Acquisition Leadership

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Preface

Just prior to taking the helm at PMA-265 (Hornet/Super Hornet/Growler) I felt woefully unqualified. As I reflect back it may have been, in part, due to the *idea* of being a Major Program Manager versus the pragmatic, practical application of actually being a PMA. How do I go about actually making things happen in such a large, seemingly byzantine organization like the Defense Department? What are the first things I need to do? How do I lead? Who's in charge? What do I look for in execution? What questions should I ask? How do I interact with disparate parts of the organization?

During my time at PMA-265 I began to write little notes to myself; observations really. Often times, I would hear a witty, pithy quote that resonated with me because of its application to acquisition. As I gained more experience, and the Navy offered me additional acquisition opportunities I expanded the notes into other areas, like engineering, logistics and T&E. As I transition out of the military service my hope is that this small booklet, while not exhaustive, will help a Major Program Manager bridge the gap between the idea of being a PMA to one who knows how to get things done.

First thing to know: There is no substitute for leadership. This booklet contains my thoughts about PMA leadership and execution. Whether you're leading a 4-ship offensive counter-air mission, getting the requirements right for the new manned or unmanned aircraft, or getting a SOCOM JUONS on contract as quickly as possible in support of troops on the ground, you must lead. Not a day went by that I didn't learn something about execution and leadership, whether it was at PMA-265, PMA-274 Presidential Helicopters, NAVAIR Chief Engineer, Navy Warfare Center Commander, or my last 5+ years at PEO(T). With today's emphasis on qualifications, KLPs, months of acquisition time, courses completed, engineering acumen (all necessary), leadership matters the most.

I was lucky to be selected as Program Manager in PMA-265. The program office came fully equipped with the best acquisition workforce at NAVAIR. After the A-12 debacle, NAVAIR wasn't going to let Super Hornet fail. Of those who worked for me, five were promoted to Flag rank, four became part of the Senior Executive Service, 18 were selected for Major Program Manager, and seven more became Deputy Program Manager. My leadership team, and the Hornet Industry Team (HIT), made a bigger difference on program performance than anything I did. Former Hornet PMAs like RADM Steidle, VADM Lockard, VADM Dyer, VADM Wieringa, and RADM Godwin, and their HIT counterparts, were instrumental in building a culture where success was expected; it was the norm. I learned a great deal about execution just by following their lead.

Unfortunately, I've been a part of failure as well. It's a humbling experience. Failure is always a fertile ground for lessons learned and note taking. The failures overshadow the successes I've both personally experienced, like F/A-18E/F, EA-18G, Next Generation Jammer, MIDS-LVT, AIM-9X, E-2D, NIFC-CA, and PGSS, and witnessed from a distance like the P-8, and Tomahawk programs. They are successful because they execute with sound program and technology management principles from their inception to fielding. If you look at them, with only a small amount of appreciative inquiry, you'll find what "normal acquisition" looks like.

Our business is largely a human endeavor taking place in a large bureaucracy made still larger with each failure. For the PMA, your ability to successfully navigate through this bureaucracy with a fundamentally sound program will depend upon your leadership ability, experience and knowledge, and just as importantly, the expertise of your workforce. Of course, the key to better program outcomes is not in navigating through the process, but in the execution. We know how to build programs with sound management principles, but it requires your acquisition leadership to do so.

While not meant to be an exhaustive account of how to be a PMA, I believe you'll find nuggets in this booklet that will aid you in your search for success and a professionally rewarding tour as Major Program Manager. If you're a PEO, SYSCOM Commander, Resource Sponsor, or an industry partner, you might find a useful nugget or two in here as well.

RADM "BD" Gaddis

Leadership

Acquisition Leadership

- Take the lead and shape the dialogue.
- Actively listen first, then ask the hard questions.
- Know what questions to ask. Question everything until you're completely satisfied.
- Set the tone - have a strong back and strong disposition.
- Use data, experience, the team, and your gut to make decisions.
- Manage at the seams and across organizational boundaries.
- Know the root causes of failure, and avoid them at all cost.
- Allow your team to communicate bad news; don't overreact.
- Be professionally curious. Never stop learning.
- Integrity - Always do what is right.
- Execute the plan. At the same time, chart a course for the future (e.g. "Flight Plan").
- Do not allow yourself to become emotionally attached to budget decisions and outcomes.

