

# OIPT-WIPT INFORMATION GUIDE

## PART ONE

### **MEMORANDUM FROM DUSD(AR)**

Introduction from the DUSD for Acquisition Reform.

### **“RULES OF THE ROAD”**

A guide for leading successful Integrated Products Teams.

### **“USE OF INTEGRATED PRODUCT AND PROCESS DEVELOPMENT AND INTEGRATED PRODUCT TEAMS IN DOD ACQUISITION”**

William J. Perry, Secretary of Defense Memorandum dated 10 May 1995

### **“REENGINEERING THE ACQUISITION OVERSIGHT AND REVIEW PROCESS”**

Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, Memorandum dated April 28, 1995.

### **“INTEGRATED PRODUCT TEAMS: ONE IMPORTANT STEP FORWARD IN MILITARY ACQUISITION AFFAIRS”**

Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, keynote address at DoD IPT Conference, Howell Auditorium, Scott Hall, Defense Systems Management College, Fort Belvoir, VA, July 20, 1995)

### **“DR. KAMINSKI REPLIES TO IPT OFFSITE QUESTIONS”**

Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, replies to questions that were asked at the 20 July 1995 IPT Offsite conference.

### **“OVERARCHING AND WORKING-LEVEL INTEGRATED PRODUCT TEAMS”**

Script to DoD video, February, 1996, produced by Ashby & Associates, Inc., Alexandria, VA.

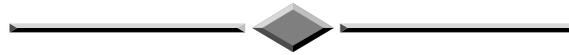
# **OIPT-WIPT INFORMATION GUIDE**



**OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR  
ACQUISITION REFORM**

**MARCH 1996**

# PURPOSE OF THIS INFORMATION GUIDE



This information guide includes copies of the essential authoritative documents that apply to participating and leading a working-level integrated product team (WIPT) or an overarching integrated product team (OIPT). In addition there are other items and information to assist in the transition to the IPT concept: a collection of graphics that can be used for training participants for WIPTs and OIPTs; a bibliography that includes the names of books, periodicals and videos on team building; a roster of points of contacts within DoD who can answer questions on IPTs; and, finally, people to call for help in obtaining team building training.

For additional information or materials on IPTs call:

- Colonel Richard A. Engel, USA, Military Assistant for Systems Acquisition, Office of the Deputy Under Secretary of Defense for Acquisition Reform at (703) 697-6398, internet: <http://www.acq.osd.mil/ar/engelra>, or E-mail: [engelra@acq.osd.mil](mailto:engelra@acq.osd.mil)
- Dr. Larry Lerer, Advisor to the President of the Defense Acquisition University at (703) 845-6735.

# **TAB: Table of Contents**

# TABLE OF CONTENTS

**MEMORANDUM FROM DUSD(AR)** .....(tab)

## **SOURCE DOCUMENTS ON IPTs**

**A. “Rules of the Road”** .....(tab)

**B. “Use of Integrated Product and Process Development and Integrated Product Teams in DoD Acquisition,”** William J. Perry, Secretary of Defense Memorandum dated 10 May 1995.....(tab)

**C. “Reengineering the Acquisition Oversight and Review Process,”** Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, Memorandum dated April 28, 1995.....(tab)

**D. “Integrated Product Teams: One Important Step Forward in Military Acquisition Affairs,”** Paul G. Kaminski, Under Secretary of Defense for Acquisition and Technology, keynote address at DoD IPT Conference, Howell Auditorium, Scott Hall, Defense Systems Management College, Fort Belvoir, VA, July 20, 1995 .....(tab)

**E. “Dr. Kaminski Replies to IPT Offsite Questions,”** *Program Manager*. Vol. 14, no. 6, DSMC 129, November-December 1995, pages 6-13. ....(tab)

**F. “Overarching and Working-level Integrated Product Teams,”** Script to DoD video, February, 1996, produced by Ashby & Associates, Inc., Alexandria, VA.....(tab)

**G. Graphic presentations for preparing overhead slides**.....(tab)

**SUGGESTED REFERENCES**.....(tab)

**SOURCES FOR TEAM-BUILDING FACILITATORS** .....(tab)

**CONTACTS FOR ACQUISITION REFORM IPT INFORMATION** ....(tab)

**LIST OF ACRONYMS**.....(tab)

**TAB: DUSD(AR) M EMO**

MEMORANDUM FOR THE DEFENSE ACQUISITION COMMUNITY

SUBJECT: Overarching and Working-level Integrated Product Team (IPT) Information Guide

In his 10 May 1995 memo, *Use of Integrated Product and Process Development and Integrated Product Teams in DoD Acquisition*, Dr. Perry directed the Department to use these concepts for all acquisitions when it makes sense. Subsequently, Dr. Kaminski, USD(A&T), hosted an all-day conference at DSMC to discuss and develop a common understanding, throughout the Department, of the new Overarching and Working-level IPT process. During that conference and a later PEO-SYSCOM Commander Conference, it became apparent that, in addition to rewriting DODD 5000.1 and DODI 5000.2, we must make a concerted effort to educate our workforce on the revolutionary changes we are institutionalizing regarding the major system acquisition oversight and review process.

As an initial step, in November 1995 we published the *Rules of the Road — A Guide For Leading Successful Integrated Product Teams*. Building upon that effort, we have developed the enclosed package of instructional and reference material that we hope will further facilitate leading and participating in successful Overarching Integrated Product Teams (OIPT) and Working-level Integrated Product Teams (WIPT). Our goal is people working together to structure and execute more successful acquisition programs — to provide the warfighter what he needs, when he needs it, at an affordable cost.

I encourage you to use the enclosed material and duplicate it as necessary to ensure maximum dissemination of the information. Please direct any comments or suggestions for improvement or additional material to Colonel Richard A. Engel, ODUSD(AR), phone (703) 697-6398, or Dr. Larry Lerer, Defense Acquisition University (DAU) Acquisition Reform Communications Center (ARCC), phone (703) 845-6735.

(SIGNED ON 12 FEB 1996)

Colleen A. Preston  
Deputy Under Secretary of Defense  
(Acquisition Reform)

# **TAB: Rules of the Road**



**Under Secretary of Defense for  
Acquisition and Technology**

**Assistant Secretary of Defense for  
Command, Control, Communications  
& Intelligence (C3I)**

## **RULES OF THE ROAD**

# **A GUIDE FOR LEADING SUCCESSFUL INTEGRATED PRODUCT TEAMS**

**November 1995**

## Foreword

On May 10, 1995, Secretary Perry directed the Department to apply the Integrated Product and Process Development (IPPD) concept of using IPTs throughout the acquisition process. That direction has been captured in the draft revisions to the DoDD 5000.1 and the DoDI 5000.2. This guide clarifies the instructions contained in those directives for Overarching IPTs (OIPTs) and Working-Level IPTs (WIPTs). Program IPTs are described in the draft “Guide to Implementation and Management of IPPD in DoD Acquisition.” This guide is intended to facilitate organizing and leading effective and efficient Integrated Product Teams (IPTs) that will serve the Acquisition Community and ultimately enhance our capability to provide systems that satisfy the Warfighter’s needs.

The guidance in the extracts from draft DoDI 5000.2 will be mandatory. The other guidelines are not mandatory, but they represent sound business practices and will be included in the discretionary section of the Acquisition Deskbook. This guide describes the IPT process for ACAT ID and IAM acquisition programs, but the concepts should be considered for all programs.

These guidelines are not intended in any way to detract from the responsibility and authority of the Program Manager (PM). The IPT activities discussed on the following pages are designed to assist the PM by engaging OSD and Service staff in early and continuous support and by identifying and resolving issues as early and as quickly as possible. The staff’s mission is to ensure the PM’s success.

This is a “living” document. The draft DoDD 5000.1 and draft DoDI 5000.2 are still under revision; this guide will change in parallel with those documents. Your comments, questions, and recommendations to improve this document are encouraged. Please address them to Mr. John Smith, Acquisition Program Integration, at (703) 614-5420 or e-mail “smithje@am@zeus” or Dr. Margaret Myers, C3I Acquisition Oversight, at (703) 681-4986 or e-mail “margaret.myers@osd.mil”.

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I. N. Blickstein  
Director (Acquisition)

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Colleen A. Preston  
DUSD (Acquisition)

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Anthony M. Valletta  
DASD (C3I Acquisition)

Program Integration)

Reform)

## INTRODUCTION

### References

- (a) “Reengineering the Acquisition Oversight and Review Process,” USD(A&T), April 28, 1995
- (b) “Use of Integrated Product and Process Development and Integrated Product Teams in DoD Acquisition,” Secretary of Defense, May 10, 1995
- (c) Draft DoD Directive 5000.1 and draft DoD Instruction 5000.2, October 14, 1995
- (d) “Guide to Implementation and Management of Integrated Product and Process Development in DoD Acquisition” (draft)

### Purpose of IPTs

As Secretary Perry stated in his May 10, 1995 memorandum, the IPT concept for oversight and review is intended to replace the current sequential process that produces a product at the program office level which frequently, when reviewed at higher levels, is modified substantially or even rejected. Such a sequential review and approval process takes considerably longer than an IPT approach that simultaneously takes advantage of all members’ expertise and produces an acceptable product the first time. The purpose of IPTs is to facilitate decision-making by making recommendations based on timely input from the entire team.

Figure 1 shows the focus and responsibilities of three types of IPTs.

Organization	Teams	Focus	Participant Responsibilities
OSD and Components	OIPT*	<ul style="list-style-type: none"> <li>• Strategic Guidance</li> <li>• Tailoring</li> <li>• Program Assessment</li> <li>• Resolve Issues Elevated by WIPTs</li> </ul>	<ul style="list-style-type: none"> <li>• Program Success</li> <li>• Functional Area Leadership</li> <li>• Independent Assessment</li> <li>• Issue Resolution</li> </ul>
	WIPTs*	<ul style="list-style-type: none"> <li>• Planning for Program Success</li> <li>• Opportunities for Acquisition Reform (e.g., innovation, streamlining)</li> <li>• Identify/Resolve Program Issues</li> <li>• Program Status</li> </ul>	<ul style="list-style-type: none"> <li>• Functional Knowledge &amp; Experience</li> <li>• Empowered Contribution</li> <li>• Recommendations for Program Success</li> <li>• Communicate Status &amp; Unresolved Issues</li> </ul>
Program Teams & System Contractors	Program IPTs**	<ul style="list-style-type: none"> <li>• Program Execution</li> <li>• Identify &amp; Implement Acquisition Reform</li> </ul>	<ul style="list-style-type: none"> <li>• Manage Complete Scope of Program, Resources &amp; Risk</li> <li>• Integrate Government &amp; Contractor Efforts for Program Success</li> <li>• Report Program Status &amp; Issues</li> </ul>

\* Covered by this guide

\*\* See the “Guide to Implementation and Management of IPPD in DoD Acquisition”

## **Figure 1. DoD IPT Types, Focus and Responsibilities**

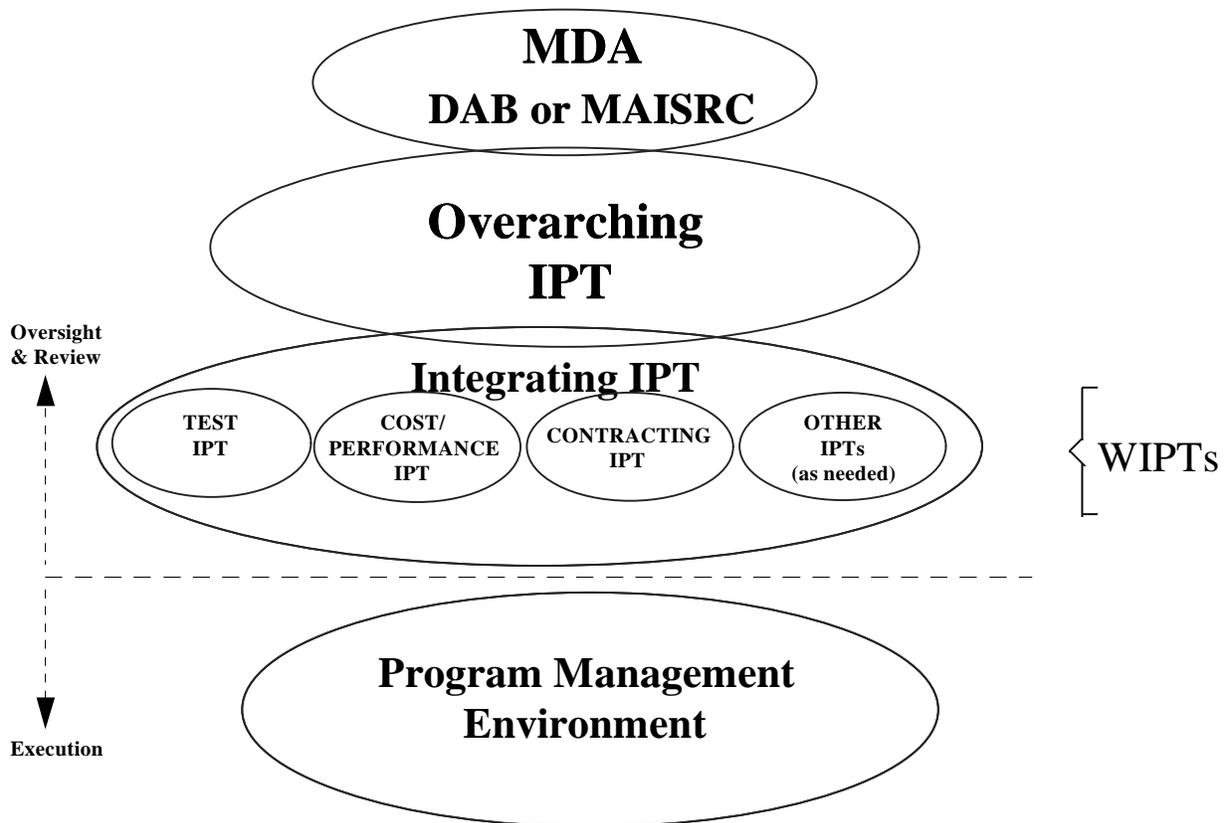
### **INTEGRATED PRODUCT TEAMS IN THE OVERSIGHT AND REVIEW PROCESS**

For ACAT ID and IAM programs, mandatory guidance for OIPTs and WIPTs is provided in Part 5.4 of the new draft DoDI 5000.2 as extracted below. (Mandatory guidance for program IPTs is provided in Part 4.2 of the draft DoDI 5000.2.)

IPTs are an integral part of the defense acquisition oversight and review process. The Secretary of Defense has directed that the Department perform as many acquisition functions as possible, including oversight and review, using IPTs. These IPTs shall function in a spirit of teamwork with participants empowered and authorized, to the maximum extent possible, to make commitments for the organization or the functional area they represent. IPTs are composed of representatives from all appropriate functional disciplines working together to build successful programs and enabling decision-makers to make the right decisions at the right time. IPTs operate under the following broad principles:

1. Open discussions with no secrets
2. Qualified, empowered team members
3. Consistent, success-oriented, proactive participation
4. Continuous “up-the-line” communications
5. Reasoned disagreement
6. Issues raised and resolved early

Figure 2 shows the oversight and review IPT structure.



For each program, there will be an OIPT and at least one WIPT. WIPTs will focus on a particular topic, such as test, cost/performance, contracting, etc. An Integrating IPT will coordinate WIPT efforts and cover all topics not otherwise assigned to another IPT.

Figure 2. IPT Structure

## **WORKING-LEVEL IPTs PROCEDURES, ROLES, AND RESPONSIBILITIES**

(Extracted from Draft DoDI 5000.2, Part 5.4.2)

The PM, or designee, shall form and lead an Integrating IPT (IIPT) to support the development of strategies for acquisition and contracts, cost estimates, evaluation of alternatives, logistics management, cost-performance trade-offs, etc. The IIPT will assist the PM in the development of a WIPT structure to propose to the OIPT. The IIPT will also coordinate the activities of the remaining WIPTs and ensure that issues not formally addressed by other WIPTs are reviewed. WIPTs shall meet as required to help the PM plan program structure and documentation and resolve issues. While there is no one-size-fits-all WIPT approach, there are three basic tenets to which any approach shall adhere:

1. The PM is in charge of the program.
2. IPTs are advisory bodies to the PM.
3. Direct communication between the program office and all levels in the acquisition oversight and review process is expected as a means of exchanging information and building trust.

The Leader of each IPT will usually be the PM or the PM's representative. The OSD action officer may co-chair the IPT meetings, at the invitation of the PM. The following roles and responsibilities apply to all WIPTs:

1. Assist the PM in developing strategies and in program planning, as requested by the PM
2. Establish IPT plan of action and milestones
3. Propose tailored document and milestone requirements
4. Review and provide early input to documents
5. Coordinate WIPT activities with the OIPT members
6. Resolve or elevate issues in a timely manner
7. Assume responsibility to obtain principals' concurrences on issues, as well as with applicable documents or portions of documents

### **Examples of WIPTs**

The following examples of WIPTs are offered as illustrations:

#### **Test Strategy IPT**

(Extracted from Secretary Perry's May 10, 1995 memo)

The purpose of the IPT is to assist in outlining the Test and Evaluation Master Plan (TEMP) for a major program. The objective of such an IPT is to reach agreement on the strategy and plan by identifying and resolving issues early, understanding the issues and the rationale for the approach, and, finally, documenting a quality TEMP that is acceptable to all organizational levels the first time.

