regional Coverage ................................................................. 30
2.7. Number of CVs Needed to Sustain Regional Coverage ....... 30
2.8. Fleet Age Is Increasing, but at Very Different Rates for Different Ship Types, Current and Future Systems ............... 31
2.9. Four Metrics of Declining Investment in Engagement ........... 36
2.10. World Military Spending Has Been Modest and Consistent Since 1992 .......................................................... 38
2.11. Defense-Spending Trends for Selected Countries ................. 38
2.12. Major Weapon Systems Have Been Transferred in Fairly Small Quantities ......................................................... 39
2.13. Strategy-to-Tasks Framework for Deterrence .................... 42
2.15. Strategy-to-Tasks Framework for Prepare ......................... 45
2.16. Strategy-to-Tasks Framework for Respond ......................... 46
3.1. RAND Market-Product-Activity Model, Showing Analyses Conducted in Each Stage ............................................. 55
3.2. Road Map for Chapter Three ............................................ 59
3.3. Road Map for Chapter Three, Showing That We Are at the Market Assessments: Growth Stage of the Analysis ................ 68
3.4. NAVSEA Market-Emphasis-Growth Factors, with Uniform Weights for Drivers ............................................................. 71
3.5. NAVSEA Market-Emphasis-Growth Factors, with Strategy Drivers Weighted 1.5 Times More Than Other Drivers ............ 72
3.6. Road Map of Chapter Three, Showing That We Are at the Products and Product-Market Interactions Stage of the Analysis ................................................................. 83
3.7. Distribution of NAVSEA Products Across All Markets .......... 88
3.8. Number of Products Falling into Four Bins of Relative Product Importance ................................................................. 90
3.9. Number of Products Falling into Four Bins of Market Breadth ................................................................. 94
3.10. Market Breadth Plotted Against Relative Product Importance for All NAVSEA Products, Overlaid with Possible Management Decisions for Strategies ......................................... 96
3.11. The Four Bins for Relative Product Importance in Markets of Growing Emphasis ................................................ 100
3.12. Road Map of Chapter Three, Showing That We Are at the Product-Activity Interactions Stage of the Analysis 102
3.13. Number of Products Falling into One of Four Binned Product–Process Change Evaluation Categories 108
3.14. Road Map for Chapter Three, Showing That We Are at the Corporate-Centrality Stage of the Analysis 111
3.15. Product Centrality, Indicated by the Intersection of Relative Product Importance and Breadth in Markets Growing in Emphasis in Cells Toward the Upper Right 112
3.16. Market-Defining Niche Products 116
3.17. Important Niche Products 117
3.18. Increasing Scale for Niche Product Centrality 119
3.19. Centrality for NAVSEA Product Groups 120
3.20. Total Importance of Products for All NAVSEA Markets, Scaled by the Market-Emphasis-Growth Forecasts 121
4.1. Organizational Chart for Naval Sea Systems Command, Circa 1974 127
4.2. Organizational Chart for Naval Sea Systems Command, October 1999 128
4.3. Organizational Design Approach 131
4.4. NAVSEA Contract Dollars as a Share of Industry Shown, with Industries Rank-Ordered by Market Share 134
4.5. Distribution of Spending in Naval Sea Systems Industry 135
4.6. Notional Business-Unit Structure of Managing Ships 154
4.7. Notional Business-Unit Structure of Providing Program- and Project-Management Services 155
4.8. Notional Business-Unit Structure of Resourcing Scientific, Engineering, and Acquisition Professionals 156
4.9. Notional Business-Unit Structure of Managing Infrastructure 158
4.10. Notional Business-Unit Structure of Organizing and Managing Existing Knowledge 160
4.11. Notional Business-Unit Structure of Creating and Managing New Knowledge 161
4.12. Notional Business-Unit Structure of Providing Systems-Engineering Services ................................................. 162
4.13. Corporate Structure of NAVSEA for the Activities Portfolio ........ 165
4.14. NAVSEA Strategic Map ................................................. 167
4.15. Industry-Positioning Portfolio ........................................... 171
4.16. Market/Customer Portfolio ................................................ 174
4.17. Competency Portfolio ........................................................ 177
4.18. Product-Life-Cycle Portfolio ................................................ 179

C.1. Scoring Matrix for Strategic Drivers of NAVSEA Markets ........... 199
C.2. Scoring Matrix for Technology Drivers of NAVSEA Markets .......... 200
C.3. Scoring Matrix for Business Drivers of NAVSEA Markets ............ 201
C.4. NAVSEA Market-Emphasis-Growth Factors, with Equivalent Weights for All Drivers ........................................... 202
C.5. NAVSEA Market-Emphasis-Growth Factors, with Technology Drivers Weighted 1.5 Times Higher Than Other Drivers 203
C.6. NAVSEA Market-Emphasis-Growth Factors for the Case with 10 Strategy Drivers Weighted 1.5 Times Higher Than Other Drivers .................................................. 206
C.7. NAVSEA Market-Emphasis-Growth Factors for the Case with Only Four Strategy Drivers Weighted 1.5 Times Higher Than Other Drivers ................................................. 208
C.8. Product Frequency Versus Importance for a Flat Distribution .......... 209
C.9. Product Frequency Versus Importance for a Triangle Distribution ........ 209
C.10. Product Frequency Versus Importance for a Gaussian Distribution ........ 210
C.11. Comparing Distribution Area with Importance Bin for the Distributions Considered .......................................... 211
C.12. Adding a New Comparison to the Set: the RAND Distribution .......... 212
C.13. Normalized Importance Ratings Versus Importance Bin for All Distributions ................................................ 213
C.14. The Classification Systems for the RAND Market-Product-Activity Model, for the Activity “Set software standards for Submarine Combat Systems” .............................. 214
C.15. Technology Clusters That Contribute to Operational Capability ........................................ 221
C.16. Number of NAVSEA Staff in the Top 15 RAND Occupational Clusters ............................... 224
C.17. Number of Products Falling into Each of Four Bins Based on Product–Technology-Change Evaluation Category ............ 236
C.18. Binned Technology Relative Importance Scores, After Very High Relative Importance Technologies Have Been Separated Out .................................................. 240
C.19. Process Change Plotted Against Technology Change for All NAVSEA Products, Overlaid with Stability Levels Indicating Need for More (Unstable) or Less (Stable) Managerial Attention ........................................... 242
C.20. Binning of Products According to Facility Utilization, by Product ........................................ 250
C.22. Mix of Direct and Indirect Labor in Occupational Clusters ................. 257
C.23. Direct-Labor Occupational Cluster Relative Importance ........... 258
C.24. Indirect-Labor Occupational Cluster Relative Importance ........... 259