There is no substitute for Leadership

The Program Manager

- Our national security strategy requires good to great acquisition leadership.
- Know your chain of command. It's the PMA, PEO, ASN(RDA), and AT&L. Nothing in between. Staffs are not in the chain of command.
- Increase the velocity of information, especially across organizational seams. If you don't, I've seen it lead to miscommunication, misinformation, and eventually, bad decisions.
- Do not simply accept, "we're working it," for an answer. Ask who, what, when and how … then follow up.
- You will be expected to be the smartest SOB in the room ... on any topic. You own it all: the contract, acquisition strategy, cost, fee plan, requirements management, specification, logistics, etc.
- Most of your problems will be inherited. You will manage the consequences of decisions made years ago … those people are gone.
- Know when to ask for help … Use "Help needed." Elevate quickly!
- Time will be your most precious resource, so invest wisely. Often, your time will be chosen for you, though.
- You have high pressure, high visibility jobs. Embrace the scrutiny that comes with it because you really don't have a choice now.
- Appreciative inquiry doesn't always exist in this business, so grow a thick skin. Don't take it personally.
- It's okay to advocate for your program, but don't drink your own bath water. Keep your integrity in doing so.
- Don't fight the urge to cross into other people's swim lanes, especially requirements, when required. Just do it.
- On receiving bad news that you have a problem … remember Rule 5*
- Find the right balance between the incessant demand for more data, more metrics, and the need to make informed, timely decisions. Don't be afraid to use your gut.
- You'll observe two Pentagon behaviors on even the most righteous and moral of issues: 1) no one wants the bill, and 2) too many action officers from too many staffs with their opinion vice the PMA opinion. Your leadership is key to cracking this nut. "Pound the rock" with data until it cracks.

**(Rule 5: Nothing is ever as good, or as bad as it first appears.)*

Teaming & Relationships

- You must have full spectrum participation in an IPT environment (e.g. OPNAV sponsor, fleet, PMA). Acquisition is a full team contact sport. Work together to get the requirements right or you will fail.
- Establish trust between the PMA and your contractor. It's hard work, but it matters. Use each win-win to build a "Culture of Success."
- Establish trust between the PMA and resource sponsor. For the resource sponsor and staff, this is a 2-way street! Increase the velocity of information to help build trust. Your program will execute more smoothly.
- Know the difference between descriptive communication and directive communication. Know when to go directive.
- Get comfortable working across organizational seams.
- Stay out of e-mail wars. Visit the next cubicle. Make office calls. Pick up the phone. Establish personal relationships.
- Always operate with full, open, transparent, and honest lines of communication.
- Transparency is an absolute must, despite those in our system who use transparency with a "gotcha" mentality. The "goods" still outweigh the "others."
- Industry cannot staff every program with its "A" Team. Know if your program has the "A" Team or the "B" Team working on it, then adjust accordingly.

People & Workforce

- You don't have a monopoly on the good ideas; your team does. Listen to 'em. Ask them what they're thinking.
- No matter how good a Program Manager you think you are, what will matter most is how experienced, knowledgeable, and savvy your people are at their job.
- Ensure your workforce values the 5 C's: communicate, coordinate, collaborate, connect & cooperate.
- I've never seen a technical issue bring a program to its knees; however I have seen it happen to those programs whose workforce didn't do the 5 C's well.
- There are pockets of profound technical knowledge in our warfare centers. You need to tap into this source of knowledge.
- Reliance on the government workforce, warfare centers, laboratories, depots and test ranges must be valued more than ever. Investment in government infrastructure is how we'll drive cost out in the long run.
- If you really want non-proprietary, integrated battlespace capability, then do what I recommend above.
- OPNAV and SECNAV leadership must appreciate the Navy Working Capital Fund a great deal more. It's key to speed and agility, and a great mechanism for managing the work, the type of work, and the size of the workforce.
- Industry staffing plans must include subcontractor plans, too.
- Prime and subcontractor workforce: incentivize them to staff up quickly after contract award. It's your key to an on-time start.
- Know what incentivizes your industry counterpart (CPARs, fee, percent of DoD revenue).
- Never stop learning. Take every opportunity offered for advanced training. You can afford to take a week or two away from the office for a school. Encourage your workforce to do the same.