Cost-Performance IPT  
(Extracted from Draft DoDI 5000.2, Part 3.3.1)

The purpose of the CPIPT shall be to facilitate cost-performance trades and to assist in establishing program cost-range objectives. Cost objectives shall be used as a management tool. They should be communicated to industry and used, in part, for source selection and to incentivize contracts. The nature of the cost-performance trades and the composition of the CPIPT shall change as the program matures from concept to design. As the program matures, the role of the PM in the CPIPT increases. The CPIPT (normally led by the PM or the PM's representative and including, at a minimum, the user or user's representative) shall recommend to the PM performance or engineering and design changes as long as the threshold values in the Operational Requirements Document (ORD) and Acquisition Program Baseline (APB) can be achieved. If the changes require ORD/APB threshold value changes, the leader of the CPIPT shall notify the PM and the OIPT leader. The PM shall ensure that the changes are brought before the ORD and/or APB approval authorities for decision.

## **OVERARCHING IPT PROCEDURES AND ASSESSMENTS**

(Extracted from Draft DoDI 5000.2, Part 5.4.1)

In support of all ACAT ID and IAM programs, an Overarching Integrated Product Team (OIPT) shall be formed for each program to provide assistance, oversight and review as that program proceeds through its acquisition life-cycle. The OIPT for ACAT ID programs shall be led by the appropriate Office of the Secretary of Defense (OSD) official (typically the Director of Strategic and Tactical Systems, the Assistant Deputy Under Secretary of Defense (Space and Acquisition Management), or the Deputy Assistant Secretary of Defense (C3I Acquisition), depending on the program in question). The DASD (C3I Acquisition) will designate the OIPT Leader for each ACAT IAM program. OIPTs shall be composed of the PM, Program Executive Officer (PEO), Component Staff, Joint Staff, USD(A&T) staff, and the OSD staff principals or their representatives, involved in oversight and review of a particular ACAT ID or IAM program.

The OIPT shall first form upon learning that a program is intended to be initiated to consider the recommendations proposed by the IIP; the extent of WIPT support needed for the potential program; who shall participate on the WIPTs; the appropriate milestone for program initiation; and, the minimum information needed for the program initiation review. OIPTs shall meet as necessary over the life of a program. The OIPT Leader shall take action to resolve issues when requested by any member of the OIPT, or when directed by the Milestone Decision Authority (MDA). The goal is to resolve as many issues and concerns at the lowest level possible, and to expeditiously escalate issues that need resolution at a higher level, bringing only the highest level issues to the MDA for decision.

In support of a planned milestone review by the Defense Acquisition Board (DAB) or Major Automated Information System Review Council (MAISRC), the OIPT shall normally convene two weeks in advance of the anticipated review to assess information and recommendations being provided to the MDA. Additionally, at that meeting, the PM shall propose the WIPT structure, documentation, and strategy for the next acquisition phase, for approval by the MDA. The OIPT Leader, in coordination with the appropriate Component Acquisition Executive (CAE), shall recommend to the MDA whether the anticipated review should go forward as planned.

The OIPT leader for ACAT ID or IAM programs shall provide an independent assessment to the DAB or MAISRC chairs, principals, and advisors at major program reviews and milestone decision reviews using information gathered through the IPT process. The leader's independent assessment shall focus on core acquisition management issues and shall take account of assessments prepared by OIPT members. Assessments will normally be provided by the OIPT members. There should be no surprises at this point, because all team members are already working the issues in real time, and they should be knowledgeable of their OIPT leader's independent assessment

## **GROUND RULES FOR IMPLEMENTING IPTs**

### **Open Discussions with No Secrets**

Cooperation is essential. Teams must have full and open discussions with no secrets. All facts must be on the table for each team member to understand and assess. Each member brings unique expertise to the team that needs to be recognized by all. Because of that expertise, each person's views are important in developing a successful program, and these views need to be heard. Full and open discussion does not mean that each view must be acted on by the team.

A sense of ownership on the part of the IPT members is key to the success of the IPT process. However, a sense of ownership is not possible if the members of the IPT are expected to merely rubber stamp a decision or document prepared in a different setting. Ownership is a collective concept. All IPT members must feel that their contributions were important to the process and were well considered.

### **Qualified, Empowered Team Members**

Empowerment is critical to making and keeping the agreements essential to effective IPTs. All representatives assigned to IPTs at all levels must be empowered by their leadership. They must be able to speak for their superiors, the "principals," in the decision-making process. IPT members cannot be expected to have the breadth of knowledge and experience of their leadership in all cases. However, they are expected to be in frequent communication with their leadership, and thus ensure that their advice to the PM is sound and will not be changed later, barring unforeseen circumstances or new information. One of the key responsibilities of our leadership is to train and educate their staff so they will have the required knowledge and skills to represent their organization.

IPT members must make team members aware of any limits to their ability to speak for their principals. IPT agreements cannot be binding if they exceed the limits of a member's empowerment. Staff representatives must seek direction from their superiors on the limits of their authority and make recommendations only within those limits. Leaders will enhance staff effectiveness by granting the greatest possible authority.

It is important for the IPT leader to stress at the outset that, in general, agreements reached in the IPT must be binding. An exception to this general rule would be the rare case where new information comes to light after agreements have been reached, and that new information is significant enough to warrant a review of prior agreements.

### **Consistent, Success-Oriented, Proactive Participation**

IPTs should be organized to allow all stakeholders to participate. There should be no attempt to limit membership. OIPTs will typically draw their membership from the

organizations shown in Figure 3. Other organizations may be added based on the needs of the program. WIPTs will include action officers from the program office (or agency staff if the program is pre-Milestone I) and from the staff organizations represented on the OIPT. When possible, each WIPT member should have an alternate to ensure continuity. Contractor participation shall be in accordance with guidance in draft DoDI 5000.2, Part 4.2.1.

OIPT LEADERS	
DAB	MAISRC
<ul style="list-style-type: none"> <li>• DASD (C3I Acquisition)</li> <li>• Director, Strategic &amp; Tactical Systems</li> <li>• ADUSD (Space)</li> </ul>	Director, Acquisition Oversight, ODASD (C3IA)
OIPT MEMBER OFFICES	
Component Acquisition Executives	Assistant Secretary of Defense (Reserve Affairs) *
Component Representatives *	Deputy Under Secretary of Defense (Acquisition Reform) *
<ul style="list-style-type: none"> <li>• PEO</li> <li>• PM</li> <li>• Operators</li> <li>• Senior Information Management Official</li> </ul>	Deputy Under Secretary of Defense (Advanced Technology) *
User *	Deputy Under Secretary of Defense (Environmental Security) *
Vice Chairman, Joint Chiefs of Staff	Deputy Under Secretary of Defense (Logistics) *
Under Secretary of Defense (Comptroller)	Deputy General Counsel (Acquisition and Logistics) *
Assistant Secretary of Defense (C3I)	Deputy Director, Defense Research & Engineering *
Director, Defense Procurement	Assistant Secretary of Defense (Economic Security) *
Director, Operational Test and Evaluation	Assistant Secretary of Defense (Health Affairs) *
Director, Program Analysis and Evaluation	Director, Ballistic Missile Defense Organization *
Director, Acquisition Program Integration	Director, Defense Intelligence Agency *
Director, Test, Systems Engineering & Evaluation	Director, Defense Information Systems Agency **
Chairman, OSD Cost Analysis Improvement Group (DAB only)	Director, National Reconnaissance Office *
Director, Counterintelligence & Defense Security Programs, OASD(C3I) (DAB only)	DASD(C3) *
Under Secretary of Defense (Personnel & Readiness) *	DASD (Information Management) (MAISRC only) *
Under Secretary of Defense (Policy) *	Director, Continuous Acquisition and Life Cycle Support (CALC) *
Assistant to the Secretary of Defense (Atomic Energy) *	Director, Central Imagery Office *
	Director, Special Programs *

\* As required

\*\* Always required for ACAT IAM

**Figure 3. OIPT Membership**

**Continuous, “up-the-line” Communications**

WIPT members are expected to ensure that their leadership is in agreement with what the IPT is doing. When issues arise that exceed the limits of empowerment, the PM or IPT leader must allow members adequate time to coordinate issues and positions with their principals. There should be no surprises later when the principals are asked to coordinate or review a final draft document or decision.

**Reasoned Disagreement**

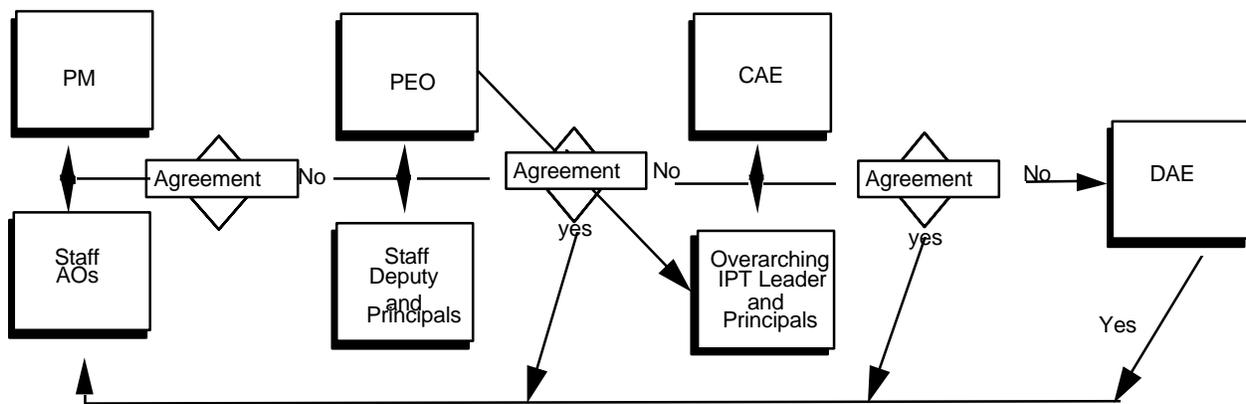
(Extracted from Secretary Perry’s May 10, 1995 memo)

The team is not searching for “lowest common denominator” consensus. There can be disagreement on how to approach a particular issue, but that disagreement must be reasoned disagreement based on an alternative plan of action rather than unyielding opposition. Issues that cannot be resolved by the team must be identified early so that resolution can be achieved as quickly as possible at the appropriate level.

**Issues Raised and Resolved Early**

The agreements essential to IPT success will be founded on the early identification and resolution of issues. When an issue cannot be resolved by a WIPT, the PM should raise the issue as quickly as possible to a decision-making level where resolution can be achieved.

Figure 4 illustrates decision making steps proceeding from the PM up to the MDA. The objective is to achieve agreement and resolve issues rapidly at the lowest executive level, without hindering program progress.



**Figure 4. Issue Resolution Process**



## GUIDELINES FOR MEETING MANAGEMENT

**Focus.** An IPT must have a clear focus or reason for being. The OIPT Leader or PM, as appropriate, must clearly articulate the IPT's focus at the outset of the process. Examples of a specific focus may be to prepare for a decision milestone, to develop and reach agreement on a proposed acquisition strategy, or to resolve a specific issue or set of issues.

**Orienting the Team Members.** To ensure that all WIPT members have a common understanding of the program, the PM should provide a program overview briefing at the first meeting. Before the first IPT meeting, the PM and his or her staff will develop a proposed program strategy, documentation requirements and WIPT structure. These proposals will be refined by the IIPT and proposed to the OIPT. The PM will proceed based on the OIPT's agreement. Any disagreements will follow the issue resolution process in Figure 4. The IPT members will discuss and agree to a meeting management approach, to include the items listed below.

*Agendas.* To ensure productive meetings, detailed agendas with timelines for topics and supporting material must be distributed at least three business days before IPT meeting—NOT during the meeting. Every effort should be made to use electronic media for distribution. It may prove useful for the PM and the OIPT leader's representative to jointly prepare the agenda to ensure all concerns are addressed.

*Frequency of Meetings.* Once established, IPTs may meet as often as necessary to understand and build program strategies and to resolve issues or to produce a specified product. With that focus, the IPT will only meet for a particular purpose at a scheduled time. It should not meet regularly or continuously in an "update" or oversight role. Advance notice of a meeting should be provided as soon as the date is known, but *at least* two weeks before the initial or kick-off meeting and *at least* three business days before a meeting of an ongoing IPT. Subsequent meetings should be scheduled in association with product completion dates and the resolution of action items from an earlier meeting.

*Meeting Summaries.* Good meeting summaries will be brief and will preclude revisiting previous agreements and wasting the time and resources of the team members. Meeting summaries should:

- Record attendance
- Document any decisions or agreements reached by the IPT
- Document action items and suspenses
- Set the agenda for the next meeting
- Frame issues for higher-level resolution

Draft meeting summaries should be provided to IPT members within one working day of a meeting. The final summary should be provided to all members within two working days after the deadline for the receipt of comments.

## CONCLUSION

I need your personal involvement and commitment to ensure that the concepts of IPPD and IPTs are effectively implemented. By using the best practices from both the public and private sectors, we can enhance our ability to provide what the warfighter needs, when needed and at a cost that the Department can afford.

William J. Perry  
Secretary of Defense

**TAB: Perry memo, 10 May 95**

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN, JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
ASSISTANT SECRETARY OF DEFENSE (COMMAND,  
CONTROL, COMMUNICATIONS, AND INTELLIGENCE)  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Use of Integrated Product and Process Development and Integrated Product Teams in DoD Acquisition

All of us in the Department have worked hard to find the best methods for reengineering our processes. Several Defense Science Board studies have addressed the benefits of using Integrated Process and Product Development (IPPD) concepts. ~~They as well as~~ the Defense Manufacturing Council has strongly recommended IPPD's implementation within the Department. The IPPD concept has been successfully used by the private sector and by the Services on selected programs to reduce product cost and to field products sooner.

IPPD is a management technique that simultaneously integrates all essential acquisition activities through the use of multidisciplinary teams to optimize the design, manufacturing, and supportability processes. The IPPD key tenets are described in attachment 2.

Additionally, various groups, including the Systems Acquisition Oversight and Review Process Action Team, the Defense Manufacturing Council, the Program Executive Officer/Systems Commander (PEO/SYSCOM) Conference participants, and the Defense Acquisition Board principals have recommended the use of Integrated Product Teams (IPT) for program management and oversight. IPTs are the key to making IPPD work.

IPTs (described in attachment 1) include representatives from all appropriate functional disciplines working together to build successful programs and enabling decisionmakers to make the right decisions at the right time. IPTs are currently being used successfully by many industry and government program managers.

After consideration of these recommendations, I am directing a fundamental change in the way the Department acquires goods and services. The concepts of IPPD and IPTs shall be applied throughout the acquisition process to the maximum extent practicable.

I want all those involved in the acquisition process to employ these concepts for all acquisitions when it makes sense. The Department's oversight staffs shall fundamentally shift their roles from sequentially checking on a program beginning six months prior to a milestone decision point to participating early to facilitate program success through continuous teamwork and assistance throughout the acquisition process.

Effective immediately, the Department shall:

- Perform as many acquisition functions as possible, including oversight and review, using IPTs, in a spirit of ~~cooperation~~ teamwork, with participants empowered and authorized to the maximum extent possible to make commitments for the organization or functional area they represent.
- ~~Foster constant teamwork among everyone.~~
- Involve key personnel early, and encourage timely decision-making.
- Promote flexible, tailored approaches to oversight and review based on mutual trust, while considering program size, risk, and complexity.

The Under Secretary of Defense (Acquisition and Technology) shall include the use of IPTs and IPPD in the next update to DoDD 5000.1 and DoDI 5000.2.

I need your personal involvement and commitment to ensure that the concepts of IPPD and IPTs are effectively implemented. By using the best practices from both the public and private sectors, we can enhance our ability to provide what the warfighter needs, when needed and at a cost that the Department can afford.

William J. Perry

Attachments  
As stated

cc:  
CINC USSCOM  
DPA&E

# The Use of Integrated Product Teams in DoD Acquisition

## Purpose

This paper:

- Defines Integrated Product Teams (IPTs), states their purpose, and describes how they are used to implement the concept of Integrated Product and Process Development (IPPD).
- Defines IPPD and describes the successful use of IPTs by government Program Managers.
- Describes how IPTs will be used to develop, acquire, and support our systems and fundamentally change the role of the OSD and Component staff organizations currently performing oversight and review of acquisition programs.

## IPPD and IPTs

Integrated Product and Process Development (IPPD) is a management technique that simultaneously integrates all essential acquisition activities through the use of multidisciplinary teams to optimize the design, manufacturing and supportability processes. IPPD facilitates meeting cost and performance objectives from product concept through production, including field support. One of the key IPPD tenets (all of which are described at attachment 2) is multidisciplinary teamwork through Integrated Product Teams (IPTs). These teams enable making the right decisions at the right time.

IPTs are composed of representatives from all appropriate functional disciplines working together with a Team Leader to build successful and balanced programs, identify and resolve issues, and make sound and timely decisions. Team members do not necessarily commit 100% of their time to an IPT, and a person may be a member of more than one IPT.

