



KNUDSEN INSTITUTE
for Applied Research on Surge Theory

SPEED WITHOUT ACCESS:

Why Defense Reform Still Misses the Industrial Base

April 2025

Michael Morford

Speed Without Access

Why Defense Reform Still Misses the Industrial Base

The recent actions by the White House and Secretary of Defense mark a long-overdue effort to modernize the Pentagon's acquisition machinery. These reforms speak to speed, flexibility, and innovation—words that have echoed for years in PowerPoint briefings and white papers but too rarely in practice. Now, they're finally attached to a mandate.

But there's a deeper question at play: speed for whom?

For many small and mid-sized manufacturers (SMMs)—the backbone of America's real industrial capacity—these reforms, as written, will not materially change their day-to-day reality. The memos are heavy on innovation pipelines, streamlined regulations, and accelerated procurement cycles. But for the casting shop in Ohio or the precision machinist in Oklahoma, there is still no clear onramp. The systemic barriers that have kept these companies on the margins of the defense industrial base remain firmly in place.

That's precisely why the Knudsen Institute was established: to accelerate the growth of the defense industrial base not through abstract innovation metrics, but by bringing thousands of capable SMMs into the fight—at speed, at scale, and with purpose. We focus on leveraging artificial intelligence, big data, and Industry 5.0 principles to identify overlooked manufacturing capabilities, reduce onboarding friction, and help policymakers redesign acquisition in a way that actually broadens participation.

As part of that effort, we're advancing two initiatives that deserve urgent consideration:

- A dedicated acquisition lane for pre-vetted, traditional manufacturers—offering clear visibility, lower compliance burden, and predictable contract pathways.
- A GSA-style Special Item Number (SIN) structure tailored for industrial manufacturing—not innovation theater.

We are not lobbying for OTA reform. OTAs – by both their design and implementation – were never intended to serve the traditional industrial base. What we need instead are system-wide, data-driven tools that can continuously map real manufacturing capabilities to emerging defense needs. These tools move beyond static databases or disconnected supplier portals. They integrate sourcing intelligence, performance history, geographic risk, and capacity forecasting – all to ensure the DoD can locate and activate the right manufacturing partner at the right moment, anywhere in the country.

This is not a pitch for more complexity. It's a call for targeted simplicity – in access, in contracting, and in decision-making.

The Illusion of Inclusion

The executive order and recent Secretary of Defense workforce memo speak of “commercial solutions,” “dual-use technology,” and “faster acquisition timelines.” These are not bad goals. But for many policymakers and acquisition professionals, “commercial” has become a euphemism for “venture-backed.” It rarely means the small shop that machines aerospace components for legacy systems or the foundry still pouring castings for essential infrastructure.

The unfortunate truth is this: most reforms that claim to expand access to industry are really about expanding access for a narrow

slice of industry—startups, software firms, and high-tech labs with investor backing and Beltway guidance. These players may accelerate digital modernization or niche capabilities, but they cannot restore or scale the nation’s dormant manufacturing depth.

The danger in focusing reform solely on speed is that it can become speed for those already at the starting line. For traditional manufacturers, especially those outside major defense corridors, the paperwork remains impenetrable, the cyber compliance burdens unaffordable, and the acquisition timelines unpredictable. “Flexibility” means nothing if there is no lane to enter.

“Innovation” means little if the outcome is still consolidation, not inclusion. Efforts like OTA consortia are helpful for specific edge-case technologies. However, the statutes allowing for them do not apply to traditional manufacturing.

We Can’t Modernize Procurement Without Modernizing Participation

We agree with the spirit of these reforms. The White House’s recent executive actions—such as Executive Order 14118: Restoring Common Sense to Federal Procurement and Contracting and Executive Order 14119: Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products; signal a growing recognition that procurement and industrial capacity are central to national defense. EO 14118 rightly aims to reduce compliance

burdens and modernize federal contracting practices. EO 14119 takes the additional step of using trade and supply chain authority to secure critical mineral inputs; acknowledgement that strategic materials and manufacturing readiness must go hand in hand. These are positive developments. But if we fail to apply the same urgency and clarity to integrating traditional small and mid-sized manufacturers into the defense ecosystem, the policies will fall short. We cannot strengthen industrial resilience through top-down mandates alone. We must also connect the bottom-up capacity that already exists across the country.

But the strength of a system is determined not just by its speed or ambition, but by who it includes. If traditional manufacturers continue to operate outside the perimeter of reform – if they are not given a lane, a structure, and the data connectivity to participate – then these executive actions will remain conceptually bold but operationally incomplete.

We can digitize faster, buy quicker, and review MDAPs with sharper pencils. Yet without activating the vast, distributed network of small and mid-sized manufacturers who still know how to forge, cast, bend, and build; we are speeding toward the future on a foundation that is still quietly crumbling.

The defense industrial base doesn’t just need acceleration. It needs integration. And it’s time to bring the traditional small shops back in.

About the Author

Michael Morford is the founder of the Knudsen Institute, a non-profit applied research institute dedicated to accelerating the expansion of the U.S. defense industrial base through data integration, AI, and industrial policy reform.

Michael is also a Founding Board Member for the Oklahoma Defense Industrial Association (ODIA); and as a National Security Fellow for the Truman National Security Project, a national organization focused on national security issues. He is a frequent university guest lecturer at institutions that include Georgetown, Boston University, Oklahoma City University, and Tulane and has been published in multiple media outlets to include the USA Today. Michael holds a BS in Engineering and an MBA, both from Tulane University, and is a graduate of the U.S. Army Logistics University and U.S. Army Finance School.

Michael served his country as a decorated U.S. Army logistics officer. In the Army, he was a US Army Captain and disabled veteran of the Iraqi War. He served as a war-planner for the 377 Theater Support Command and is a 2001 recipient of the Douglas MacArthur Leadership Award presented by the Chief of Staff of the US Army.

Organization Website <https://knudseninstitute.org>

Social Media Profile: <https://www.linkedin.com/in/michaelwmorford/>