Program Management

Useful Quotes for the Program Manager

Leadership is influence – nothing more, nothing less.	*John Maxwell*
Know the difference between a cotton ball and a cannonball.	*LtGen Hough*
If you want to know your program, then you better know your budget.	*VADM Dyer*
No one will remember you accepted risk. All they'll know is that you're not executing.	*Bret Combs*
It's all about managing expectations and effecting outcomes.	*VADM Lockard*
Always take a look at issues from the other guy's perspective.	*CDR Stufflebeam*
Credibility + Consistency = Trust.	*Ken Miller*
If you promise to overcommunicate, then I promise not to overreact.	*VADM Dyer*
You gotta be able to ride two horses at the same time or get out of the circus.	*Gen Mattis*
It takes a long time to boil the ocean.	*RADM Gaddis*
Money is the hydraulic fluid of our business.	*VADM Dyer*
Always challenge the assumptions.	*RADM Gaddis*
Take the lead and shape the dialogue.	*RADM Gaddis*
Realism is the key to execution.	*Larry Bossidy*
In God we trust, all others … bring data.	*W. Edwards Deming*
Don't get distracted by the drama.	*Dr. Delores Etter*
When all else fails, read the contract.	*VADM Dyer*
Planning keeps you out of trouble; relationships get you out of trouble.	*Mark Cherry*
Don't let hope triumph over experience.	*Samuel Johnson*

Execute

1. Must perform BETTER than plan
2. Measure progress to plan daily.
3. Communicate clearly, unambiguously, and with transparency both laterally, and up and down the organization.
4. Do not suffer from a gap in expectation on what must be delivered.
5. Aggressively execute to the IMS. Do not let a task slip. Find margin.
6. If you need something, ask now. If you need help, ask now.
7. Let there be no substitute for Speed and Agility.
8. Elevate quickly!
9. STOP the CHURN.
10. FIND a WAY to balance safety and technical conscience with performance and cost outcomes. “Yes if,” not “no, because.”

If you’re not performing better than plan, it’s everyone’s responsibility to immediately ask “why,” get it corrected, then move forward. Keep moving!

RADM “BD” Gaddis, PEO(T)

Pillars (and Tenets) of a Good Program

- A well understood requirement with flow down to performance spec & temp
- A genuine integrated schedule with associated Earned Value Management (low risk, achievable schedule)
- An independent cost estimate
- Full and stable funding
- A culture of drawing in outside competency
- A willingness to ask the hard questions, and the courage and energy to not quit until you gain understanding
- A recognition that it takes requirements, resources, and acquisition, all working together to get the dog to hunt

VADM Joe Dyer
COMNAVAIRSYSCOM, June 2003

- Low Technical Risk

(VADM Wieringa, added tenet)

Cost, Schedule & Risk

- The Pentagon and Congress value predictability. Find the investment for TM/TD, experimentation, demonstrations, proof of concept, and/or prototyping. It will assist in nailing down the requirements set, narrow the window of uncertainty for cost and schedule, and lower program risk. All the above provides more predictable program outcomes.
- Once your program is on contract for full scale development, your most important advisors are the BFM, contracting officer and cost scheduler. Make them a part of your leadership inner circle as you execute your program.
- Seven ways to define cost – know 'em all because they are often misused by those who want to make their point vice your point.
- Between MS A and MS B your cost assumptions will inevitably change, especially after a down select. The building won't accept it, or understand why. Your job is to show them why they must.
- Updates to the cost estimate occur at program milestones and are separated from the budget build which occurred two years ago. You'll have to quell the frustration from your resource sponsor.
- Question every single assumption in the cost estimate before making it your cost estimate. An independent cost estimate is required, but use it as a starting point to help control cost
- EVM is more than just a CPI/SPI report. Do weekly EV reviews at the CAM level. Review your leading indicators (e.g. staffing, baseline execution, cumulative incomplete tasks). Keep asking questions until you're satisfied that the CAM has a realistic get well plan.
- Ensure you have at least 10% management reserve locked away in your EVM system. Use opportunity management to create more. You'll need it when things go wrong, and they always do.
- Be transparent with your technical, cost and schedule risks. It's almost inevitable, though, that people will confuse risk management with a risky program.
- Know the difference between risk identification and risk management; know the difference between risks and issues. Fund your mitigation plan. Integrate it into the IMS. Actively manage it.
- Always look to partner with the S&T community for technology transitions. They help drive down cost, schedule, and risk.