The purpose of IPTs is to make team decisions based on timely input from the entire team (e.g., program management, engineering, manufacturing, test, logistics, financial management, contracting personnel, contract administration) including customers and suppliers. IPTs are generally formed at the Program Manager level and [may](#) include members from both Government and the system contractor. A typical IPT at the program level, for example, may be composed of the following functional descriptions: design engineering; manufacturing; systems engineering; test and

evaluation; subcontracts; safety and HAZMAT; quality assurance; training; finance; reliability, maintainability, and supportability; suppliers; and customers.

### **Characteristics of an IPT**

The Under Secretary of Defense (Acquisition & Technology) has recently identified critical changes that must take place in DoD in order for successful IPTs to be formed. DoD must:

*"...move away from a pattern of hierarchical decision-making to a process where decisions are made across organizational structures by integrated product teams. It means we are breaking down institutional barriers. It also means that our senior acquisition staffs are in a receive mode -- not just a transmit mode. The objective is to be receptive to ideas from the field to obtain buy-in and lasting change."<sup>1</sup>*

These changes reflect the two most important characteristics of IPTs:

- **Cooperation.** Cooperation is essential. Teams must have full and open discussions with no secrets. All the facts need to be on the table for each team member to understand and assess. Each member brings a unique expertise to the team that needs to be recognized by all. Because of that expertise, each person's views are important in developing a successful program, and these views need to be heard. Full and open discussion does not mean that each view must be acted on by the team. The team is not searching for "lowest common denominator" consensus. There can be disagreement on how to approach a particular issue, but that disagreement must be reasoned disagreement based on an alternative plan of action rather than unyielding opposition. Issues that cannot be resolved by the team must be identified early so that resolution can be achieved as quickly as possible at the appropriate level.
- **Empowerment.** Empowerment is critical. The functional representatives assigned to the IPT at all levels must be empowered by their leadership to give good advice and counsel to the Program Manager. They must be able to speak for their superiors, the "principals," in the decision-making process. IPT members cannot be expected to have the breadth of knowledge and experience of their leadership in all cases. However, they are expected to be in frequent

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<sup>1</sup> Remarks to the Industrial College and the Armed Forces: "The Defense Acquisition Challenge: Technological Supremacy at an Affordable Cost," Honorable Paul G. Kaminski, January 27, 1995.

communication with their leadership, and thus ensure that their advice to the Program Manager is sound and will not be overturned later, barring unforeseen circumstances or new information. One of the key responsibilities of our leadership is to train and educate their people so they will have the required knowledge and skills to represent their organization's leaders. As IPT members, people are an extension of their organizations and their leadership, and they must be able to speak for those organizations and leaders.

This approach has been shown to work in the test area, for example. A test strategy IPT includes test representatives from the program office, service testing agency, component acquisition executive or PEO staff, and OSD operational and developmental test offices. The purpose of the IPT is to outline the test and evaluation master plan for a major program. The objective of such an IPT would be to reach agreement on the strategy and plan by understanding the issues, the rationale for the approach, identifying and resolving issues early and, finally, documenting a quality Test and Evaluation Master Plan (TEMP) that would be acceptable to all organizational levels the first time it was submitted for approval.

This IPT process replaces the current sequential process that produces a TEMP at the program office level which, when reviewed at higher levels, is frequently modified substantially or even rejected. Such a sequential review and approval process takes considerably more time than an integrated team approach that takes advantage of all members' expertise and produces an acceptable product the first time.

### **IPTs in the Oversight and Review Process**

Because of the tremendous benefits of working as integrated teams, the use of IPTs is being expanded to levels above the Program Manager to ensure DoD enlists all of the Department's expertise to help Program Managers build balanced and successful DoD programs, resolve issues early in the process, and more efficiently prepare for review of programs.

In the oversight and review process, IPTs will be structured differently from the cross-functional, horizontally-integrated teams used by Program Managers. Instead, "overarching" IPTs would be vertically integrated in that they would be comprised of members from various staff and line levels.

For acquisition category (ACAT) ID programs, a broader, more inclusive vertical team, or "Overarching IPT," consisting of representatives from the PM, PEO, SAE, and DAE and other representatives (e.g., Joint Staff, PA&E, Comptroller, DOT&E, etc.), will be formed to consider strategies for acquisition/contract, cost estimates, Cost and Operational Effectiveness Analyses (COEAs), logistics management, etc., and to prepare

for the next program review or milestone decision by tailoring documentation, resolving issues, and identifying program risk areas early. The program presented to the DAE/CAE should have an acceptable acquisition strategy, acquisition program baseline, cost estimate, test strategy, etc. in a tailored and streamlined fashion, the first time these positions or documents are presented. The goal would be to resolve as many issues and concerns at the lowest level possible, and quickly identify and escalate issues that need resolution at a higher level, bringing only the highest level issues to the DAE for decision.

The Overarching IPT leader for ACAT ID programs will provide an independent assessment to the DAE and DAB at major program reviews and/or milestone decision points using information gathered through the IPT process. There should be no surprises at this point, however, because all team members are working the issues in real time, and should be knowledgeable of the independent assessment. Under the accelerated decision process illustrated in the attached figure, IPTs will be working to tailor the process as appropriate for the specific program and resolve issues during the entire span between milestones. Thus, the program will keep moving in a direction acceptable to the entire acquisition organization.

This process is different from what we have today. IPTs are being created to allow their members to work together to ensure the success of the Department's programs.

[Although the above direction most directly applies to ACAT ID programs, the concepts should be applied to programs in all acquisition categories.](#)

## **Conclusion**

Various aspects of this overall concept need to be refined and adjusted through actual practice. This IPT concept has the potential, however, to help us shift "... from an environment of regulation and enforcement to one of incentivized performance,... and to create a climate of reasoned, well informed risk-taking by our PEOs and PMs."<sup>2</sup>

Additional details of the IPT process will evolve through practice and will be documented in appropriate DoD instructions.

Attachment 2  
As stated

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<sup>2</sup> Ibid.

## **INTEGRATED PRODUCT AND PROCESS DEVELOPMENT (IPPD) TENETS:**

IPPD is an expansion of concurrent engineering utilizing a systematic approach to the integrated, concurrent development of a product and its associated manufacturing and sustainment processes to satisfy customer needs.

**IPPD Defined:** A management process that integrates all activities from product concept through production/field support, using a multi-functional team, to simultaneously optimize the product and its manufacturing and sustainment processes to meet cost and performance objectives. Its key tenets are as follows:

**1. Customer Focus** - The primary objective of IPPD is to satisfy the customer's needs better, faster and at less cost. The customer's needs should determine the nature of the product and its associated processes.

**2. Concurrent Development of Products and Processes** - Processes should be developed concurrently with the products which they support. It is critical that the processes used to manage, develop, manufacture, verify, test, deploy, operate, support, train people, and eventually dispose of the product be considered during product development. Product and process design and performance should be kept in balance.

**3. Early and Continuous Life Cycle Planning** - Planning for a product and its processes should begin early in the science & technology phase (especially advanced development) and extend throughout a product's life cycle. Early life cycle planning, which includes customers, functions and suppliers, lays a solid foundation for the various phases of a product and its processes. Key program events should be defined so that resources can be applied and the impact of resource constraints can be better understood and managed.

**4. Maximize Flexibility for Optimization and Use of Contractor Unique Approaches** - Requests for Proposals (RFP's) and contracts should provide maximum flexibility for optimization and use of contractor unique processes and commercial specifications, standards and practices.

**5. Encourage Robust Design and Improved Process Capability** - Encourage use of advanced design and manufacturing techniques that promote achieving quality through design, products with little sensitivity to variations in the manufacturing process (robust design) and focus on process capability and continuous process improvement. Utilize such tools as "Six-Sigma" process control and lean/agile manufacturing concepts to advantage.

**6. Event-Driven Scheduling** - A scheduling framework should be established which relates program events to their associated accomplishments and accomplishment criteria. An event is considered complete only when the accomplishments associated with the

event have been completed as measured by the accomplishment criteria. This event-driven scheduling reduces risk by ensuring that product and process maturity are incrementally demonstrated prior to beginning follow-on activities.

**7. Multidisciplinary Teamwork** - Multidisciplinary teamwork is essential to the integrated and concurrent development of a product and its processes. The right people at the right place at the right time are required to make timely decisions. Team decisions should be based on the combined input of the entire team (e.g. engineering, manufacturing, test, logistics, financial management, contracting personnel) to include customers and suppliers. Each team member needs to understand their role and support the roles of the other members, as well as understand the constraints under which other team members operate. Communication within teams and between teams should be open with team success emphasized and rewarded.

**8. Empowerment** - Decisions should be driven to the lowest possible level commensurate with risk. Resources should be allocated at levels consistent with authority, responsibility, and the ability of the people. The team should be given the authority, responsibility, and resources to manage their product and its risk commensurate with the team's capabilities. The team should accept responsibility and be held accountable for the results of their effort.

**9. Seamless Management Tools** - A framework should be established which relates products and processes at all levels to demonstrate dependency and interrelationships. A single management system should be established that relates requirements, planning, resource allocation, execution and program tracking over the product's life cycle. This integrated approach helps ensure teams have all available information thereby enhancing team decision making at all levels. Capabilities should be provided to share technical and business information throughout the product life cycle through the use of acquisition and support databases and software tools for accessing, exchanging, and viewing information.

**10. Proactive Identification and Management of Risk** - Critical cost, schedule and technical parameters related to system characteristics should be identified from risk analyses and user requirements. Technical and business performance measurement plans, with appropriate metrics, should be developed and compared to best-in-class industry benchmarks to provide continuing verification of the degree of anticipated and actual achievement of technical and business parameters.

**TAB: Kaminiski memo, 28 Apr 95**

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN, JOINT CHIEFS OF STAFF  
UNDER SECRETARY OF DEFENSE (COMPTROLLER)  
UNDER SECRETARY OF DEFENSE (PERSONNEL &  
READINESS)  
ASSISTANT SECRETARY OF DEFENSE (COMMAND,  
CONTROL, COMMUNICATIONS, AND INTELLIGENCE)  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR OF OPERATIONAL TEST AND EVALUATION  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Reengineering the Acquisition Oversight and Review Process

In *Acquisition Reform: A Mandate for Change*, the Secretary of Defense concluded, “[DoD] must reduce the cost of the acquisition process by the elimination of activities that, although being performed by many dedicated and hard working personnel, are not necessary or cost effective in today’s environment.” We must move away from a pattern of hierarchical decision making to a process where decisions are made across organizational structures by integrated product teams. We must shift from an environment of regulation and enforcement to one of incentivized performance.

As one means of accomplishing this goal, the Secretary chartered a Process Action Team to “...develop...a comprehensive plan to reengineer the oversight and review process for systems acquisition, in both the Components and OSD, to make it more effective and efficient, while maintaining an appropriate level of oversight.” In its final report, “Reengineering the Acquisition Oversight and Review Process,” the Process Action Team provided a roadmap for actions that would bring about the change needed in our oversight and review process while maintaining the DoD acquisition system’s guiding principles of providing the warfighter what is needed, when it is needed; matching managerial authority with responsibility; promoting flexibility and encouraging innovation based on mutual trust, risk management, and program performance; fostering constant teamwork; actively promoting program stability; balancing the value of oversight and review with its costs; and preserving the public trust.

The Process Action Team accomplished the challenging and complex task of establishing a specific plan to reengineer the systems acquisition oversight and review process. The team presented the senior leadership of the Department a far-reaching and thought-provoking plan. The recommendations were thoroughly reviewed throughout the Department. I am pleased to accept the Team’s report, subject to the clarifications in this memorandum. I commend the members of the Process Action Team, those senior leaders who addressed the Team, and those who assisted in the review process, for their effort.

## ACQUISITION PROCESS AND DOCUMENTATION

Although the following direction most directly applies to acquisition category (ACAT) I programs, the concepts are equally applicable to programs in all acquisition categories. These concepts shall be included in the next update to DoDI 5000.2.

**Integrated Product Teams (IPTs):** I direct an immediate and fundamental change in the role of the OSD and Component staff organizations currently performing oversight and review of acquisition programs. In the future, these staff organizations shall participate as members of an integrated product team or teams, which are committed to program success. Rather than checking the work of the program office beginning six months prior to a milestone decision point, as is often the case today, the OSD and Component staffs shall participate early and on an on-going basis with the program office teams, resolving issues as they arise, rather than during the final decision review. Further, Program Managers (PMs) shall utilize the experience of the OSD and Component staff organizations to develop programs with the highest opportunity for success. Note that the IPTs discussed above are in addition to Program Manager/contractor IPTs established to execute programs.

For ACAT ID programs the number and level of IPTs shall be determined individually for each program by an Overarching IPT, led by the appropriate former DAB Committee Chair. Application of this direction to ACAT ID programs is at Tab A. The Director, Acquisition Program Integration is responsible for providing further implementation of this direction, as required, within 30 days.

**Milestones and Decision Authorities:** The number of milestone reviews and the milestone decision authority shall be determined by the USD(A&T) for each individual program at program initiation, based upon program risk, and after consideration of the PM's recommendations. These determinations shall be examined at each milestone, in light of then-current conditions. The acquisition process model shall retain the current milestones with the following exceptions. There shall be no Milestone IV, Major Modification Approval. Modifications and upgrades shall be initiated at the milestone appropriate to the work to be completed. Also, there shall normally be no more than one production milestone review (i.e., for low-rate initial production or full-rate production) at the DAB level. Application of this direction to ACAT ID programs is at Tab A. Milestone decision authority shall remain within the acquisition community for all milestones. The Director, Acquisition Program Integration is responsible for providing further implementation of this direction, as required, within 30 days.

**Documentation:** The documents applicable to a particular program at a specific milestone shall be determined individually for each program through the IPT process and approved by the Milestone Decision Authority (MDA). Required documents shall be

determined using the concept of “tailoring in” documents (i.e., there is no set minimum number of documents beyond those statutorily required). Documents that are determined to be applicable shall be incorporated into a single document, similar to the Single Acquisition Management Plan (SAMP) used for the Space-Based Infrared System program, to the maximum extent practicable. Formats for documents shall be models, except for those formats established in statute and the Acquisition Program Baseline format. The list of documents that may be applied is at Tab B. Exit criteria shall be retained in their present form and usage. Application of this direction to ACAT ID programs is at Tab A. The Director, Acquisition Program Integration is responsible for providing further implementation of this direction, as required, within 30 days.

With the exception of program plans requiring approval at the OSD level by statute, program plans are PM and IPT working tools and shall not be required as reports to the OSD or Component Headquarters staff organizations.

The Component Acquisition Executives (CAEs) shall review the documentation required for existing acquisition programs by their Component (including headquarters and subordinate organizations) and shall eliminate all such documents, unless the document adds value by supporting a Service-unique need and the information to support that need cannot be obtained by tailoring existing documents. The CAEs shall report the results of their review to me within 90 days.

The Director, Acquisition Program Integration shall direct a comprehensive programmatic and legal review of all statutory documentation, reports, and certifications and shall recommend appropriate changes, including elimination, for submission to Congress. The goal of the review shall be to further reduce required documentation to only those documents necessary to manage and oversee programs. The Director, Acquisition Program Integration shall report the results of his review to me within 90 days.

The Principal Deputy Under Secretary of Defense (Acquisition & Technology) shall charter a group as part of the Automated Acquisition Information effort to develop near real time flow of appropriate information to officials requiring program data, including the Program Executive Officer (PEO), CAE, and Defense Acquisition Executive (DAE). The goal of this group shall be to reengineer the entire acquisition management information and reporting system so that the PM is not creating data for reporting purposes only, but rather that the PM is reporting management data that already exists. Reports should be automatically generated from the data collected by the PM.

**Contracts:** Program Offices shall rely on the Defense Contract Management Command (DCMC) for routine information. Plant representatives shall independently assess contractor performance, but these independent assessments shall be provided to the PM for comment in addition to the Commander, DCMC. While the PM may comment on the

independent assessment, the PM cannot block the submission of the independent assessments to the Commander, DCMC.

Effective for requests for proposals released on or after July 1, 1995, past performance shall be considered a factor in all source selections. The particular weight given to past performance shall be determined in each case by the source selection authority. The Past Performance Council shall be responsible for recommending policies to ensure the appropriate weighting of past performance as a selection criterion prior to July 1, 1995.

Once a contractor has demonstrated a system of stable, compliant processes leading to performance as contracted, the Government shall rely almost exclusively on contractor self-governance, rather than Government inspectors, auditors, and compliance monitors, to ensure that these processes continue to result in a system producing goods and services which meet contract terms and conditions.

**Automated Information Systems:** The Automated Information System (AIS) process should be integrated into the systems acquisition process, to the maximum extent practicable, while maintaining Assistant Secretary of Defense (C3I) as a milestone decision authority for AISs. The Director, Acquisition Program Integration shall work with the Deputy Assistant Secretary of Defense (C3I Acquisition) to determine how to accomplish this integration and shall report to both the Assistant Secretary of Defense (C3I) and me about this matter within 90 days.

