

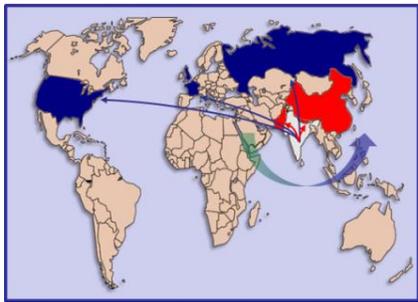
VMI International Demand Index™

Challenge:

No matter where you are based and no matter what you do, International growth has to be a key element of your strategy. The challenge is how to evaluate true short and/or long term opportunities within a country or across a region without having to invest large sums of money and resources on one hand or to rely on broadly distributed general forecasts that everyone reads, including your competitors on the other.

Objective:

Create a means to gauge developing demand, anticipate changes and be prepared for the independent variable in order to potentially shape and leverage the events in Country to your advantage.



Philosophy:

We begin by placing the country of interest within its international system and then applying a form of Structural Realism analysis. It is through the lens of Structural Realism that we are able to understand states' actions, direction, alliances, opportunities and challenges in terms of the pressures and opportunities created by the international system.

International Demand Index (IDI) model – Defense Industry Example:

With system philosophy in mind we will use India as our defense industry example and for simplicity sake we will create a system of only those countries having the most direct impact on India as made up of China, Russia, Pakistan, US, and UK. From this system we turn our focus on those countries as seen by India as a rival (China) or direct threat (Pakistan). For the defense industry the IDI model has been tuned across eight areas of interest: Space, Missile Defense, Maritime Forces, Land Forces, Air Power, Information Superiority, Strategic Strike and Civil Security.

We begin by analyzing China then Pakistan from the historical as well as national policy perspective to understand current and likely future actions not because China is “out to get India” but because these actions support its national security interests and policy. Once the analyst places China and Pakistan within the context of the system the analyst can then switch roles to that of an analyst in support of the Indian Minister of Defense in solving the national security challenges.

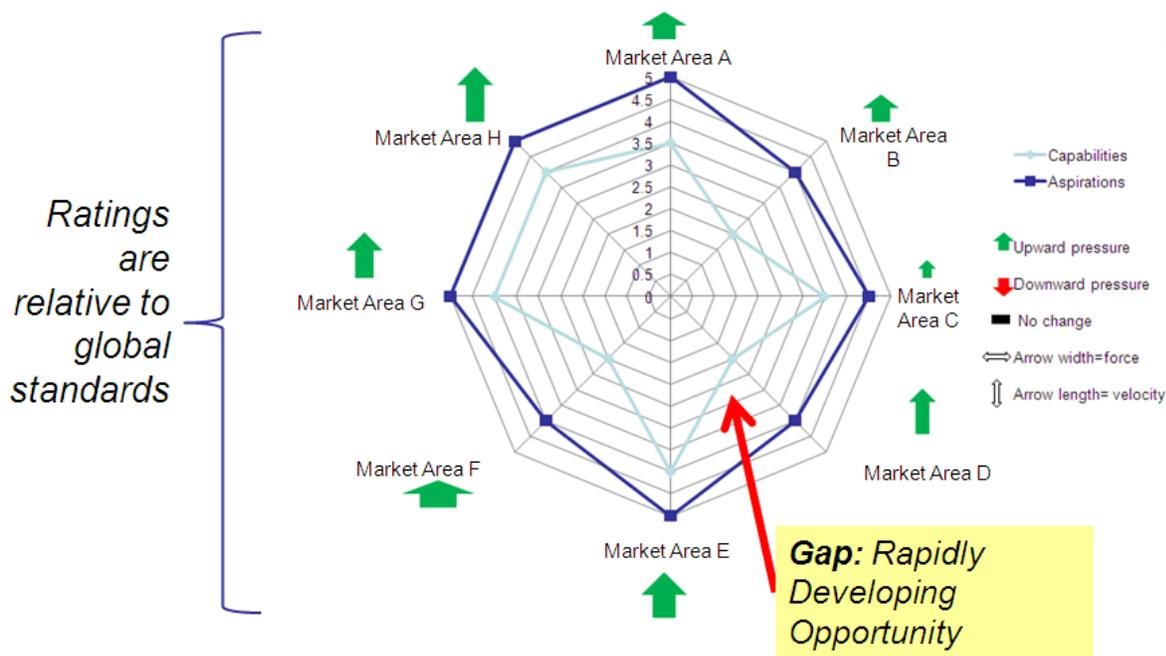
From the India perspective we view the actions being taken by China and Pakistan through the lens of potential threats to the national security.

Note: At this juncture the VMI IDI model has captured the basis for developing actions from the outside and the interpretation of these actions by India from the inside

The next step is to capture the aspirations of India as they pertain to national security and lay them into the model according to the eight areas of interest. It is the combination of the threats and aspirations that determine the demand side of our equation.

With demand and motivation in place we then review the indigenous capabilities as supplemented by friendly countries in the system (Russia, US, UK) and key foreign suppliers such as Lockheed Martin, Boeing, Raytheon, Thales, etc. all coming together to fulfill the supply side of the equation.

The Team Evaluates Capabilities vs. Aspirations to Identify Opportunities



At this point we can clearly see the current and developing gaps across the eight areas of interest where current gaps can be addressed through capabilities and products at hand while developing gaps become opportunities for shaping and longer range revenue streams.