Functional Management

Engineering

- Prototype. Prototype. Prototype. Mature the technology.
- Use a robust Pre-Milestone A and Pre-Milestone B set of activities to ensure there is a congruent fit between CONEMPs, CONOPs, the operational requirement, the specifications, mature technology, and resources (e.g. cost and schedule).
- A robust TM and/or TD plan is key to establishing the program technical baseline. Don't cut corners here. Don't cut corners for the first two bullets either.
- Acquisition speed is a function of the scope, scale, robustness and complexity of the operational requirement.
- Programs that spend more time upfront in planning and defining perform better. You'll get to MS C quicker, too.
- Ensure you have information visibility and transparency to make informed decisions.
- Every engineer, no matter the specialty, is also a cost engineer.
- Never, ever, ever let the program manager chair his own design review. You MUST have independent technical authority, especially here. It's an imperative.
- At the same time, don't use technical authority as a hammer against a program – work together. Always tailor SETR to fit the program scope, scale, robustness and complexity.
- Don't stop at performance-based specifications. Ensure you define installed system performance clearly and unambiguously.
- Design specs cannot be written on one page. They're like NATOPS. Orville Wright first flew in 1903. We've incorporated thousands of airworthiness lessons learned from every aircraft mishap since.
- Specifications are tailorable, but the PMA, and industry, must be aware of the airworthiness red lines.
- I guarantee you that you'll be faced with either HW or SW aircraft integration issues. Get ahead of it with robust lab testing, HIL, and chamber tests. Don't cut these resources.
- Aircraft integration doesn't end until sensor data is transferred into aircrew knowledge. Keep your focus on the pilot/cockpit vehicle interface in order to simplify the battlefield.

Test & Evaluation

- Idealism and pragmatism collide at this point. Find the right balance. To help find it remember what it was like on your last deployment. I consider this a strength in the AEDO community.
- Anticipate problems. Things invariably go wrong in test, but “that’s why we test.”
- Build in a “Wieringa wedge” between DT and OT … you’ll invariably need it. Start with 6 months.
- When your system is mature enough, ensure you conduct DT in Large Force Exercises (LFE). Don’t let the OT community find problems in LFE before you do. It will be too late, and add cost.
- When someone says we test too much remember, “In the end it all gets tested anyway.” So where do you want to put the risk?
- There are “gems to be mined,” in the OPEVAL report. Think of the warfighter and your past fleet experiences. Fix those OT deficiencies that most impact war fighting effectiveness.
- Do not under any circumstances, or how much duress you are in, cut T&E assets, to include lab resources, as part of your should cost plan. This approach short changes your T&E objectives, and the intent of a should cost plan.
- … beware of reducing test resources (e.g. hardware and software) to cut costs and accept risk. You might save money in the short run, but you will sow what you reap in the long run.
- At each Test Readiness Review ask yourself these three questions:
  - Can you pass?
  - How do you know?
  - By what margin?
- You must test your individual program in a system of systems environment. Go beyond the requirement or the spec to achieve an end-to-end test in an integrated battlespace. How else will you know if it’s effective, especially in the context of an OPLAN? Find the resources to do this.
- The Operational Assessment (OA) is for the Program Manager. It’s meant to provide early development feedback to the PMA. Don’t get caught up in the drama of staffs using the OA results as if it were IOT&E.

