

# RIDGEWOOD

**Corporate Headquarters** 45207 Research Place / Suite 150-B / Ashburn, VA 20147  
**Washington D.C. Office** 1220 12th St SE / Suite 015 / Washington, DC 20003

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## About Ridgewood

Ridgewood Partners is an SBA 8(a) small business enterprise with offices in Virginia and Washington, DC that has nearly a decade of experience providing innovative, value-added services for the private sector and government. While the majority of Ridgewood's work has been in the national security arena, our unique approach in facilitating an "Open Business" model for government customers provides a tested platform and capable, experienced execution for other government customers.

## Unique Approach, Proven Results

Open Business is a program management tool specially designed to help bring the needs of the federal government to America's innovators *and* to help the federal government cast the broadest possible net to determine which innovators are best suited to participate in a federal government evaluation or contracting process.

Ridgewood originally developed Open Business for a US Navy Program Office, which is successfully acquiring, inserting, updating, and fielding technologies to defeat radio-controlled improvised explosive devices (IEDs) in theatre. Open Business is a successful component of this country's effort to protect the warfighter, while simultaneously promoting competition, reducing overall cost, moderating risk, improving capabilities, and increasing transition speed of game-changing technologies.

## Traditional Acquisition Process vs. Open Business Model

In the traditional acquisition process, the government customer has a specific requirement or problem for which they need to acquire a responsive product or service. At the onset, the customer often does not start this process with full knowledge of the risks, costs, and achievable technologies necessary for the acquisition. For vendors and small businesses new to with the federal government, they start with a less than full understanding of the government's needs. According to the U.S. Government Accounting Office (GAO), common government practices push knowledge-sharing, and thus risk, to the right, which increases time and money involved in technology, design, and production discovery. From the potential vendor perspective, nothing about this process opens the government market to the most innovative, or potentially most responsive bidders.

Ridgewood has demonstrated that the Open Business model can help streamline, tailor and accelerate government acquisition processes for better value, improved results, and faster delivery. By fostering closer collaboration between the larger pool of potential innovators and the government at the onset, this model facilitates government decision-makers with richer knowledge to develop a rapid understanding of the broadest, most applicable universe of potential technology and vendors. Many of those vendors may not have provided goods and services to the government before. A key component of achieving better value for the taxpayer is enhancing competition, particularly by attracting new sources and bidders. At the same time, promising technologies are identified which have an

opportunity to mature for commercial readiness. This fosters more fulsome competition and opens up the universe of potential solutions.

Benefits to the Taxpayer, Small Business, and the Government Customer

In a government environment where budget concerns must be balanced against the need to procure, manage, and field required equipment and services, Ridgewood’s expertise in managing the Open Business (OB) model provides significant and broad benefits to the taxpayer, small business, and the government customer.

- OB reduces unanticipated cost-growth by managing risk and expanding knowledge
- OB leverages innovation to increase system capabilities from multiple vendors made available to more participants
- OB reduces costs, time to delivery, and risk trade-offs
- OB identifies new, promising technologies and allows for successful technology maturation, continued development, and commercialization
- OB enables and facilitates future innovation, and builds flexibility and continuous systems improvement

The Opportunity Cost of Not Rethinking Acquisitions

GAO recently reviewed 96 large-scale acquisitions across agencies, including DOD, DOE, DHS, NASA, and GSA. Together these acquisitions represented nearly \$1.6 trillion in total planned commitment as of Fiscal Year 2008.

Change to total RDT&E costs from first estimate	42 percent
Change in total acquisition cost from first estimate	25 percent
Estimated total acquisition cost growth	\$296 billion
Share of program with 25 percent or more increase in unit cost	42 percent
Average delay in delivering initial capability	22 months

This is merely a sample of the hundreds of acquisition efforts across the government with similar statistics.

Bottom Line

Within the constraints of DoD Acquisition regulations and amidst most urgent wartime immediacy, the Navy’s Program Office mentioned earlier, with assistance from Ridgewood Partners is one recent demonstration that the Open Business model positively addresses each of the areas above. We are helping to open the doors of opportunity for small business communities and innovators across the country. The lessons learned demonstrate wide application and scalability. The Open Business model is not limited to emergency or defense scenarios. The process is universal and there is great opportunity across the government to reduce RDT&E costs, control acquisition costs, reduce program risk, and deliver improved products and services rapidly and with less cost to the government.

Today’s budget situation represents a fiscal emergency that demands innovative, cost-saving, risk reducing measures for agencies to continue to be responsive to long-term needs of the country. Ridgewood is proud to offer its expertise and experience in this endeavor.