## ACQUISITION WORKFORCE AND ORGANIZATION

**Program Managers:** The Acquisition Management Functional Board (AMFB) shall examine increasing the experience requirements for ACAT I PMs and Deputy PMs (DPMs) to at least eight years of acquisition experience with at least four years in a program office, including experience as a PM or DPM (or equivalent) of a non-major program and shall report their findings to me by June 30, 1995. If the AMFB determines that it is impractical to increase experience requirements, it shall explain why it is impractical, given typical preferred career progressions, and provide an alternative or explain why existing requirements are satisfactory.

**OSD and Component Staff:** The Director, Acquisition Education, Training, and Career Development shall structure and conduct a demonstration or “proof of concept” program for flexible rotational assignments between PM/PEO organizations and OSD/Component staff organizations. The demonstration shall begin no later than October 1, 1995. The Director shall subsequently make a recommendation, by December 1, 1996, on how to implement a rotational program beyond the demonstration, including the percentage of

rotational assignments. Implementation of the rotational program shall begin not later than January 1, 1997.

**Acquisition Executives:** Each Acquisition Executive shall determine if, in order to preserve continuity, a career civilian principal deputy position should be established to be filled by a senior executive with extensive acquisition experience, including service as a PEO or ACAT I PM, in lieu of a political appointee or a military officer. The Acquisition Executives shall report their decision to the USD(A&T) within 90 days. The Deputy Assistant Secretary of Defense (C3I Acquisition), the Director of Strategic and Tactical Systems, and an equivalent position in the Office of the Deputy Under Secretary of Defense (Space) shall provide this continuity for the Under Secretary of Defense (Acquisition & Technology).

The President, Defense Acquisition University (DAU) shall develop within 90 days and offer an orientation course for newly appointed senior acquisition executives. Newly appointed acquisition executives are encouraged to attend such a course.

**Joint Program Management:** The management and oversight of joint programs shall remain as practiced today. However, the Director, Acquisition Program Integration shall establish a team to consider the problems of joint program management and develop solutions. The team shall be established not later than August 1, 1995, and shall provide its recommendations to me within 120 days of being established.

**PM-PEO-CAE Management:** The Director, Acquisition Program Integration, together with the CAEs, shall establish a team to assess the advantages and disadvantages of aligning all acquisition programs, regardless of ACAT, into the PM-PEO-CAE management chain, wherein the PEO is a full-time acquisition manager who reports directly to and receives guidance directly from the CAE. The team shall be established no later than July 1, 1995, and shall provide recommendations to me within 90 days of being established.

**Requirements Summits:** The Secretaries of the Military Departments and Directors of the Defense Agencies may, if they desire, institutionalize a formal developmental requirements "Summit" process for appropriate programs. The purpose of the summit is to allow consideration of opportunities for cost, schedule, and performance trade-offs. If the senior leadership agrees with proposed trades, the established requirements for the program would be formally adjusted.

**Audits:** DoD Inspector General (IG) and Component audits and inspections shall be scheduled well in advance, to the maximum extent practicable, and in coordination with the Under Secretary of Defense (Acquisition & Technology) and the CAEs. Cyclic audits and inspections of any one program shall generally be done no more than

biennially, except when necessary to evaluate allegations of fraud, waste, and abuse, in order to minimize turbulence in acquisition programs. The DoD IG, in coordination with Component inspection and audit organizations, shall study the feasibility of consolidating all acquisition management audits and inspections at the OSD level. The DoD IG shall provide the results of that study to me within 180 days.

The DoD IG and heads of Component inspection and audit organizations should enhance the qualifications of their acquisition management auditors and inspectors by requiring that the auditors and inspectors have DAWIA certification appropriate to grade and functional area, with inspection and audit team leaders having level III certification within two years. The President, Defense Acquisition University shall provide appropriate course quotas for auditors and inspectors. Failure to have appropriate DAWIA certification shall not be used as a basis to restrict or deny DoDIG access to records.

### IMPLEMENTATION

**Stretch Goals:** Measuring the attainment of changes in the oversight and review process is critical to achieving actual reengineering. The key to metrics is to establish the appropriate criteria to be measured and to establish the appropriate direction that change should take. So-called “stretch goals” provide both the criteria and the direction while challenging the acquisition community to make meaningful changes. I direct the Deputy Under Secretary of Defense (Acquisition Reform), along with the Deputy Under Secretary of Defense (Space), the Director, Acquisition Program Integration, the Director, Strategic and Tactical Systems, and the Deputy Assistant Secretary of Defense (C3I Acquisition) to meet within 90 days to define and establish appropriate stretch goals. The stretch goals established by the Process Action Team should be taken into account. Once this group has determined appropriate stretch goals, the goals shall be briefed to me, my Principal Deputy, and the CAEs, in order to obtain corporate commitment. Once stretch goals have been established, the Acquisition Reform metrics team shall implement a process for measuring progress toward the goals.

**Education and Training:** I direct the President, Defense Acquisition University to develop and implement an education program, including updates to current DAU courses, to prepare current and future PEOs, program managers, DAU faculty, and OSD and Component staff engaged in oversight and review of the changes discussed above. Appropriate course quotas shall be provided to OSD and each Component to accomplish this education program.

**Implementation Team:** I direct the Deputy Under Secretary of Defense (Acquisition Reform) to immediately establish an implementation team led by a member of that office and composed of one representative each from the Military Departments, DLA, USSOCOM, and the offices of the Deputy Under Secretary of Defense (Space), the

Director, Acquisition Program Integration, the Director, Strategic and Tactical Systems, and the Deputy Assistant Secretary of Defense (C3I Acquisition). The purpose of this implementation team is to facilitate the implementation of the recommendations and ensure that progress is being made. The team leader shall report regularly to the Deputy Under Secretary (Acquisition Reform) who shall report to me biweekly on implementation progress.

**Customer Surveys:** The Director, Acquisition Program Integration shall commission periodic customer satisfaction surveys involving users, PMs, PEOs, and OSD and Component staffs to assess the reengineered process and to find improvement opportunities that emerge as the oversight and review process evolves over time.

Reengineering our oversight and review process and practices is one of the most difficult issues we will face in acquisition reform. It means we will have to create a climate of reasoned, well-informed risk-management by our PMs and PEOs. Your leadership and good judgment will be critical to successful implementation of this reform. I encourage you and your leadership teams to be active participants in establishing the environment essential for implementing this change.

Attachments  
as stated

cc:  
CINC, USSOCOM  
ASD(Economic Security)  
DUSD(Space)  
D, API  
D, DP  
D, S&TS  
D, TSE&E  
DASD(C3I Acquisition)

**TAB A**

**OVERSIGHT AND REVIEW  
OF  
ACAT ID PROGRAMS**

## **OVERSIGHT AND REVIEW OF ACQUISITION CATEGORY (ACAT) ID PROGRAMS**

In the future, OSD and Component staff organizations currently performing oversight and review of ACAT ID programs shall participate as members of integrated product teams (IPTs) to build successful, balanced programs; facilitate the identification and resolution of issues early in the process; and more efficiently prepare for review of programs. These teams shall operate under the following principles:

- Open discussions with no secrets,
- Qualified, empowered team members,
- Consistent, success-oriented, proactive participation,
- Continuous, “up-the-line” communications,
- Reasoned disagreement, and
- Issues raised and resolved early.

### **NEW PROGRAMS**

A broad, inclusive team, the Overarching IPT, shall be formed. The Overarching IPT shall be led by the appropriate former Defense Acquisition Board (DAB) Committee Chair, and shall be composed of all Component and OSD staff principals, or their representatives, involved in oversight and review of a particular ACAT ID program, the Program Executive Officer (PEO), and Program Manager (PM). The Overarching IPT shall structure and tailor functionally oriented IPTs to support the PM, as needed, and in the development of acquisition/contract strategies, cost estimates, evaluation of alternatives, logistics management, etc. The Overarching IPT shall meet immediately upon learning that a program is intended to be initiated to determine the extent of IPT support needed for the potential program, who should participate on the IPTs, the appropriate milestone for program initiation, and the documentation needed for the program initiation review. The functional IPTs shall meet as required after this determination to help the PM to plan program structure and documentation and to resolve issues. Those issues which cannot be resolved at the lowest level shall immediately be raised to a level where resolution can be achieved.

After submission of final documentation for a review, the Overarching IPT, together with the Component Acquisition Executive (CAE), shall hold a formal meeting, chaired by the Overarching IPT Leader, to determine if any issues remain that have not been resolved earlier in the process, to assess the PM’s recommendations for future milestone reviews and documentation, and to determine if the program is ready to go forward for a decision. The expectation is that the IPT Leader and CAE will agree on whether to go forward; however, in the case of a disagreement, both positions will go to

the USD(A&T) to decide whether to hold the DAB. The final IPT meeting will be followed by a DAB Readiness Meeting (DRM) to pre-brief the USD(A&T) prior to a DAB. In some cases, the DRM will suffice, and an Acquisition Decision Memorandum will be coordinated without holding a DAB meeting.

Through the use of IPTs, the Overarching IPT Leader will be able to provide an independent assessment to the USD(A&T) at major program reviews and/or major decision points. There should be no surprises because all team members should have been

A-1

addressing the issues throughout the program phase, and should be knowledgeable of the information needed for a program decision.

### EXISTING PROGRAMS

In order to move from the current process to the future process, I direct that all ACAT ID programs be “rebaselined” by the Overarching IPT Leader and the CAE. This rebaselining shall recommend the IPT approach to be taken, the next and future review points and the appropriate level of decision authority for those reviews, and the documents needed for the next review. Within 30 days, each CAE with ACAT ID programs shall determine the order among those programs for rebaselining. The Overarching IPT Leader, working through the overarching IPT, shall begin the rebaselining in the order provided by the CAEs. Rebaselining shall be completed within 180 days.

DAB Committees are replaced by Overarching IPTs as described above as of the date of this memorandum. All new and rebaselined programs shall operate in accordance with the procedures for new programs discussed above. Programs for which rebaselining does not make sense shall use the IPT process to the maximum extent practicable.

A-2

**TAB B**

**DOCUMENTATION  
FOR  
REVIEW  
OF  
ACAT I PROGRAMS**

## DOCUMENTATION FOR REVIEW OF ACQUISITION CATEGORY (ACAT) I PROGRAMS

The documents applicable to an individual ACAT I program at each particular review point shall be determined by the Milestone Decision Authority through the IPT process. Documentation shall be limited to the minimum necessary for the decision. Documents shall be "tailored-in," i.e., there is no set minimum number of documents (beyond those statutorily required). Except for those formats required by statute and the format for the Acquisition Program Baseline, formats in DoD 5000.2-M are models only. To the maximum extent practicable, information should be provided in a single document.

### TO BE PROVIDED BY THE PM/COMPONENT

#### **STATUTORY :**

Acquisition Program Baseline (APB)	10 U.S.C. 2435
Test and Evaluation Master Plan (TEMP)	10 U.S.C. 2399
Live Fire Test and Evaluation Waiver Certification	10 U.S.C. 2366
Operational Test and Evaluation Report	10 U.S.C. 139
Low-Rate Initial Production Report for Ships and Satellites	10 U.S.C. 2400
Environmental Analysis	42 U.S.C. 4321-4347

#### **REGULATORY :**

Mission Needs Statement (MNS)  
Operational Requirements Document (ORD)  
System Threat Analysis Report (STAR)  
Cost and Operational Effectiveness Analysis (COEA)  
Integrated Program Summary (to include system security and manpower estimate<sup>3</sup>)  
Program Structure Chart  
Acquisition Strategy Report (ASR)<sup>4</sup>  
Program Office Estimate (POE)  
Cost Analysis Requirements Document (CARD)<sup>5</sup>  
Component Cost Analysis (CCA)<sup>6</sup>  
Test Results (early operational assessment, development test and evaluation, etc.)  
Exit Criteria

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<sup>3</sup> The manpower estimate is a statutory requirement in 10 U.S.C. 2434.

<sup>4</sup> Consideration of the national technology and industrial base in development of acquisition plans is a statutory requirement in 10 U.S.C. 2440.

<sup>5</sup> The CARD is required whenever an ICE is done. However, the CARD shall be flexible, tailored, and make reference to information available in other documents available to the cost estimators rather than repeating information.

<sup>6</sup> Component Acquisition Executives are to determine the need to retain this document by  
April 14, 1995.

TO BE PROVIDED BY OSD STAFF

**STATUTORY:**

Cooperative Opportunities Document (COD)	10 U.S.C. 2350a
Independent Cost Estimate (ICE)	10 U.S.C. 2434
Live Fire Test and Evaluation Report	10 U.S.C. 2366
Beyond Low-Rate Initial Production Report	10 U.S.C. 2399

**REGULATORY:**

Staff Assessments<sup>7</sup>  
Overarching IPT Leader's Report  
Acquisition Decision Memorandum

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<sup>7</sup> Staff assessments include integrated logistics support, producibility and industrial base, logistics and support, technical maturity and performance, and Joint Staff assessment.

**TAB: Kaminski address, 20 Jul 95**

**“Integrated Product Teams: One Important Step Forward  
in Military Acquisition Affairs”**

**Keynote Address of  
The Under Secretary of Defense for Acquisition and Technology  
Honorable Paul G. Kaminski**

**DOD IPT Conference  
Howell Auditorium, Scott Hall, DSMC, Ft. Belvoir, VA**

**July 20, 1995**

**INTRODUCTION**

It is a great pleasure to be with you today. Perhaps it is fitting that we meet on this date--July 20th. On this day in 1969, America first landed men on the moon--Neil Armstrong took “one small step” and mankind took “one giant leap.”

Today, I look forward to seeing us take one more not so small step towards what I hope will become one giant leap forward in military acquisition affairs. The giant leap we are seeking is a change in our defense acquisition culture. It is easier said than done. When it comes to cultural change--and what's at stake is meaningful acquisition reform--its been my sense that. . .

- it is easy to talk about why;
- harder to talk about how;
- and even harder to *do*.

We're done talking about why--today we're going to share our ideas on how to implement an integrated product team approach to oversight and review of acquisition programs. We've convened this off site to develop a common understanding within the Department on how we will implement the IPT concept.

**IPT OBJECTIVES**

The Department's senior leadership--Secretary Perry, Deputy Secretary White and I--are all committed to successful implementation of the IPT concept. Earlier this year, on April 28, I issued a memorandum directing an immediate and fundamental change in the role of OSD and Component staff organizations in performing oversight and review of acquisition programs. In that memorandum, I laid out the following objectives for forming integrated product teams:

- Creation of an acquisition system that capitalizes on the strengths of all participants in the acquisition process to develop programs with the highest opportunity for success;
- Fostering the early, active and constructive participation of OSD and Component staff organizations with program office teams to develop a sound and executable acquisition strategy and identify and resolve issues as they arise, not during the final decision meeting;
- Transforming historically adversarial relationships, especially between headquarters staff organizations and program office teams, into productive partnerships; and

- Placing renewed emphasis on the importance of working as a cross-functional team to maximize overall performance.

## **IPT CONCEPT**

Given these objectives, let me share with you some of my thoughts on what IPTs are--I have asked Noel Longuemare to cover this topic in greater detail in a moment.

Integrated product teams are committed to program success. The teams are responsible for delivering a product--to field systems for the warfighter. The objective will always be to provide the warfighter with more capability, sooner and at less cost. Integrated product teams include representatives from all the appropriate "oversight" functional disciplines working together with a team leader to ensure we build successful and balanced programs.

The two most important characteristics of IPTs are empowerment and cooperation--trust n' teamwork by another name. The teams must have full and open discussions with no secrets. Team members must be empowered to speak for their superiors in the decision-making process.

The bottom line is that we must shift our process from one of oversight to "early insight." We need to make sure OSD and Component staff expertise is made available to the program manager early on so that we prevent problems, rather than try to identify them in a "gotcha" fashion at the Defense Acquisition Board (DAB) review itself.

We should be building in quality and excellence from the start--not trying to inspect it in two weeks before the DAB. In my mind, this is one of the important value-added contributions that the OSD and Component oversight staffs must provide. The ultimate measure of a well-executed team approach to the DAB process is whether all issues have been resolved so that there need be no DAB meeting.

At this point, let me stress that being part of an IPT does not compromise a functional member's independent assessment role. I will continue to hold team members accountable for ensuring each program has a workable approach--we are not getting rid of the independent assessment function.

Individual members must continue to perform an independent assessment and satisfy themselves that a program is executable, but I expect this to be done early and in a constructive way. We are not working constructively as an integrated team if we have to wait to the DAB meets to surface "surprises."

I also expect stakeholder behavior--when concerns are raised in a constructive way, they should be accompanied with workable suggestions and practical solutions. As we institutionalize IPTs, we should remember that we're implementing a process to secure early insight--not event driven oversight.

For this reason, I expect that the Department's functional staffs will fundamentally shift their roles from sequentially checking on a program beginning six months prior to a milestone decision point to continuous participation on an integrated product team.

Although not directly related to the use of IPTs, but a concept we have been trying to emphasize and will be easier to institutionalize in an IPT framework, is that of "tailoring." There is lots of

flexibility in the 5000 series directives--the issue is to incentivize change away from a "one-size-fits-all" classical mold. We must tailor not only the acquisition strategy, but the acquisition approval process, to fit the specific circumstances of individual programs. There is no reason to treat every program identically from a management standpoint. But there is every reason to tailor management to specific program circumstances.