Systems of Systems Capability Manager

- Whether it's a system (i.e. aircraft or weapon), or a system of systems capability (AAW: F/A-18, F-35, E-2D, AEGIS, weapons, data link), it starts with a clearly defined operational requirement. You must have requirements documentation, informed by engineering and operational analysis, to be successful (all the tenets of a good program still apply).
- System of systems capability management is not a part-time job. To horizontally knit programs together, it still takes a dedicated staff to conduct requirements management at the capability level, engineering flow down to a capability specification, then flow down to individual program specifications.
- You must have acquisition governance with clear and unambiguous lines of authority. It's a new way to lead and manage. You might have to "break glass" to align programs of record under a single executive to manage capability development. The right organizational structure creates management control levers, which will reduce program risk.
- The biggest control lever is, of course, the money. Once the PMA has completed the engineering flow down to individual platforms, weapons, or data links the PEO has the leverage, for example, to recommend requirements changes, specification changes, or use "out of hide" resources to fill gaps. The capability PMA requires his own Program Element, though.
- You need three documents at a minimum. OPNAV must author some type of capability requirement; the PMA must author an acquisition or fielding strategy, as well as, a T&E strategy (TES). This type of rigor is absolutely required in order to match requirements to resources. You'll need a cross-platform, multi-level security environment, as well.
- "How do we know it will work?" Each system must work in an integrated battlespace. A solid M&S plan and an LVC environment are required for T&E and Engineering. Focus on capabilities-based system of systems test.
- Think about training our warfighters! Our ranges will never be big enough. LVC investment can ensure we maintain this asymmetrical advantage over our adversaries.

Contracting

- **Major weapons system programs with bad starts, regardless of contract type, end badly**. If you're not executing at contract award, regardless of contract type, then you're in a non-value added recovery plan. History shows that you never recover. In fact, it'll get worse. Successful contracts contain clearly written SPECs/SOWs, have NAVAIR Competency buy-in, are void of unrealistic thresholds, contain no special contract clause (Section H Clause), are managed by program offices and prime contractors with the resources (people, skill & money) who are in absolute agreement with the WBS, cost by CAM, schedule assessment, and share data (whether contractually required or not) freely.

- **Selecting the contract type and contract incentives is about risk management - not cost management.** When contracting for major weapons systems, uncertainties imply cost, schedule, and performance risks relative to early cost estimates. These risks diminish as programs move from TMRR to EMD and again through production to sustainment. Their realization may result in cost and schedule growth. Major weapon system risks require use of different management levers (to include contract types and incentives) at different stages to mitigate risks and motivate industry to achieve the lowest possible total price to the government. Program Managers must monitor and explain risks. Leadership must remember that developing technologically superior military capability is not a risk-free endeavor.

- **No single contract type is best.** Analysis of past acquisitions shows that, when controlling for other factors that contribute to contract cost performance, contract type alone (e.g., fixed price or cost-reimbursable) does not predict lower cost growth in development or early production contracts. This suggests that relying on contract type alone to achieve better affordability outcomes will not likely be successful. This does not absolve Program Mangers from the need to carefully consider and select the most appropriate contract type given the maturity, system type, and business strategy for each system.

- **The contracting process Dance takes a year + - the contract lasts for years.** Getting a major weapons system contract awarded is an arduous, challenging, and oft times painful process. With unrivaled passion, peers, staffs, lawyers, contractors, and competency expertise will bombard Program Managers with recommendations based upon their years of experience expecting to be heard and their recommendations followed. The negotiations will be emotional and help from

Contracting

those same venues will be offered daily. Meanwhile, comptrollers and resource sponsors will threaten programs with marks and Congress will smell blood. Program Managers should not let the process consume them. Rather, the focus should be ensuring the contract requirements are correct. Program Managers should NEVER let a PCO award a contract until they have read every Section H clause twice!

- **Hands-on contract administration is critical to find causes of cost and schedule growth and implement mitigations.** Contract cost growth can be split between work content purposely added to a contract (scope growth) and costs-over-target (overrun). Contract work content growth dominates total cost growth statistically, but costs-over-target also are significant and worrisome. Cost-over-target reflects poor performance, poor estimation, or faulty framing assumptions. Work content growth, on the other hand, may (in part) reflect threat-driven, normal, or necessary additions that resolve and reduce problems from technical and engineering uncertainties. Still, requirements creep can be a factor in work content growth and needs to be recognized and subject to affordability constraints.

Thanks to Geoff Tisone for his special contributions in this section.

Logistics

- "BD, if I could write your FITREP it would only have four bullets on it.

  What are you doing to optimize the inventory?

  What are you doing to increase reliability?

  What are you doing to decrease cost?

  What are you doing to decrease turnaround time?"

