

**About Booz Allen**

Booz Allen Hamilton has been at the forefront of strategy and technology consulting for nearly a century. Providing a broad range of services in strategy and organization, technology, operations, and analytics, Booz Allen is committed to delivering results that endure.

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# Performance Based Logistics

## Strategies for Improved Operational Readiness

Performance Based Logistics (PBL) is a product support strategy focused on outcomes rather than transactions. PBL gives acquisition program managers the opportunity to optimize the balance between operational system readiness and total ownership costs. The PBL concept has been widely and successfully used in private industry. The US Department of Defense has also embraced PBL and mandated its use.

In government, implementing PBL has yielded mixed results. Some have labeled certain practices PBL when they were not. Others have attempted to apply PBL without meeting important prerequisites and experienced unsatisfactory results. Still others have balked at attempting PBL, even when a strong case existed for its use. Fortunately, there are successful cases that fully demonstrate PBL's true value. PBL, however, is not easy because shifting management of performance to the supplier is a highly complex undertaking. The variation in results highlights the need for a well-structured PBL approach with solid analytical underpinnings.

### Booz Allen can help you be ready for what's next

Booz Allen Hamilton, a leading strategy and technology consulting firm, helps clients in a broad range of settings design and implement successful PBL strategies. Booz Allen combines experience in industry, all government agencies, and every military service with rigorous analysis and powerful analytical tools to identify the best PBL strategy for each system. We understand that a successful PBL strategy is driven by aligning incentives of the provider with operational mission parameters, assuring a clear competency advantage of the supplier, and empowering the PBL team to make the decisions necessary to ensure readiness of the operational system in the mission environment.

### Our approach

Booz Allen can help you navigate every phase of PBL with confidence. We're ready to support all areas of your performance-based solution, or to assist you across the entire system life cycle. We tailor our rigorous analytical support for each major phase of a PBL approach: building the foundation, planning, execution, and control of outcomes.



Ready for what's next. [www.boozallen.com](http://www.boozallen.com)

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delivering results that endure

- **Building the foundation.** During this critical PBL phase, Booz Allen believes that it is essential to understand the relationship between the operational requirements of the system and the design for supportability of the system. We provide experienced logistics engineers—equipped with state-of-the-art tools for simulating and analyzing key trade offs—to meet operational demands with an affordable design for support.
- **Planning.** Once a system baseline is established and operational requirements are understood, we assist our clients with developing essential product support strategies. These strategies include levels of repair, spare part requirements, technical management requirements, and the overall integrated logistics support strategy needed to meet operational availability requirements. We validate the product support strategy by executing a thorough PBL business case analysis (BCA).
- **Execution.** During this phase we help clients refine their sourcing strategy, select partners, and develop relationships with operators and suppliers alike to create an integrated and cooperative environment that enables a successful PBL strategy. We provide analytical support to establish how to evaluate supplier performance throughout the program life cycle. Additionally, we help establish enforceable, workable incentives that promote proactive and effective long-term support for evaluating bidders.
- **Control of outcomes.** When the PBL is supporting an operational system, performance must be constantly monitored and adjusted for continuous improvement. Booz Allen provides tools and approaches for measuring performance and evaluating alternatives for improvement or supporting mission and design changes. In addition, the periodic review of and updates to the PBL BCA ensures that the support strategy is substantiated and that timely course corrections can be made, if needed.

### Booz Allen experience and expertise

Booz Allen has performed numerous successful PBL engagements. Some specific examples of our work in this area include:

- **US Air Force C-17 PBL BCA.** Booz Allen conducted a BCA that evaluated a baseline as well as 6 alternative depot sustainment strategies. The BCA resulted in significant improvements to the C-17 support strategy.
- **US Marine Corps Expeditionary Fighting Vehicle PBL BCA.** Booz Allen performed both Type 1 and Type 2 BCAs, and assisted the program with implementing the sustainment strategy.
- **US Army Small Arms PBL BCA.** This effort helped the Army TACOM Life Cycle Management Command validate its support strategy and provided justification and detailed lessons learned to implement improvements.

Whether you're managing today's issues or looking beyond the horizon, count on us to help you be ready for what's next.