### **NEED FOR CULTURAL CHANGE**

I've been in my job for a little over nine months now. . . and it has become obvious to me that we will need to transform the risk averse culture that has grown up within the Department over the years. I can not direct this cultural change--we need the "buy in" by all of you, the major stakeholders. Unless this occurs, we will not develop the trust n' teamwork that it takes to implement the IPT concept.

The Department's top leadership must create a climate for reasoned risk-taking--otherwise we will never exploit the opportunities that may be within reach. This morning I had the honor and privilege to meet with the acquisition executives, program executive officers and the ACAT 1D program managers and present them with their "Program Manager's Bill of Rights" certificate.

The Program Manager's "Bill of Rights" explicitly lays out what program managers can expect from their acquisition chain of command as well as what we expect from them. This certificate, taken alone, is symbolic. What matters is what we do--actions will speak louder than words. People will be watching us and asking whether we are in fact doing what we said we were going to do.

### **SUMMARY**

In conclusion, my thoughts regarding the Department's IPT initiative can be best summed up as follows:

- We need *Continuous Insight*, not *Oversight* - quality has to be built into programs from the start.
- We must emphasize *Prevention over Cures* - Let's identify and resolve problems early and constructively. . . the goal is *no DAB*, not "*Gotchas*."
- We must focus on *Program Success, not Functional Area Performance* - our job is to provide more for the warfighter. . . systems that work, faster and cheaper.

As we move through today's agenda, I believe these points will continue to surface as recurring themes.

Twenty-six years ago, one man took the final step in a journey that began nine years earlier. That journey was completed only after many other steps were taken by many others--both individuals and organizations. In the process, the nation built a successful, mission oriented, trust n' teamwork culture--one that culminated in the Apollo 11 mission to the moon. By the way, this is the same culture that also brought the Apollo 13 astronauts back home safe after an explosion early in the mission.

Today, we will stop talking about why we need to change our culture and start talking about how to implement change--it will be one small step taken by many--for some in may also be a giant leap. It will not be easy. We still have many issues to resolve. We do not have all the answers or even have all the questions. I encourage you to get your questions out on the table today so we can address them and move forward.

This must be a team effort among warfighters, program managers, and functional staffs. I ask you to work with me to become agents of change in creating a legacy for U.S. forces in the year 2010.

Thank you all.

**TAB: Q & A's, IPT Offisite 95**

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN, JOINT CHIEFS OF STAFF  
UNDER SECRETARY OF DEFENSE (COMPTROLLER)  
ASSISTANT SECRETARY OF DEFENSE (COMMAND,

CONTROL,

COMMUNICATIONS & INTELLIGENCE)  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR OF OPERATIONAL TEST AND EVALUATION  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Questions and Answers from the DoD Offsite Conference: "Institutionalizing  
IPTs:

DoD's Commitment to Change"

Thank you all for helping make our July 20, 1995, offsite, "Institutionalizing Integrated Product Teams: DoD's Commitment to Change," a big success. As you know, my major objective in holding the offsite was to develop a common understanding within the Department of how we will implement the IPT concept. As a result of the presentations and discussions at the offsite, I believe we took a major step forward in achieving that common understanding.

An important part of the offsite was the panel discussion held in the afternoon. I was very encouraged not only by the candor of the OSD and Component panelists but also by the enthusiasm of the audience, who asked many very important questions. Indeed, there were so many questions that time did not permit the panelists to address them all during the conference. Accordingly, I directed my staff to distribute the questions to the appropriate officials and to generate written answers. The results are attached. We concentrated on the questions most frequently asked and most directly pertinent to the subject of implementing IPTs.

Thank you again for your participating in the offsite. Building trust and teamwork is a topic of central importance to our ongoing acquisition reform efforts. We are now developing "customer surveys" to ask for and obtain periodic feedback on how this process is working as it evolves. Please feel free to share with me - in writing - your assessments of how well the IPT concept is being implemented.

**Paul G. Kaminski**

Attachment

Copy to:

## IPT Off-Site Questions & Responses

### VISION

Question: What is your vision of the milestone review process when the Integrated Product Team (IPT) concept is fully implemented?

*Answer:* While the ACAT I-D process is described for illustration, all other ACAT level programs should follow a similar process within the Services. The objective of the IPT process is to eliminate sequential and redundant program reviews – by the Program Executive Officer (PEO), the Service staff, the Service Acquisition Executive (SAE), the OSD staff, and finally by the Defense Acquisition Executive (DAE). The end-state IPT process will consist of the Service staff working with the OSD staff along side of and in support of the Program Manager (PM), building successful programs. Their collective knowledge and experience will facilitate programs that have affordable and executable strategies and plans from the outset. All participants will have a stake in making the Department’s program successful--not finding fault with a program late in a cycle. At the Overarching IPT (OIPT) level, the senior staff from the Service and OSD will jointly resolve issues and review a program’s readiness to proceed to the next phase. We can eliminate the need for the Services to conduct a separate program review before sending the program to a DAB. We will work together, the Services and OSD as one Department, to develop strong programs, address issues in a timely and productive manner, and make joint, sound business decisions regarding a program’s future course. Diminishing funding and personnel resources mandate that we operate this way. We must work together, capitalizing on each others’ knowledge and experience, to get the greatest return possible on our investments. The IPT process is designed to achieve that objective.

Question: Two divergent and potentially conflicting understandings were evident in the dialogue with respect to OSD staff roles under the IPT approach. Some of the staff view the major benefit of IPT participation to be early identification and reconciliation of issues to ensure program success. Others view the major benefit to be a better way to achieve program oversight. This is a major philosophical difference in perspective which can make the difference between success or failure of the initiative. Oversight/independent assessment is obviously still a role which OSD must play for a multitude of reasons, however it is essential for OSD leadership to clearly articulate the relative priority of “early identification and reconciliation of issues to ensure program success” and “enhanced oversight.”

Both are by-products of IPT operation, but only the former is a fundamental change in OSD staff roles. Can you clarify Dr. Kaminski's priorities for the role of the staff in working with IPTs?

*Answer:* Working as teams to develop strategies and early identification and reconciliation of issues to ensure program success is the number one priority of IPTs. An additional benefit of working early with the program teams is that early insight to the program issues will result in better oversight and allow for more informed independent assessments. While oversight/independent assessments are very important, they are the by-product of working as IPTs and should not be the staff's primary focus.

## **THE ROLE OF IPTS IN RELATION TO DECISIONMAKERS**

Question: Early and continuous participation of the OIPT could conceivably lead to defacto program management by committee. In your view, what are the boundaries of responsibility between the OIPT and the PM? What is your intent regarding maintaining the distinction between line and staff organizations?

*Answer:* The working level IPTs are advisory groups, supporting the PM to develop and recommend program strategies and plans. The OIPT, comprised of senior service and OSD staff and functional directors, provides strategic guidance to the PM and PEO. All IPT members must have the authority to represent their organization's position. The Program Manager is in charge of the program – the PM is the decision-maker.

Question: How do you respond to the position that cost performance, Test & Evaluation, and other proposed IPTs are not really IPTs because they are too focused and not really integrated with other (and sometimes competing) program issues and concerns?

*Answer:* Each of these IPTs is focused on a particular process, but each is multi-disciplinary, containing representation from different organizations (e.g. user, logistics, systems engineering, etc.) and different levels (OSD, Service, Procuring Contracting Officer (PCO), Syscom, PM) in order to effectively integrate the various functional perspectives into an affordable, executable process that is tailored to the individual program. Also, each Service will establish a management or integrating IPT to integrate the efforts and resolve issues resulting

from other working level IPTs. IAW the Program Manager's Bill of Rights, that Integrating IPT will normally be led by the PM, who is responsible for the overall management of his program – unless the SAE decides otherwise.

**Question:** Clarify the role of the OIPT and working level or weapon system IPT as they relate to the execution chain of command (i.e., DAE-SAE-PEO-PM). If these IPTs are in the oversight and review mode are they advisors to the DAE, SAE, PEO, and PM or do you believe they will also be making decisions which are binding on the PEO and PM?

*Answer:* OSD staff members on working level IPTs have an advisory relationship with the PM, but they are also charged with the responsibility to raise issues when they are identified. Issues/concerns must first be raised at the working level IPT in consultation with the functional principal if required. However, if the issues cannot be resolved in the working level IPT, the issue can be raised to the OIPT. The OIPT works during the development phase to streamline documentation and the review process, to resolve issues resulting from working level discussions, and is also responsible for providing to the DAE an independent assessment of a program's readiness to proceed at the end of the phase. The PM and PEO will be actively involved at both levels in the resolution of any issues. For the process to operate as designed, agreements must be binding. However, disagreements will be resolved at the lowest possible level, but can be raised at any time to higher levels, including the DAE, for a final decision. We would view issues that should have been raised earlier, but were not surfaced until the last minute, to be a failure of the new IPT process.

## **ROLE OF STAFFS**

**Question:** Air Force's IPT model suggests that the staff level IPT deal with issues and processes only, but not program execution. This is different from what Mr. Longuemare has proposed. Are we free to choose any IPT model as we see fit?

*Answer:* There is no one-size-fits-all working-level IPT model. While each of the services is developing a slightly different approach, there are three basic tenets that any approach must adhere: (1) As Dr. Kaminski emphasized at the July 20 IPT Off-site, and per the PM Bill of Rights and Responsibilities, the PM is in charge of his or her own program; (2) working level IPTs are advisory bodies to the PM--responsible to and empowered by the PM; (3) direct

communication among all levels in the acquisition process is encouraged as a means of exchanging information and building trust. The USD(A&T) and the Component Acquisition Executives (CAEs) have a responsibility to review and make decisions on certain programs. IPTs do not supplant that responsibility.

Question: From briefings on 20 July it is not clear whether the OIPTs will include service principal office representatives which are counterparts of the OSD principal office representatives. If they are not to be included it would encourage a parallel OIPT to be established at the service level—this would not reflect an integrated approach. Please comment.

*Answer:* ACAT ID OIPTs and working level IPTs will include service and OSD staff and functional representatives. The intent is to be inclusive vice exclusive. The purpose of IPTs is to build successful programs, i.e., develop affordable executable strategies and plans, and to identify and resolve issues early. There will be a parallel structure for ACAT IC and below programs. An objective is to streamline the process such that the OIPT will reduce the need for service level Systems Acquisition Review Council meetings for ACAT ID program decisions. Of course, that decision will be at the discretion of the CAE.

Question: How do we deal with “adversarial” representatives on IPTs (non-team players sabotaging at every turn)?

*Answer:* Where there are differences of view, those differences should be resolved within the team. When the differences cannot be resolved, those issues should immediately be raised to the next level of decisionmaking. Unprofessional activity will be reviewed and resolved by the responsible supervisors.

Question: We have a perception that this IPT concept is embraced and supported at the top level in OSD, but not at the working levels of the OSD staffs. This makes IPT implementation more difficult and more susceptible to sabotage.

*Answer:* The use of IPTs is a “win-win” for both top and staff level OSD and PMs. Understanding that skepticism remains, the use of IPTs and the resulting benefits will be reaped by all over time. However, learning the process and becoming comfortable with it also requires time. Be assured that the leadership in OSD, career, political and military, strongly support the IPT process and are committed to making it work. Everyone must embrace the IPT concept

and they must now be evaluated on how well they support the process and contribute to the success of acquisition programs vice finding fault late in the process.

## **INDEPENDENT ASSESSMENTS**

Question: How is the principle of independent assessment compatible with the issue raising/issue resolving principle behind IPTs? Are the independent assessors fully participating members and/or leaders of the IPT--part of the decision making process? Doesn't the principle of independence interfere with the IPT concept and vice versa?

*Answer:* Independent assessments are compatible and possible within the IPT process. However, within the IPT construct, the independent assessments are a continuous process. Under the old way of doing business, the independent assessments occurred at the end of a program phase: functional elements of the program were "graded" and pass/fail reports were provided to the PM, the Service and OSD functional chiefs, and the Milestone Decision Authority (MDA). Under the IPT concept, the functional representatives, from both the Service and OSD levels, will participate in developing sound, executable, and affordable strategies and plans with an eye towards making the program a success. Both functional representatives and the PM must consider alternative means of reaching objectives. However, if a functional representative cannot agree with an evolving strategy or plan, that representative is duty-bound to seek to resolve and, if necessary, elevate that issue to his functional supervisor and the PM for resolution through the OIPT and ultimately to the DAE if not resolved by the OIPT. Therein, the independent assessment role under the IPT construct has facilitated early resolution of the issue, much earlier and more constructively than it did under the old way of doing business. The issue is identified and resolved quickly, and the program proceeds without undue delay. This role does not in any way compromise the role of OSD as an independent assessor.

## **DAES**

Question: Given the IPT concept, why is service involvement required at DAES reviews - why can't the OSD IPT member address all issues? Why do we still need DAES reviews?

*Answer:* Basically, the IPT process and the DAES do different things. The IPT/OIPT function is to develop successful program strategies and, through early and continuous insight, identify and resolve problems in a timely, efficient manner. Another important function that must be performed is keeping the USD(A&T) regularly informed regarding the status of the ACAT ID programs for which he is held accountable. DAES serves the function of providing quarterly feedback to MDAs on program execution against baselines as needed for effective oversight between milestones. As a point of clarification, the DAES process started out with only OSD participation in the briefings. The Services, including many PEOs and PMs, have requested participation, and that has been granted on a space available basis. As the IPT process matures, the DAES reporting process may also change to meet the DAE's needs.

## **GOVERNMENT-CONTRACTOR RELATIONS**

Question: How does the Federal Advisory Committee Act (FACA) affect or restrict industry's participation on program office IPTs?

*Answer:* An "advisory committee," as defined by FACA, includes any committee, panel, task force, or similar group that is established or used by an agency or officer of the Government to obtain advice or recommendations on issues or policies within the scope of the agency official's responsibilities, and whose membership includes anyone other than full-time officers or employees of the Federal Government. A committee, which includes non-government representatives, to provide an industry view, would be an advisory committee covered by FACA and must follow the procedures prescribed by the Act.

In addition to FACA considerations, PMs must also remember that the participation of a contractor or a prospective contractor on an IPT could violate other statutory requirements, such as the statutory procurement integrity rules. For example, involvement by potential contractors on a program IPT during the solicitation process could result in improper access to information. Prospective contractor involvement on IPTs should be reviewed by the Component's legal advisor.

A contractor, as part of an IPT, providing advice to a program office in accordance with the requirements of its contract, generally would not be considered an advisory committee and therefore should not be affected by FACA.

However, refer to the question and answer on maintaining contractor responsibility.

Question: How do you hold the contractor responsible for performance when you share every decision he makes? If the contractor doesn't meet specification requirements, isn't the Government responsible?

*Answer:* The contractor is responsible for executing his/her contract. Changes to the contract require action by both the Procurement Contracting Officer (PCO) and the person designated by the contractor to make changes. IPTs cannot make decisions for the contractor nor direct the contractor in the performance of contract responsibilities. In relation to contractor performance, the purpose of the IPT is to assist the parties in understanding the contract requirements, facilitate timely issue resolution, and to allow the government to gain early insight into the contractor's performance. It must be clear to the contractor that the IPT guidance will not change the contract requirements. Any perceived change to those requirements must be addressed to the PCO for resolution and potential contractual implementation. The Government officials leading the IPT must ensure that these ground rules are clear and spelled out in a way to ensure that they will withstand a challenge.

## **RESOURCES**

Questions: From an OSD Action Officer (AO) (i.e., OSD staff member) perspective, the IPT concept has resulted in a significant added workload. How do we plan to accommodate the added workload? How do you change the mind set of OSD managers to empower AOs to make decisions for their organization?

It seems that some PMs feel that they will have to "staff up" to support IPTs. How do you respond to this? And if it's true, what will the course of action be?

*Answer:* Staff levels are declining as noted in other questions. It is important to understand that OIPTs and IPTs are not intended to meet regularly nor frequently. Information can be exchanged and members updated through other forums such as phone calls, tele-video conferencing, e-mails, faxes, DAES, etc. When OIPT and IPT meetings are convened, they must be well organized and

constructively consume the member's time in supporting the PM. Everyone must use available resources to work smarter, not harder.

Question: What, if any, training will be provided to your staff on what it means to be an effective "team member?" We found in the program office that our people required team training.

*Answer:* Efforts are underway to define appropriate training. The Defense Acquisition University (DAU) has been tasked to update their curriculum by October 1995. Many of the courses already include training in the IPT process.

Question: As part of the drawdown of the Army, my PEO core staff has been reduced in size. Over a three-year period, its size has been reduced about 25%. We perceive out in the field that the OSD staff needs a similar size reduction. Are there any firm plans in OSD for reduction in staff size?

*Answer:* OSD Staffs have roles apart from the IPT process. They support their principal and deal with other issues (e.g., Congressional inquiries, Planning Programming Budgeting System (PPBS)). DoD has already taken acquisition workforce reductions. The OSD staff is shrinking over the POM years: 3% in FY95 and 5% each year thereafter. In addition, the Office of Management and Budget (OMB) direction regarding staff augmentation, now being formalized by a DoD Directive, will effectively reduce OSD staff even further in FY96. The net effect will be a percentage reduction of the OSD staff, including A&T, at least as great as the reductions to the Service acquisition workforces. In addition, Dr. Kaminski has commissioned a review of the way the USD(A&T) organization is structured, given the new IPT way of working. IPTs are one way of effectively and efficiently using this smaller workforce. We will need to make further reductions in infrastructure in order to reduce costs. To the extent that IPTs can identify non-value/redundant work, they will help guide infrastructure reduction efforts.