  VADM Wally Massenburg,
  COMNAVAIRSYSCOM
  Summer 2004

- Acquisition logistics, production, and sustainability should be treated with the same attention as a major R&D program.
- Invest the time into knowing FRC, NAVSUP, and DLA. Know their organization, leadership, processes and barriers.
- NAVSUP and DLA are your partners. They can bail you out. Make them a part of your team. Establish personal relationships. Tap into the magic of their Working Capital Fund accounts.
- Pay attention to your reliability growth curve. Gain consensus with all stakeholders on how to model reliability growth. Track it relentlessly. Invest in reliability; it works.
- BIT, technical pubs, IETMs etc., will mature at the rate in which you successfully go through the design, development and test phases. Stay focused on the former, though, as it will drive down O&S costs earlier.
- Your initial spares (e.g. APN-6) dollars are vital to Fleet introduction of new weapons systems. Unfortunately they are also easy marks. Protect these dollars from the comptrollers, competency, and congressional staffers. Enlist any and all help in doing so.

NAVAIR CAO/IPT

Competency Aligned Organization/ Integrated Product Team

- Working in a CAO/IPT organization is a strength. It's also a barrier that impedes progress to a better acquisition future.
- Competency processes, especially the business competencies, have hijacked program progress. It's not a balanced relationship anymore. They've become risk averse.
- Every new PMA, PEO, SYSCOM Commander, and Level 1 National Competency Leader should be required to read DoD 5000.02 and SECNAV Instruction 5700.15C, then discuss their unique role and responsibility in there application.
- A reminder: "The responsibility and authority for program management, to include program planning and execution, is vested" in the PMA/PEO/CAE. "Staff and other organizations provide support to the PMA/PEO/CAE."
- Stop the churn! … Ruthlessly weed out what does not add value; stamp out the aimless agitation. Much of it is generated by the competencies, and adds zero value to the product. If you don't, it'll cost you time and money.
- CAO/IPT relationship is kinda like a pilot and RIO flying an F-14. Good crew coordination is crucial to good kill ratios. Today, crew coordination has broken down.
- In CAO/IPT there is no such thing as shared accountability for program performance. Only the PMA and the PEO are responsible for program performance. No competency leader has ever been fired over poor program performance.
- The PMA takes risk, not the competency.
- "Seek to understand," then challenge every assumption made by the lawyers, contract specialists, comptrollers, engineering, testers and cost. If it doesn't make common sense to you, question it. Don't stop until you're satisfied.
- You'll be surprised at how much you can't control. At the same time don't let their technical authority (e.g. engineering, contracting, legal) be used as a hammer against you. Again, question everything. Elevate.
- On the other hand, LISTEN when your competency staff, especially engineering, starts whispering to you about a violation of their technical conscience.

Public Affairs

- Know your comm plan, and stick to it. If you don't have one, get one. Be personally involved in the comm plan 'cause it'll be you doing the interview.
- If you read about your program in the Press, then stand by for an action item.
- Bad press is sometimes gonna happen and people are gonna over react, but "don't worry about the things you can't control ... this too shall pass."
- Know the security classification guide before talking to the press. Ensure your resource sponsor knows it, too!
- Never talk to the media without your PAO present. You wouldn't talk to a detective without your lawyer present.
- Don't be afraid of the Press. However, be afraid of where the author might take the story. They love to speculate, so don't get caught up in *their* story.
- Be careful what you say. Our adversaries read EVERYTHING you say, or send. We are too loose with what we say about our capabilities. Tighten it up.
- Professional staff members, acquisition professionals, resource sponsors, etc., read the papers – use that knowledge to get your key communication messages out.
- Read the papers.
- Full, open, and honest communication works best with the media, too. Never lie.
- They know what "happy talk" sounds like. Too much happy talk will hurt your program, and, more importantly, your own credibility.
- Are you managing the message more than you're managing the program?

Get the Big Rocks Right

Program Management Focus Areas

Use your time at Defense Acquisition University wisely. Attempt to define your focus areas before taking command. Get the big rocks right. In my case they were: speed, agility, and alignment. Make an effort to define each big rock. The example below is the approach I took 12 years ago. Many of the actions remain today for future PMAs to take on.

