

Deputy Assistant Secretary of the Army for Procurement Category Management and Services Acquisition Team Tip



CM Tip 2021 #04

Category Intelligent Report (CIR)

The Army is evaluating strategies for developing “levels” of CIRs, which would range from “quick sprints”, to “Master’s level-investigations”, in order to better promote the development of CIRs.

Purpose of CIRs: To address known cost gaps, performance issues and other challenges; and inform strategies surrounding evolving technology, markets & emerging mission needs. CIRs also provide Category Managers insight into their category expenditures, thereby aiding in the decision-making in areas of opportunity for savings and process improvements.

What are CIRs: They are research & analysis reports developed by multi-functional teams (subject matter experts from the functional/technical community, program managers, business analysts, contracting and small business representatives) through a comprehensive requirement-focused process that leverages industry best practices and benchmarks to identify improvement opportunities across management strategies cost, process, performance and data. Once complete, the CIR findings, observations and recommendations are consolidated into a detailed decision brief for senior leaders to review and approve to support category decisions.

How and why it impacts the Army’s mission: Unlike audits, CIRs are not used to identify issues, rather to formulate data-driven strategies and recommendations to increase Army mission capability, effectiveness & efficiencies.

How it impacts the Contracting community: Creating CIRs improves Contracting Officers buying power to optimize cost, quality and performance, increasing efficiency and savings so you can re-invest savings into other projects previously unfunded. Results from CIRs can provide Contracting Officers with another market research source and can help influence and shape future acquisition plans and strategies to incorporate Category Management principles.

Keys to Success:

- 1. Perform Requirements Analysis:** Develop Key Organization Profile- determine the “who” surrounding the requirement; Develop Policy profile – determine guiding policies and directives; Develop Requirement Profile – determine mission needs, strategies, goods/services characteristics; Develop Spend and Budget Profile - determine spend patterns and purchasing behavior; Develop Supplier Profile – determine existing supply base; Develop Inventory Profile – determine inventory volume, demographics and trends; Develop Internal Best Practice Profile – determine internal best practices and DoD efforts
- 2. Form the CIR Team**
CIR Team Roles and Responsibilities
 - *CIR Leadership –Lead CIR team on a daily basis
 - *Program Manager –Cost, schedule, performance support
 - *Business Analysts –Guide research & analysis tasks surrounding business intel
 - *Data SMEs –Provide access/insight into functional data systems & internal processes
 - *Requirements SMEs –Liaison with the functional community, provide in-depth knowledge of the requirements & functional processes
 - *Contracting –Liaison with acquisition community, provide acquisition domain knowledge
 - *Ops Research Analysts –Provide modeling, forecasting, & simulation support
 - *Small Business Representatives –Liaison with SB community, provide guidance on SB impacts
- 3. Perform Market Analysis:** Develop a market research plan based on requirements analysis findings – identifying relevant interview targets and analogous organizations
- 4. Perform GAP Analysis:** Compare current state—by measuring time, money, and labor and compare it to its target state to determine whether a company is meeting expectations and using its resources effectively.
- 5. Develop CIR** – see CM PAM page CIR Template [PAM: CIR Template](#)

CIR Example: Synopsis: AMC IMCOM recently completed a CIR on “Custodial Services”. Custodial Services are IMCOM's 10th largest spend within OMB Level 2, Category 4.4 Facility Related Services. IMCOM obligated \$140M in FY19 and \$131M in FY20. Thirty-one (57.4%) contracts are awarded to an Ability One Nonprofit Agency (NPA), 17 (31.5%) are to a protégé of the Small Business 8(a) Program and six (11.1%) are to an Other Small Business custodial service contract.

Outcome: Four Courses of Action (COAs) were recommended for implementation to further IMCOM's Custodial Services knowledge and start realizing cost savings based on this knowledge. A cost saving of 5.5% can be achieved if the Top 5 Installation's contracts with the largest savings potential are reviewed and aligned with the industry benchmark upper limit. Saving could grow if the cost is brought to or below industry benchmark. These contracts must be negotiated by the servicing contract activity to meet the requirements set forth at a cost commensurate with category management practices in order to realize a cost savings potential of \$10.3M.

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