## **IPT MEETINGS**

Question: How often do you envision the working level IPT meet, or can any of the 30+ members call for an IPT meeting?

*Answer:* IPTs meet as often as necessary to work and resolve issues. Working level IPTs will meet as necessary, to produce a specified product, review progress and resolve issues. However, regular “update” meetings should not be conducted. The OIPT will meet only to resolve the most significant issues and to determine program readiness and review plans for the next phase.

Question: Do you see a danger in OSD of every problem having an IPT to supposedly solve it (danger of overuse/abuse of IPTs)?

*Answer:* Yes. IPTs are not intended to solve every problem. IPTs are focused on building successful acquisition programs: develop affordable and executable strategies and plans; identify and resolve issues early; and, provide continuous early insight to the MDA. We need to make sure that the IPT philosophy does not become a cult, in order to productively use our personnel resources, especially in this era of downsizing.

## **MAISRC**

Question: The off-site presentations focused on the Defense Acquisition Board (DAB) and DAB programs. What are the plans for implementing this concept in the Major Automated Information Systems Review Council (MAISRC) process? Any plans for specific Automated Information Systems (AISs)?

*Answer:* It is both Dr. Kaminski’s and Mr. Paige’s desire to integrate the MAISRC and DAB processes--to use similar principles and processes to accomplish their function. The rewrite of DoDD 5000.1 and DoDI 5000.2 will fully integrate the 8000 series documents. However, the MAISRC will still exist as a separate body, and AISs will continue to have separate thresholds.

## **ROLE OF THE COMPTROLLER**

Question: In the past it has appeared that, despite comptroller participation in the DAB, comptroller funding recommendations do not reflect program decisions made by the DAB. Will the comptroller participate in the IPT? Will the comptroller funding recommendations and decisions be consistent with DAB/OIPT acquisition strategies?

*Answer:* The Comptroller is a member of both the Defense Resources Board (DRB) and the DAB. We expect that the Comptroller will participate in the process of building successful programs. As stated by the Director, Investments, the Comptroller representatives would be empowered representatives. That is not to say that later in a fiscal year or under different circumstances, the program will not undergo reductions.

Question: How can we expect program managers and PEOs to dialogue openly about funding issues or cost savings initiatives with comptroller team members given the objective that comptroller people often have to find funds for other shortfalls?

*Answer:* The IPT process can help people at all levels involved in PPBS to understand programs. There are instances when the PPBS is not fully integrated with the acquisition management or the IPT process. However, the IPT process will keep the Comptroller and the DAE better informed, thus facilitating more enlightened PPBS decisions.

## **ROLE OF THE DOD IG**

Question: How do we reconcile the punitive nature of the DoD Inspector General (IG) with streamlining and innovative initiatives which can always be second guessed?

*Answer:* The Inspector General (IG), DoD, has been a helpful participant in process action teams, working groups, and developing legislative proposals for acquisition reform. Further, DoD IG has stated publicly a desire to be more helpful to the Department for reform initiatives and problem resolution. The DoD IG has a statutory role to perform audits. Auditing by its nature looks at what has been done and how things can be done better in the future. In the acquisition process, the DoD IG has an auditing role, but he is not a member of the Defense Acquisition Board (DAB) because the DoD IG is not a part of the management decision process. In addition, Dr. Kaminski requested the DoD IG, along with the component inspection and audit organizations, to review the feasibility of consolidating the scheduling of all acquisition management audits and inspections at the DoD level and to schedule cyclic audits and inspection of any one program on a biennial schedule, except in cases of fraud, waste, or abuse. The results of that review are due to Dr. Kaminski in October 1995. Also, the DoD IG is working with the Component audit and inspection organizations on developing an

automated system that will show all ongoing and planned audits and inspections of acquisition programs. Further, the report will show the locations or programs where the audit or inspection will be performed. Reports from the system will be made available to the acquisition community in the fall of 1995.

## **DOCUMENTATION**

Question: OSD has defined a management process. Has the senior management looked at the level of documentation necessary to support that process—particularly with an eye toward relieving documentation burdens on PMs?

*Answer:* Yes. Dr. Kaminski has moved to a “tailored-in” philosophy of documentation and has directed the Services/Agencies to examine their documentation requirements. We all have to accept that there will always be documentation to meet statutory requirements, provide good management, and provide an audit trail of decisions and rationale. The documentation will be streamlined and tailored to each situation by the OIPT. This philosophy is being incorporated in the rewrite of the DoDD 5000.1 and DoDI 5000.2.

Question: The Systems Acquisition Management Plan (SAMP) is described as summary document. As such, does that mean it summarizes information found in other existing documents and is not intended to replace them?

*Answer:* The intent of creating a single document is to provide the decisionmaker with the opportunity to approve a program’s direction as described in its acquisition strategy, etc, early—prior to final Request For Proposal (RFP) release. The SAMP is a term first use by the Air Force for a single, consolidated document. The objective of the SAMP, or any SAMP-like document, is to meet the needs of the decisionmaker while providing only the essential information to make the decision. Our intent is to eliminate stand alone documents that have, in the past, resulted in unnecessary duplication of information. This concise document will be complete and not summarize other documents, and it will be updated as program information changes. The SAMP-like document meets the needs of the decisionmaker. It does not replace the various program plans required and prepared by the PMO; they are not provided to the MDA unless required by statute.

Question: Will all programs be required to produce a SAMP? When will we receive guidance on the acceptable SAMP format?

*Answer:* There is no such thing as an “acceptable” SAMP format. The SAMP is a concept. Each program will, to the maximum extent practical, prepare a single document that is tailored to the individual program. It will contain: the information required by statute, the information requested by the MDA, and the information necessary for the MDA to make his decision. What was contained in the Space Based Infrared System (SBIR) SAMP won’t necessarily apply to a missile, tank, aircraft, or ship program. Moreover, the SBIR SAMP probably doesn’t contain all of the information required for those other kinds of weapons programs. Even all aircraft programs may not require the same information, based upon their acquisition approach, program phase, and technical risk.

When preparing the program’s documentation, the PM must consider what information has been requested by the MDA. This will normally be determined by the OIPT prior to or early in the program phase so that the PM can plan for that requirement as he executes his program, provides feedback to the MDA, and ultimately prepares for the next milestone decision review. The single document is expected to contain strategies that need to be approved by the MDA and other information which the MDA requires in order to make his decision. It will not contain detailed management plans. With the exception of the TEMP, which by statute must be approved by OSD, other detailed management plans (such as the ILS plan, the program management plan, producibility plan, etc.) are PM working tools and they shall not be required as reports to the OSD or Component Headquarters staff organizations. Bottom line: there will be no standard format--no cookie-cutter approach. Each PM shall tailor his/her SAMP-like document to the program needs.

## **INSTITUTIONALIZING THE IPT/OIPT PROCESS**

Question: It is obvious that the various PMs will be innovative in streamlining the acquisition process by streamlining the subprocesses. How will these ideas be captured, shared and historically preserved for use across OIPTs?

*Answer:* As part of the DoD 5000 documents rewrite, which will divide the current guidance into mandatory and discretionary, an Acquisition Deskbook will be created. The Acquisition Deskbook will provide automated, on-line, real-time access to acquisition management policies, practices, lessons-learned, and current management tools promoting the adoption and practice of sound systems management principles. As DoD’s primary reference tool, relied upon for

promoting systems acquisition management excellence, it will be the vehicle for capturing, sharing, and preserving process innovations.

Question: Each service has a different approach to working level IPTs. Are there any processes (agenda, meeting minutes, agreement memos, etc.) that should be standardized across DoD?

*Answer:* DoD wants to encourage flexibility, innovation and tailoring in executing the IPT concept; it does not want to mandate organizational structures, procedures or formats. However, A&T/API is to publish “rules of the road” providing guidance on conducting successful IPTs. The rules will speak to such common-sense activities as the need for advanced and coordinated scheduling, agenda development, and publication of meeting minutes.

## **PRE-MILESTONE 0 IPTS**

Question: Does the IPT concept apply to pre-milestone 0 situations, such as ACTDs? If so, how?

*Answer:* IPT is a concept to bring all major stakeholders together to solve a particular issue or to perform a particular function. For example, IPTs are currently being held on various ACTDs to develop plans for how and at what point that ACTD will enter the formal acquisition process.

Question: Please explain the apparent disparity between the decision process described on your (i.e., Dr. Schneider’s) “Life Cycle Cost Performance IPT” slide and your “Accelerated Decision Making” slide. Why do recommendations for cost savings changes have to go through the ORD approval authority, Joint Requirements Oversight Council (JROC) and OIPT for review before approval by DAE? Aren’t “requirements” communities empowered for IPT activity?

*Answer:* The requirements community will play a very active role in any discussions regarding cost-performance trades. Should those discussions result in recommendations to change key performance parameters, the JROC, which is the only body empowered to validate them, must approve the changes. The Cost Performance IPT (CPIPT) and the OIPT can make recommendations with that end in mind.

## **PROGRAM “REBASELINING”**

Question: Please clarify what “rebaselining” a program means.

*Answer:* Rebaselining does not refer to Acquisition Program Baselines. When used in the OIPT context, the term “rebaselining” refers to the direction included in Dr. Kaminski’s April 28 memorandum. That direction required the OIPT leader and the SAE to identify candidate programs, recommend the IPT approach to be taken, and to specify the next and future review points for the program to include the appropriate level of decision authority. The SAEs have identified the programs, and the rebaselining effort is underway.

Question: How do IPTs relate to implementing IPPD?

*Answer:* IPPD is a management technique that simultaneously integrates all essential acquisition activities through the use of multidisciplinary teams to optimize the design, manufacturing, and supportability process. IPTs are key to making the IPPD work.

IPTs include representatives from all appropriate functional disciplines working together to build successful programs and enable decision makers to make the correct decisions at the right time. In addition to the PMO-contractor IPTs established to manage program execution, two types of IPTs, the Overarching IPT (OIPT) and the working level IPTs, have been established to facilitate building more successful and affordable programs, resolve problems, and gain early insight for program insight.

The OIPT, consisting of senior Service and OSD staff representatives and functional directors, provides strategic guidance to the program office. The OIPT is focused on tailoring the program structure and execution to that which is applicable to the program and satisfies the needs of the MDA. The OIPT will provide strategic direction towards developing affordable and executable programs. Additionally, the OIPT, through early and continuous insight, will identify and resolve concerns and issues in a timely manner, keeping programs on track.

The working level IPTs, consisting of staff and functional representatives from both OSD and the Services, will support the PM by developing the integrated strategies and plans that execute the top level guidance and recommendations provided by the OIPT. The working level IPTs are largely focused on the programmatic details, e.g., contracting, testing, management, etc.,

required to execute the program. Also, each Service will establish a management or integrating IPT to integrate the efforts and resolve issues resulting from other working level IPTs. IAW the Program Manager's Bill of Rights, that Integrating IPT will normally be led by the PM, who is responsible for the overall management of his program – unless the SAE decides otherwise.

The objective is to make the program successful by preparing affordable and executable strategies and plans, that are tailored to the program requirements.

## **FOREIGN INVOLVEMENT**

Question: Global economy; increasingly global industrial base; coalition warfare strategies; diminishing resources: any thought toward involving our allies in the IPT process?

*Answer:* The DoDD 5000.1 will continue to encourage international cooperation. The statutory requirement for a Cooperative Opportunity Document (COD) still exists, although now it will be done by the Assistant Secretary of Defense (Economic Security) Staff. IPTs will be formed when planning begins, prior to program initiation. International cooperative programs could have foreign government representatives at the working IPT level or OIPT level, as a full member of the process.

## **METRICS**

Question: The perception has been that the OSD staff measure of success was finding problems/issues. Why not use program success as the measure of merit?

*Answer:* DUSD(AR) is presently working to define metrics into two categories, process and outcome. Process metrics would measure some of our efforts to streamline the process, like less documentation to support a decision interview. Outcome metrics would attempt to measure program successes such as reducing the time it takes to develop a weapon system. Part of the change directed by Secretary Perry is to move from “checking” programs to building successful programs, resulting in a shift in emphasis on the part of the OSD Staff. However, focusing on building successful programs does not mean that unsuccessful programs should not be identified and canceled.

## **A NEW WAY OF DOING BUSINESS**

Question: After listening to everything said so far, how can I be ensured this is not business as usual (or more) under a new name? (Especially from an OSD perspective)

*Answer:* There are a number of key differences detailed in the responses to other questions that substantially change the way we will do business in the department. With our collective commitment, they will improve the way we acquire systems for our warfighters.

# **TAB: IPT Video Script**

# **OVERARCHING AND WORKING LEVEL INTEGRATED PRODUCT TEAMS**

Final Edited Program Script  
February 16, 1996

Presented by:  
Ashby & Associates, Inc  
5715 Heritage Hill Court  
Alexandria, VA 22310

Fade up on Dr. Kaminski.

CG: **Honorable Paul G. Kaminski  
Under Secretary of Defense  
for Acquisition & Technology**

Transition to graphic:

**New Process Results**

**ADM processing time:**

- **Was 23 days in 1994**
- **Now only 2 days**

**1995 DABs:**

- **11 of 16 were “Paper DABs” - no issues**
- **Saved program time and money**

Transition to new graphic (and build):

- **Practice continuous insight - not oversight**
- **Build quality into our programs**
- **Involve the right people at the right time**
  
- **Emphasize prevention over cures**

DR. KAMINSKI: This video tape is intended to help share some useful tips on leading and participating in successful overarching and working-level integrated product teams.

Integrated product teams will help reduce decision cycle times within the Department; shorten overall acquisition cycle times; and give American forces a clear combat edge -- the winning edge!

- We need *continuous insight*, not *oversight*. Quality has to be “built” into our programs. . .not “inspected” in. Let’s use everyone’s expertise to build more successful programs. . . and involve the right people at the right time.
  
- We must emphasize *prevention* over *cures*. Let’s identify and resolve problems early and constructively. . . the goal is to avoid the need for DABs and *no “Gotcha”* surprises.

- **Focus on program success**

Fade out on Dr. Kaminski.

Roll Disclaimer: The following story is a fictional account of an Integrated Product Team. Its purpose is to illustrate IPTs through dramatization. It does not attempt to represent any particular government agency or personnel employed by the federal government. This dramatization is for illustration only. It does not represent any existing program.

Title sequence: **OVERARCHING AND WORKING LEVEL INTEGRATED PRODUCT TEAMS** (Working title)

Transition to: NARRATOR

- We must focus on *program success*.

We are a team and you are the key players. I offer my personal support and commitment to you as we work together to implement this important initiative.

Thank you all.

(Music up and under.)

NARRATOR: IN THIS PROGRAM, WE'RE GOING TO LOOK AT OVERARCHING INTEGRATED PRODUCT TEAMS OR O.I.P.T.'S AND WORKING LEVEL INTEGRATED PRODUCT TEAMS, OR W.I.P.T.'S.

THROUGH TWO SCENARIOS, WE'LL FOLLOW THE PROGRESS OF A

FICTIONAL W.I.P.T. AS IT CRAFTS AN ACQUISITION STRATEGY FOR AN ADVANCED MISSILE SYSTEM ENTERING ENGINEERING AND MANUFACTURING DEVELOPMENT.

IN THE FIRST SCENARIO, THE MEMBERS OF THE TEAM MEET FOR INTRODUCTIONS AND DECIDE HOW THEY'RE GOING TO APPROACH THE ACQUISITION.

AND IN THE SECOND SCENARIO, THE TEAM MEETS AGAIN TO HAMMER OUT THE DETAILS OF ITS STRATEGY.

BUT FIRST, LET'S BACK UP AND DEFINE THESE I.P.T.'S, SET THE STAGE FOR OUR SCENARIOS, AND INTRODUCE YOU TO OUR TEAM MEMBERS.

INTEGRATED PRODUCT TEAMS ARE THE ENGINES THAT RUN OUR INTEGRATED PROCESS AND PRODUCT DEVELOPMENT CONCEPTS.

AND WHAT, EXACTLY, ARE THESE INTEGRATED CONCEPTS?

Transition or change angle

WELL, IN A NUTSHELL, THESE ARE CONCEPTS THAT DIFFER SIGNIFICANTLY FROM—AND ARE FAR MORE EFFECTIVE THAN— THE OLD SEQUENTIAL REVIEW PROCESS.

Cut to graphic representation. ( see attached graphics)

IN THE PAST, A PROGRAM WAS DEVELOPED AT ONE LEVEL, AND THEN PASSED THROUGH ONE OR MORE HIGHER REVIEW LEVELS. FREQUENTLY, THIS METHOD OF REVIEW AND APPROVAL MEANT AFTER-THE-FACT CRITIQUE, CONTINUOUS MODIFICATIONS, AND PROGRAM CHANGES LATE IN THE GAME.

AND THAT FREQUENTLY RESULTED IN PROGRAM DELAYS AND HIGHER COSTS.