SPEED

- Take the lead & shape the dialogue
- Create innovative business practices
- Move rapidly into Network Centric Operations
- Align the S&T community with our goals and vision
- Conduct demonstrations & experiments

AGILITY

- Anticipate the future
- Accept change
- Be responsive & flexible
- Conduct business across organizational structure without boundaries
- Find tailorable & cost-wise solutions

ALIGNMENT

- With internal & external environment
- With CNO guidance
- With SEAPOWER 21
- Always be fleet-focused
- Enhance customer relationships
- Establish new strategic relationships

Strategic Management Control

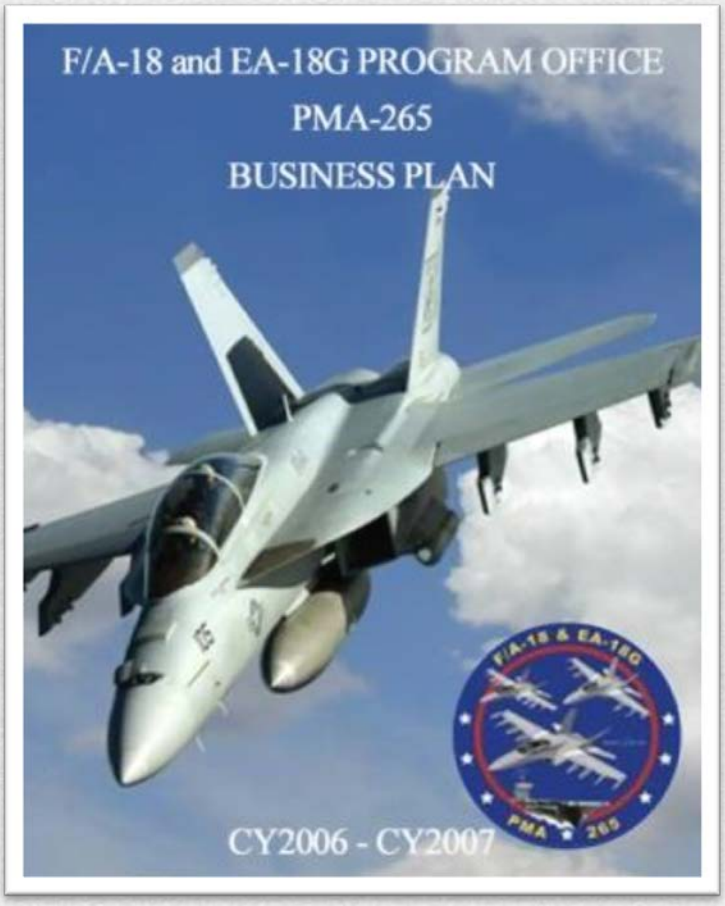
I strongly recommend you think through a model of how to manage your program. You need a management approach that develops, implements and renews strategy and action plans in the face of uncertainty. You most certainly will have to re-plan the plan. This was my approach to doing that. A business plan (see next page) was a central part of my strategic management control plan.

Simons, Robert 1995. *Inventory Control: How Managers Use Innovative Control Systems to Drive Strategic Renewal*. Boston: Harvard Business School Press

Business Plan

As part of your management control system, tie it all together with a business plan. It will achieve the following desired effects.

- Align program goals, objectives, and metrics to CNO, SECNAV, and higher echelon commanders
- Place strategy at the center of your change and management process even in the face of uncertainty
- Link strategic plan to decision-making and performance measurement & … accountability
- Communicate up, down and laterally across the organization
- Employees with knowledge of how their work is adding value to program outcomes
- Employees who are able to tie their performance req'ts with program outcomes



Causal Factors to Program Failure

Causal Factors to Program Failure

Plenary remarks made at the Systems Engineering Stakeholder Group
Naval Postgraduate School Monterey 21-23 September, 2009

- technical arrogance
- normalization of deviance
- blind overly optimistic schedule assumptions
- lack of disciplined systems engineering rigor
- rationalization
- misaligned objectives between gov't and industry
- lack of domain knowledge
- wrong team in place
- unk/unk (that's why we test)
- fraud
- Common Thread: Lack of engineering leadership

Defense Science Board Report

Buying Commercial: Gaining the Cost/Schedule Benefits for Defense Systems February 2009

The DSB task force identified challenges with purchasing commercial or other government off-the-shelf and commercial or foreign derivative systems. I maintain that the problem areas cited by the DSB are common across a variety of programs. Use these lessons learned.

