

# Defense Transformation and Transaction Strategies

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3rd Annual Naval-Industry R&D Partnership Conference 2002  
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# Overview

- A discussion of some of the economic issues related to Globalization and how these issues are related to the US Department of Defense Transformational Initiatives.



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# Discussion Topics

- An overview of the situation was discussed and related to the DoD “transformational initiatives” which are underway. Two primary spheres (Core & Gap) of influence were used to frame these Globalization trends.
- There was a discussion of how the world situation is likely to change based on four elements; population migrations, energy, long-term investments and security.



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# Observations and Insights

- The global economic situation is an important factor which drives our transformational initiatives.
- To master system perturbations to enable globalization and major transformation we will need to:
  - integrate the “Core”
  - firewall the “Core” to the “Gap”
  - shrink the “Gap” over time through increased security services



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# Recommendations

- More attention is needed to better understand the
- dynamics of the world situation and the Core-Gap economic “transactions.”
- There are opportunities to be realized if we can be successful in this greater understanding.

*The impact on DoD “Transformation” is expected to continue to be high.*



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