Cut to graphic representation. (See attached graphics)

INTEGRATED PRODUCT TEAMS, ON THE OTHER HAND, BRING TOGETHER REPRESENTATIVES FROM SEVERAL DISCIPLINES AT THE VERY *START* OF A PROJECT. THIS ALLOWS FOR EARLY-ON AND CONTINUOUS INSIGHT BY ALL STAKEHOLDERS IN A PROGRAM.

IT ALSO ENCOURAGES TEAM MEMBERS TO WORK TOGETHER IN AN ATMOSPHERE OF TRUST AND COOPERATION TO MAKE A PROGRAM SUCCESSFUL.

THE I.P.T. APPROACH REDUCES THE PROBABILITY OF RAISING LAST-MINUTE, MAJOR ISSUES THAT COULD DELAY A PROGRAM BY INTEGRATING TIMELY INPUT FROM ALL TEAM MEMBERS WITH VARIED FUNCTIONAL BACKGROUNDS

THROUGH I.P.T.'S, WE CAN:

--DO A BETTER JOB IN STRUCTURING PROGRAMS TO BE SUCCESSFUL;

--IDENTIFY AND RESOLVE ISSUES IN A TIMELY MANNER;

--AND REDUCE THE TIME IT TAKES TO GO THROUGH THE DECISION CYCLE.

Graphic:

**IPTs**

- **Help structure successful programs**
  
- **Help identify and resolve issues in timely manner**
  
- **Help reduce decision-cycle time**

AND THAT MEANS GIVING THE  
WARFIGHTERS WHAT THEY NEED,  
WHEN THEY NEED IT, AND AT AN  
AFFORDABLE COST.

Cutaway to graphics of the following  
as appropriate:

THERE ARE SIX PRINCIPLES OR  
GROUND RULES FOR A SUCCESSFUL  
I.P.T. ALL ARE EQUALLY  
IMPORTANT.

**Open discussion with no secrets**

OPEN DISCUSSION FROM THE VERY  
BEGINNING IS CRITICAL.

**Qualified and empowered team  
members**

BECAUSE THESE TEAM MEMBERS  
MUST WORK TOGETHER TO  
STRATEGIZE MAJOR ELEMENTS OF  
ACQUISITION PROGRAMS, THEY  
MUST BE EMPOWERED.

THAT MEANS THEY MUST:

-- BE EMPOWERED TO SPEAK FOR  
THEIR PRINCIPALS;

--UNDERSTAND THE LIMITS OF  
THEIR EMPOWERMENT;

--AND OFFER POSSIBLE SOLUTIONS  
INSTEAD OF JUST RAISING ISSUES.

**Consistent, success-oriented, and proactive participation**

WITHIN AN I.P.T., TEAM MEMBERS ARE EXPECTED TO ENGAGE IN CONSISTENT, SUCCESS-ORIENTED, PRO-ACTIVE PARTICIPATION.

**Continuous communication**

ANOTHER KEY ELEMENT IS COMMUNICATION -- BOTH UP AND DOWN THE LINE.

**Reasoned disagreement**

I.P.T.'s GIVE TEAM MEMBERS AMPLE OPPORTUNITIES FOR REASONED DISAGREEMENT. . . FOR BRINGING UP CONCERNS AND THEN DISCUSSING THEM PRODUCTIVELY.

**Issues raised and resolved early**

THIS MEANS THAT ISSUES ARE RAISED AND RESOLVED EARLY IN THE PROCESS.

AS YOU BEGIN WORKING IN I.P.T.'S, ALWAYS KEEP THESE KEY POINTS IN MIND.

NOW LET'S LOOK AT THE O.I.P.T.-W.I.P.T. STRUCTURE.

Cut to graphic diagram showing the MDA, Overarching IPT and several Integrating IPTs. (See attached graphics)

AS YOU CAN SEE IN THIS DIAGRAM, THERE ARE TWO LEVELS OF OVERSIGHT AND REVIEW I.P.T.'S UNDER THE MILESTONE DECISION

AUTHORITY OR M.D.A. THERE CAN ALSO BE SEVERAL DIFFERENT PRODUCT TEAMS AT THE WORKING LEVEL.

Cut to graphic:

**OIPT Provides:**

- **Top-level strategic guidance**
- **Functional area leadership**
- **A forum for issue resolution**
- **An independent assessment to the MDA**

THE OVERARCHING INTEGRATED PRODUCT TEAM, OR O.I.P.T., PROVIDES TOP-LEVEL STRATEGIC GUIDANCE, FUNCTIONAL AREA LEADERSHIP, AND A FORUM FOR ISSUE RESOLUTION — AS WELL AS AN INDEPENDENT ASSESSMENT TO THE M.D.A. .

Scroll a graphic representation of membership organizations.

A TYPICAL O.I.P.T. IS INCLUSIVE IN NATURE AND ITS MEMBERS REPRESENT A WIDE RANGE OF ORGANIZATIONS. STAKEHOLDERS ARE INVOLVED FROM THE BEGINNING AND CONTINUE TO PLAY A ROLE IN THE PROCESS.

Graphic:

**OIPTs**

- **Approve broad program strategy**

THE TEAM MEETS EARLY-ON IN A PROGRAM PHASE TO:

--APPROVE BROAD PROGRAM STRATEGY;

--APPROVE W.I.P.T. STRUCTURE AND RESOURCING;

- **Approve WIPT structure and resourcing**

--AND, DETERMINE WHAT DECISION INFORMATION WILL BE REQUIRED FOR THE NEXT MILESTONE REVIEW.

- **Determine decision information for next milestone review**

THE O.I.P.T. CONTINUES TO MEET ONLY AS REQUIRED OVER THE LIFE-CYCLE OF THE PROGRAM.

Highlight the working level IPT s .

GENERALLY, THERE CAN BE SEVERAL WORKING-LEVEL INTEGRATED PRODUCT TEAMS OR W.I.P.T.'S. THESE ARE DETERMINED BY THE REQUIREMENTS OF EACH INDIVIDUAL PROGRAM.

Cut back to Narrator

WHETHER THESE W.I.P.T.'s ARE FORMED TO DEVELOP A STRATEGY FOR ACQUISITION AND CONTRACTS, COST ESTIMATES, LOGISTICS MANAGEMENT, OR OTHER AREAS -- THEY SERVE AS A MAJOR ADVISORY BODY TO THE PROGRAM MANAGER

Highlight a Test Strategy IPT

A TEST STRATEGY I.P.T., FOR EXAMPLE, ASSISTS IN DEVELOPING THE TEST STRATEGY AND OUTLINING THE TEST AND

EVALUATION MASTER PLAN FOR A MAJOR PROGRAM.

Highlight a Cost-Performance IPT

A COST-PERFORMANCE I.P.T. WOULD FACILITATE COST-PERFORMANCE TRADE-OFF'S AND HELP ESTABLISH PROGRAM COST-RANGE OBJECTIVES.

Highlight an Acquisition Strategy IPT

FOR THE PURPOSE OF OUR STORY, HOWEVER, WE'RE GOING TO FOCUS ON AN ACQUISITION STRATEGY W.I.P.T.

Cut back to narrator

KEEP IN MIND THAT THIS IS A FICTIONAL ACCOUNT OF A W.I.P.T. IT IS DESIGNED TO SHOW HOW THE I.P.T. PROCESS CAN BE USED TO IMPROVE PROGRAM PERFORMANCE.

USING PRODUCT TEAMS IS A DRAMATIC SHIFT IN THE WAY WE DO BUSINESS. AND, AS WITH ANY ORGANIZATIONAL CHANGE OF THIS MAGNITUDE, THERE ARE WRONG WAYS AND RIGHT WAYS TO APPROACH A NEW SYSTEM.

BECAUSE OF THESE DIFFERENCES, WE'RE GOING TO PLAY OUR SCENARIOS IN TWO DIFFERENT

WAYS: A WRONG WAY AND A RIGHT WAY.

OUR PURPOSE IS TO SHOW YOU HOW INAPPROPRIATE BEHAVIORS EARLY-ON CAN SNOWBALL INTO COSTLY PROGRAM CHANGES AND DELAYS, AND, POSSIBLY, UNFAVORABLE PROGRAM DECISIONS BY THE M.D.A.

ON THE OTHER HAND, APPROPRIATE BEHAVIORS EARLY-ON CAN HAVE JUST THE OPPOSITE EFFECT.

A TYPICAL LEVEL W.I.P.T. MIGHT HAVE TWENTY TO THIRTY MEMBERS. BUT, FOR OUR PURPOSES, THE TEAM HAS ONLY FIVE.

NOW, LET'S INTRODUCE THE MEMBERS OF OUR WORKING LEVEL INTEGRATED PRODUCT TEAM.

COLONEL JIM O'DONNELL, A PROGRAM MANAGER WITH TWENTY YEARS OF MILITARY EXPERIENCE.

JIM: I'm looking forward to leading this team.

Cut to appropriate clip of each character as introduced. Key in: **Jim O'Donnell, Program Manager**

Key in: **Ms. Gayle Jones, O.S.D. Procurement**

NARRATOR: MS. GAYLE JONES, A CIVILIAN WITH SIXTEEN YEARS OF SERVICE IN O.S.D. PROCUREMENT.

GAYLE: Could we look at the cost-share ratio in section three?

Key in: **Charlotte Morgan, Secretary of the Army Research, Development, and Acquisitions (SARDA) Procurement**

NARRATOR: MS. CHARLOTTE MORGAN, A SARDA PROCUREMENT SPECIALIST WITH OVER A DOZEN YEARS OF EXPERIENCE.

CHARLOTTE: What was the reasoning behind the fifty-fifty ratio?

Key in: **Erik Sathrun, O.S.D. Operational Test and Evaluation Directorate**

NARRATOR: LIEUTENANT COLONEL ERIK SATHRUN, A FORMER BATTALION COMMANDER NOW WITH O.S.D.'s OPERATIONAL TEST AND EVALUATION DIRECTORATE.

ERIK: Specifically, I was looking at your missile test numbers.

Key in: **Dr. Edward Lewis, Strategic and Tactical Systems Directorate**

NARRATOR: AND DR. EDWARD LEWIS, A TWENTY-YEAR VETERAN WITH THE STRATEGIC AND TACTICAL SYSTEMS DIRECTORATE.

EDWARD: I'll have a talk with Jim and see

Transition from Narrator into the window. Shift view to window as characters appear.

Gayle, Charlotte, and Erik wait in the meeting room. Jim walks in with a colleague.

The colleague nods his head and exits.

Jim approaches the table. He sets down several copies of what's obviously a detailed and long proposal.

He hands Erik a copy of the papers.

if we can get things back on track.

NOW LET'S WATCH JIM AS HE CALLS HIS INITIAL W.I.P.T. MEETING TO ORDER IN OUR WRONG-WAY SCENARIO.

JIM (to Colleague): Yeah. I know this is urgent. Tell you what. Let me get this meeting out of the way and I'll get right back with you.

JIM: Hi Gayle. Erik. Thanks for coming on such short notice. We don't have that much time. You can introduce yourselves to each other after the meeting's over.

JIM (Cont.): Erik, could you pass this around for me? Thanks. Charlotte, did you get one? Where's Edward?

GAYLE: Running a little late. He had a schedule conflict.

JIM (with a laugh): That's why they call his department "The Einstein's." Time's relative to those guys.

Gayle takes a copy, confused.

CHARLOTTE: Come on Jim. We just got this meeting memo yesterday.

JIM: That's twenty-four hours notice.

GAYLE: What's this?

JIM: We drew up a preliminary acquisition strategy. Let's take a few minutes to look at it.

ERIK: Who's *we*?

A bit rushed, Edward enters.

EDWARD: Hi Jim. I just came from--

JIM: Not a problem. Gayle explained everything. Here's a copy of our acquisition strategy. We're going to--

After quickly flipping through it, Edward interrupts.

EDWARD: I thought we were going to hammer this out today.

ERIK: That's what I thought, too.

JIM: As I was about to tell Erik--with everyone so busy—it was just easier to get the proposal on paper first. It's all there — specs, test strategy . . . ready for approval.

CHARLOTTE: What about the priced options on the initial production lot ?

JIM: That's covered in section three. I suggest you read it before we discuss it. Are there any questions about our schedule?

No one says anything.

JIM: Fine. Get this to your supervisors this evening. Have them review it. Let's meet tomorrow and get it approved A-SAP.

An uncomfortable silence all around.

JIM: I'll take that to mean we're in agreement. We'll meet back here at oh-nine-hundred. Tomorrow then. Thanks.

Jim exits. As soon as the door closes--

ERIK: All I've done is glance at this. And already I see a problem. They call twelve missile launches a test strategy!

CHARLOTTE: I'm Charlotte Morgan by the way. SARDA procurement.

ERIK: Erik Sathrun. Test and Evaluation.

GAYLE: I wish he'd let us introduce ourselves. A team usually knows the other members.

CHARLOTTE: Did you see what happened when I tried to bring up priced options? I'm sorry. But there's no way I can work in this kind of environment.

GAYLE: And he calls twenty-four hours plenty of time? Doesn't he realize how much we have on our plates right now?

EDWARD: This was a definitely a bad start. I'd be the first to admit it. But what if I try and talk to Jim this afternoon. Maybe we can re-group—get back on track.

GAYLE: Good luck. Looks to me like Jim has his own ideas on how this should happen.

ERIK: One thing's for sure. There's no way my boss is going to approve this in twenty-four hours. I can't even digest it in that time.

Discouraged, all leave.

Transition shot outside room and window as characters disappear. Transition to Narrator outside the window.

NARRATOR: NOW LET'S LOOK AT THIS SCENARIO AGAIN AND PLAY IT A LITTLE DIFFERENTLY. AS WE SAID BEFORE, INEFFECTIVE I.P.T.'S AND POOR MEETING PLANNING AND

MANAGEMENT CAN SNOWBALL INTO BAD RESULTS. CONVERSELY, A WELL-ORGANIZED I.P.T. AND PLANNED, EFFECTIVE MEETINGS SHOULD RESULT IN A QUALITY PRODUCT.

AFTER THE SCENARIO, WE'LL COMPARE THE TWO MEETINGS AND NOTE THE DIFFERENCES.

Narrator looks back into the window.

Jim addresses the group.

JIM: The first thing I'd like to do is have us briefly introduce ourselves. I'll start and Gayle, why don't you follow me? Then we'll go around the room.

JIM (Cont.): I'm Jim O'Donnell. I'm the Project Manager. I've been on this job for a year now. And prior to this I was on the Army staff working for SARDA.

Jim nods for Gayle to continue.

GAYLE: Okay. I'm Gayle Morgan, O.S.D. Procurement. I've been working with O.S.D. for twelve years. And I'm here to make sure this program is successful from a procurement standpoint.

Dip to black. Fade out of meeting and fade back into meeting after introductions are complete.

Fade back up on scene later

JIM: Two weeks ago, I sent you a detailed

agenda and an acquisition strategy outline.  
Did everyone get a copy?

Jim holds up a copy of the outline.

Nodding heads all around.

JIM: Good. And you've had a chance to read the agenda and the outline? Get familiar with them?

Jim refers to a chart standing on an easel.

JIM. Great. Before we get started on the actual acquisition strategy, the first thing I want to do is give you a program overview. This program is chartered to provide our soldiers with a new missile system by the year two-thousand-two. Right now we're moving toward an engineering and manufacturing development program decision.

Dip to black. Fade out of scene.

Fade back up at end of presentation.

JIM: OK, now that everyone's reading from the same sheet of music, what I'd like to do is flesh out this outline.

As I said in my read-ahead memo for this meeting, I'm interested in your ideas and thoughts. I need your expert input so we can put together an integrated team product.

Yes, Ed?

Ed gestures for acknowledgment.

Jim acknowledges Ed.

EDWARD: So, we'll have a chance to ask questions?

JIM: Certainly. Now's the time to raise any initial concerns. Then my program office staff will develop a "straw man," and we'll schedule another meeting with all of you to finalize our strategy. Is everyone comfortable with that approach?

CHARLOTTE: Do we need to take notes at this meeting? Record agreements?

Jim look around the room

JIM: Good point. Volunteers?

Erik raises his hand.

ERIK: Sure.

Erik takes notes with a paper and pencil.

JIM: Why don't we start with section one of the outline. Were there any major concerns here?

Gayle steps in.

GAYLE: I had one. The schedule. There isn't enough information shown there. Is there any way to get more detail?

JIM: Definitely. Erik, make a note about schedule definition. That'll be a priority

Erik steps in.

when we draw up the straw man. How about section two?

ERIK: I had a major problem here.

JIM: With the specs?

ERIK: Actually, the number of tests.

JIM: Too few? Too many?

ERIK: Not nearly enough..

CHARLOTTE: I agree. But shouldn't we be talking about more general concerns now? Save specifics for later?

ERIK: I don't know. When you're out there firing the missiles—believe me—knowing they work—that's important. And it's even more important for the soldier when he's the one being shot at.

EDWARD: But Charlotte's right. We're getting into specifics when we should be sticking with the big picture.

JIM: These test numbers are specific concerns. Thanks, Erik for bringing them up

now.

In fact, what I'd like you to do is dig a little. Then come back to our next meeting with some hard numbers and some alternatives.

ERIK: Sounds good to me.

JIM: All right. Let's move on to Section Three.

Transition to: Narrator by the window. Reprise freeze frame clips as appropriate.

NARRATOR: NOW LET'S COMPARE THE TWO APPROACHES.

IN THE WRONG-WAY SCENARIO, JIM FAILED TO CONSIDER THE TEAM-MEMBERS' SCHEDULES WHEN HE CALLED THE MEETING ONLY TWENTY-FOUR HOURS IN ADVANCE.

HE ALSO FAILED TO TAKE MAXIMUM ADVANTAGE OF THE MEMBERS' EXPERTISE, WHICH IS ESSENTIAL TO CRAFTING A SUCCESSFUL STRATEGY.

Cut to freeze frame clips and graphic

AS DEPICTED IN THE RIGHT-WAY SCENARIO, JIM RESPECTED THE

representation as appropriate:

**Respect time frame**

**Allow adequate time to prepare**

**Send read-aheads**

**Value team contributions**

TEAM MEMBERS' TIME-FRAMES. HE GAVE THEM TWO WEEKS NOTICE, ALLOWED THEM ADEQUATE TIME TO PREPARE, AND SENT OUT READ-AHEADS AND A DETAILED AGENDA.

GIVING TEAM MEMBERS AMPLE NOTICE AND PROVIDING THEM WITH READ-AHEAD MATERIAL SENT THE MESSAGE THAT JIM VALUED THEIR CONTRIBUTIONS AS WELL AS RESPECTED THEIR TIME.

IN THE WRONG-WAY SCENARIO, JIM FAILED TO CREATE AN ENVIRONMENT FOR A PRODUCTIVE MEETING.

HE DIDN'T PROVIDE AN AGENDA OR BACKGROUND BRIEFING;

HE OPENLY CRITICIZED ERIK'S DEPARTMENT;

AND HE RESPONDED TO CHARLOTTE'S QUESTION WITH A CURT ANSWER.

AS A RESULT, TEAM MEMBERS FELT THAT JIM DIDN'T VALUE THEIR

**Establish “rules of engagement”**

OPINION OR INPUT.

IN THE RIGHT-WAY SCENARIO, JIM QUICKLY ESTABLISHED THE “RULES OF ENGAGEMENT.”

**Emphasize team accomplishments**

HE EMPHASIZED TEAM ACCOMPLISHMENTS OVER INDIVIDUAL AGENDAS.

**Create “let’s have an open discussion” environment**

BY ASKING DIRECT QUESTIONS, JIM CREATED THE ENVIRONMENT FOR A “LET’S HAVE AN OPEN DISCUSSION” APPROACH TO THE MEETING.

**Encourage team members to share vision**

HE ENCOURAGED EACH MEMBER TO SHARE HIS OR HER VISION.

**Baseline team member knowledge**

JIM LISTENED, RESPONDED, AND THEN MADE SURE THAT THE TEAM MEMBERS WERE ON THE SAME WAVE-LENGTH— BASELINING TEAM MEMBERS’ KNOWLEDGE.

EVEN THOUGH CERTAIN MEMBERS DISAGREED WITH EACH OTHER, JIM LET EACH MEMBER HAVE HIS OR HER SAY AND THEN CAME UP WITH AN ACCEPTABLE COMPROMISE.

**Use consensus-driven approach**

JIM'S APPROACH WAS CONSENSUS-DRIVEN, BUT NOT CONSENSUS DECISION-MAKING.

Cut to graphic:

REMEMBER -- THERE ARE TWO KEYS TO GOOD COMMUNICATION:

**Keys to Good Communication**

QUALIFIED, EMPOWERED TEAM MEMBERS . . .

- **Qualified and empowered team members**

AND CONSISTENT, SUCCESS-ORIENTED, PROACTIVE PARTICIPATION.

- **Consistent, success-oriented, and proactive participation**

AND GOOD COMMUNICATION WILL ALWAYS PRODUCE BETTER RESULTS.

Cut back to Narrator

NOW, LET'S JUMP AHEAD TO ANOTHER MEETING AND SEE WHAT HAPPENED.

IN THE PREVIOUS WRONG-WAY SCENARIO, JIM WANTED THE TEAM TO GET APPROVAL FOR HIS STRATEGY WITHIN TWENTY-FOUR HOURS. THEN HE WAS GOING TO TAKE IT DIRECTLY TO THEM.D.A. .

Narrator looks through window.  
Transition back to conference room  
set as described before.

Gayle, Edward, and Charlotte sit in  
the meeting room. Jim presides.

AT LEAST, THAT' S WHAT JIM  
THOUGHT WOULD HAPPEN.

JIM: Does anyone know where Erik is?

CHARLOTTE: He had a conflict.

JIM: I can't believe this. He's the one who  
complained about the test strategy and the  
proposed firing matrix.

EDWARD: He's still not happy about it.

JIM: Well, he's held this up for almost a  
month. And he's not here to defend his  
position. What we need--

CHARLOTTE: Frankly Jim, Erik said it  
wouldn't make much of a difference if he  
was here or not.

JIM: What's that supposed to mean?

EDWARD: Test strategy's still a valid  
concern — a major issue.

JIM: The fact of the matter is we don't have the money. We've got to go with twelve shots.

CHRISTOPHER: But--

JIM: We've wasted enough time on this as it is. If there aren't any other objections—

GAYLE: Jim--

JIM: Yes Gayle.

GAYLE: I have a problem with your fifty-fifty cost share ratio. We don't have enough test and cost data to justify those numbers.

JIM: That might be true. But this isn't the time to bring it up.

GAYLE: I just don't understand why you--

JIM: Fine. Fine. But come on people. We're running out of time.

GAYLE: Do what you have to do. But I know the M.D.A.'s going to reject your proposal with that kind of ratio. Especially since the contractor could make a windfall

profit on this. People are very sensitive to--

JIM: Are you threatening to go to the O.I.P.T. Principals with your concerns?

GAYLE: I didn't say that. But—

EDWARD: Gayle, Jim. I know we can talk this out. There's no need to--

CHARLOTTE: My boss isn't going to buy off on it.

JIM: What do you mean? They've had a month.

CHARLOTTE: I sent you an E-mail with a list of his concerns. Did you read it?

JIM: Oh I read it. Nothing but twelve problems. And not one solution.

EDWARD: One thing's clear. We're not going to come to a consensus today. I've got another meeting in ten minutes. Let's schedule something for next week.

CHARLOTTE: I'm booked next week. What about the following Monday?

Transition out of window to Narrator.

Narrator looks back into the window.  
Transition to the meeting already in progress with Jim at the head of the table.

JIM: (frustrated) People. We've got to get this out today.

NARRATOR: NOW LET'S SWITCH TO THE RIGHT-WAY SCENARIO AND SEE HOW USING APPROPRIATE BEHAVIOR EARLY ON YIELDS MORE POSITIVE RESULTS.

ERIK: I just want to make sure this system is really ready for our soldiers in the field. And I can't make that judgment based on this test strategy. It won't give me enough data to certify that this missile can dependably hit the target.

JIM: But look at my funding. As much as I agree with your concerns, my hands are tied. I don't have enough dollars to buy more test missiles and range time.

EDWARD: Erik, what kind of statistical confidence would you be satisfied with? How many shots or data points do we need?

ERIK: I went over the figures. Thirty tests is a reasonable compromise.

GAYLE: That still seems awfully high.

EDWARD: What if we used a computer model? Simulate some of the firing?

ERIK: How would that work?

EDWARD: We could run the twelve live fire missile tests. We enter the data into our computer model. It's been validated for this kind of missile. And then we generate the results for another eighteen shots by using computer simulation.

ERIK: And what kind of statistical accuracy are you talking about here?

EDWARD: I'd say eighty-five, ninety percent.

JIM (to ERIK): Does that work for you?

ERIK: I can live with that.

JIM: So we have an agreement then. Twelve live missile tests. Then we'll run the model for the balance — to get a total of thirty data points. Good. We've resolved that. Now Gayle, you had a problem with the three L-RIP lots?

GAYLE: It's the cost share ratio. I've never seen a fifty-fifty ratio before. Seventy-thirty maybe. Or even sixty-forty.

CHARLOTTE: Yeah, Jim. What was the thinking on the fifty-fifty ratio?

JIM: A real strong incentive to reduce the missile unit cost — make it more affordable for the user.

EDWARD: We offer the potential of an additional fee if the actual cost is below the agreed-to target value.

CHARLOTTE: And that's fifty percent of the difference?

JIM: Exactly.

GAYLE: But we don't have enough test and cost data right now — to be comfortable with the target value. If the target value's too high, the contractor could make a real bundle off this.

JIM: Have you talked with your supervisor?

GAYLE: Yes. She can't support the fifty-

fifty ratio .

EDWARD: Then we *do* have a problem here.

ERIK: What's that?

EDWARD: I don't think we're going to resolve this issue at our level.

GAYLE: You're right. But where does that leave us?

CHARLOTTE: We're so close.

JIM: We only have one choice. Frame the issue. And then go on to the next level.

ERIK: We can do that?

JIM: Sure. This chart shows the issue resolution procedure which is defined in O.S.D.'s "Rules of the Road"—the yellow-covered document I placed around the table. What we need to do today is frame the issue.

Then, according to this procedure, my P.E.O. and I will take it with you, Gayle, to your boss. Hopefully we resolve it there. If

Jim points to a chart with Figure 4 of "Rules of the Road."

Jim holds up a copy of the "Rules of the Road."

Jim points to second set of blocks on

the chart.

Jim slides the pointer along the chart to the right indicating the flow through the issue resolution process.

Meeting continues as transition from window to the Narrator by the window. Cut to freeze frame clips where appropriate.

not, we'll continue to elevate this until we get the answer we need. That way, we can keep this program moving forward.

NARRATOR: LET'S COMPARE BOTH APPROACHES.

IN THE WRONG-WAY SCENARIO, ERIK DIDN'T ATTEND THE MEETING DESPITE HIS CONCERNS OVER TESTING NUMBERS.

BECAUSE JIM FAILED TO RESPOND TO GAYLE'S QUESTION, SHE SEEMED TO WANT TO EXERCISE A SENSE OF CONTROL BY OBJECTING TO THE COST-SHARE RATIO AT THE LAST MINUTE.

SUCH A TACTIC CAN DE-RAIL A PROPOSED STRATEGY LATE IN THE GAME, WASTING EVERYONE'S TIME.

AND BECAUSE JIM NEVER REALLY CREATED AN ENVIRONMENT WHERE THE MEMBERS OF THE TEAM COULD ESTABLISH A SENSE OF OWNERSHIP

AND COOPERATION, GAYLE, ERIK, EDWARD, AND CHARLOTTE ALL CAME TO THE TABLE WITH THEIR OWN AGENDAS.

WITHOUT A SENSE OF INDIVIDUAL OWNERSHIP, OVERALL TEAM PRODUCTIVITY SUFFERS. FOR INSTANCE, CHARLOTTE IDENTIFIED ISSUES WITHOUT PROPOSING SOLUTIONS.

THE RIGHT-WAY APPROACH, HOWEVER, DEMONSTRATED HOW THESE SAME PLAYERS OPERATED AS A TEAM.

ATTENDANCE WAS HIGH WITH TEAM MEMBERS ADDING VALUE TO THE PROCESS.

ERIK IDENTIFIED AN ISSUE EARLY IN THE PROCESS AND JIM WAS SUPPORTIVE. A GENERAL DISCUSSION LED TO A WORKABLE SOLUTION.

BY SOLVING THE CONFLICT AT THE LOWEST POSSIBLE LEVEL, THE PROGRAM CAN KEPT MOVING

Cut to freeze frame clips and graphics as appropriate.

**Encourage team member contributions**

**Facilitate timely decision-making**

**Emphasize team agenda over individual agendas**

**Identify, then resolve or elevate issues quickly**

FORWARD.

JIM ALSO ENCOURAGED EACH MEMBER TO CONTRIBUTE. AND MANAGED THE DISCUSSION BY FACILITATING A DECISION BEFORE THE MEETING WAS OVER.

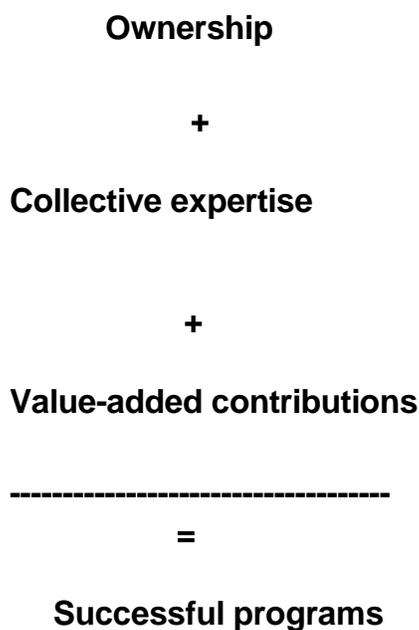
BECAUSE JIM SOLICITED INPUT THROUGHOUT THE PROCESS, THE TEAM'S AGENDA BECAME MORE IMPORTANT THAN INDIVIDUAL AGENDAS.

AS A RESULT, JIM -- IN HIS ROLE AS P.M. -- MADE SEVERAL DECISIONS THAT ALL TEAM MEMBERS SUPPORTED. THERE WAS NO NEED FOR "HIDDEN AGENDAS."

EVEN THOUGH GAYLE RAISED HER CONCERNS ABOUT THE STEEP COST SHARE RATIO EARLY ON, IT TURNED OUT THIS DISCUSSION WAS ABOVE THE DECISION-MAKING LEVEL OF THE TEAM. WISELY, JIM DECIDED TO ELEVATE THE DISCUSSION TO THE NEXT LEVEL IN AN EFFORT TO RESOLVE THE CONFLICT.

ALTHOUGH IT TAKES SOME WORK,

Cut to graphic:



Cut back to Narrator

Cut to graphics as appropriate.

**Open discussion with no secrets**

SOME TIME, AND SOME PATIENCE,  
THE PAY-OFF OF OPERATING AS A  
TEAM—AND FOCUSING ON TEAM  
GOALS AND OBJECTIVES—IS BOTH  
PERSONALLY AND  
PROFESSIONALLY REWARDING.

DOING IT RIGHT MEANS HAVING  
OWNERSHIP IN THE PROCESS.

IT MEANS MAKING THE BEST USE OF  
TEAM MEMBERS' EXPERTISE.

IT MEANS POSITIVE FEELINGS  
ABOUT MAKING A CONTRIBUTION.

AND ULTIMATELY, IT MEANS  
OPTIMIZING THE OPPORTUNITIES  
FOR A SUCCESSFUL PROGRAM.

NOW LET'S REVIEW THE SIX  
PRINCIPLES OF A SUCCESSFUL  
INTEGRATED PRODUCT TEAM.

EMPHASIZE COOPERATION WITH  
OPEN DISCUSSIONS.

**Qualified and empowered team members**

TAKE ADVANTAGE OF EMPOWERED TEAM MEMBERS. THEY SHOULD HAVE THE KNOWLEDGE AND AUTHORITY TO ACT FOR THEIR PRINCIPALS WHEN APPROPRIATE. AND, THEY SHOULD COMMUNICATE WITH THEIR PRINCIPALS THROUGHOUT THE PROCESS.

**Consistent, success-oriented, and proactive participation**

CONSISTENT, SUCCESS-ORIENTED, PROACTIVE PARTICIPATION IS KEY. MEMBERSHIP SHOULD NOT BE LIMITED.

**Continuous communication**

COMMUNICATION SHOULD BE CONTINUOUS AND “UP AND DOWN THE LINE”. WHEN AN ISSUE IS ABOVE THE EMPOWERMENT LEVEL OF THE TEAM, IT SHOULD IMMEDIATELY BE RAISED TO THE NEXT LEVEL.

**Reasoned disagreement**

REASONED DISAGREEMENT CAN BE EXPECTED. THIS DOES NOT NECESSARILY RESULT IN THE “LOWEST COMMON DENOMINATOR” APPROACH TO A PROBLEM OR INDECISIVE GRIDLOCK.

REASONED DISAGREEMENT SHOULD

**Issues raised and resolved early**

RESULT IN A PLAN THAT CAN BE  
AGREED UPON BY ALL TEAM  
MEMBERS.

THE FINAL PRINCIPLE OF A  
SUCCESSFUL INTEGRATED  
PRODUCT TEAM IS MAKING SURE  
THAT ISSUES ARE RAISED AND  
RESOLVED EARLY.

BRINGING UP ISSUES EARLY AND  
RESOLVING THEM AS QUICKLY AS  
POSSIBLE IS THE ONLY WAY TO  
ENSURE THAT EVERYTHING RUNS  
SMOOTHLY FROM START TO FINISH.

YOUR COMMITMENT AND  
INVOLVEMENT IN THE I.P.T.  
PROCESS IS VITAL.

TOGETHER WE CAN REVOLUTIONIZE  
THE WAY WE DO BUSINESS. AND  
ULTIMATELY, THAT MEANS GIVING  
THE WARFIGHTERS WHAT THEY  
NEED, WHEN THEY NEED IT, AND AT  
AN AFFORDABLE COST.

Run credits.

(Music up and under.)

End video.