- "All three programs …(VH-71, ARH, LCS)…were driven by perceived urgency that led to unrealistic timelines and underestimated costs."
- "Government and industry partners reported …(VH-71)…that "urgency" precluded standard engineering practices and systems engineering reviews."
- "No program had adequate personnel experience, or expertise on the government or the prime contractor staffs."
- "The lack of personnel, time, and funding to carry out adequate systems engineering, and programmatic analysis of alternatives were especially noticeable."

Common Issues
NAVAIR Prime Contractors

The barriers to program performance below are the findings of research completed by NAVAIR. The objective was to enable and facilitate early discovery and intervention of potential cost, schedule and performance problems.

- **Systems Engineering**
  - Requirements definition
- **Requirements Flow down**
  - Contracting (CDRLs, Clauses)
- **Program Management**
  - Risk management
  - Metrics
- **Subcontractor Management**
- **IMS Schedulers**
- **Staffing/Resource Management**
- **Science and Technology**

Source:
NAVAIR 4.2 Research presented at
NAVAIR Leadership Offsite, April, 2008

Currently Dominant Root Causes

PARCA Data – circa 2010

- **Poor Management Effectiveness**. The broad category of poor management effectiveness was a root cause in just over half the cases. Problem areas included:
  - **Poor systems engineering to translate user requirements into testable specifications.** This includes (1) the flow down of requirements, (2) interface/environmental management, and (3) management of holistic performance attributes such as reliability or weight. These largely are system engineering functions.
  - **Ineffective use of contractual incentives.** This includes whether the acquisition strategy selected satisfies the conditions necessary for its success, whether it is consistent with corporate environment (including long- and short-term objectives), whether it is aligned with program goals, whether there are perverse effects, and whether it was enforced.
  - **Poor risk management**. This includes the identification, quantification, evaluation, and mitigation of risks.
  - **Poor situational awareness.** Deficiencies have been identified in program office, contractor, and oversight awareness, and the timeliness and effectiveness of responses, related to the cost, schedule, and technical performance of DoD programs.

Source:
OSD (AT&L) Report
Performance of the Defense Acquisition System 2013

Last Thoughts

If you build, manage, and lead a program, or a system of systems, by using the major themes as outlined in this booklet you have a decent chance at success. What I've written is what "normal acquisition" looks like; it should be fundamental to our business. Despite all those who contend that acquisition is broken, this stuff works -- I've used it as a Major Program Manager, and as a Program Executive Officer. The PMAs who work for me have used these principles and swear by them. Their programs are successful, predictable, and on target.

However, when things do turn badly, you'll be surprised at how little you can actually control despite pulling every government control lever you possess. I know what an acquisition catastrophe looks like, too. It will unfold slowly. Its root sown years ago by bad decisions, or more often than not, by decisions not made. The current Program Manager ends up managing the consequences and the fall out, time and turnover blurring the lines of accountability.

Thus, for every acquisition catastrophe, we add layers of oversight. We add more law, more policy, more to the 5000.2, and then additional staff to administer all that was added. We add more process to an already burdensome process, which means more time and money for our programs of record. We need to move in the opposite direction, which is counterintuitive to many. What we've done to ourselves is just the opposite of what we need to do. More process, and the oversight that accompanies it, is not the answer. It's just the opposite of what the 1986 Packard Commission recommended. (see addendum page). Instead, we need to delegate. Simplify. Cut redundant organizational layers. Tailor aggressively.

Working in the acquisition environment is non-linear, complex, dynamic and full of ambiguity. It's characterized by hyperactivity. The acquisition bureaucracy is too big, and filled with too many people, all who think they have the ability to say no. It's hierarchical, with too much depth and breadth. It's overly burdensome, and quite frankly, in my opinion, reductions are overdue.

We don't think in the context of time, which costs money. We need more people who are experienced in systems engineering, test and evaluation, contracting, and acquisition logistics. I'd rather have more experienced procurement contracting officers, adept at workarounds, win-win strategies and possessing sharp negotiating skills, and an understanding of the value of time. We need more people whose skill sets are a good fit for execution and program management, not process management.

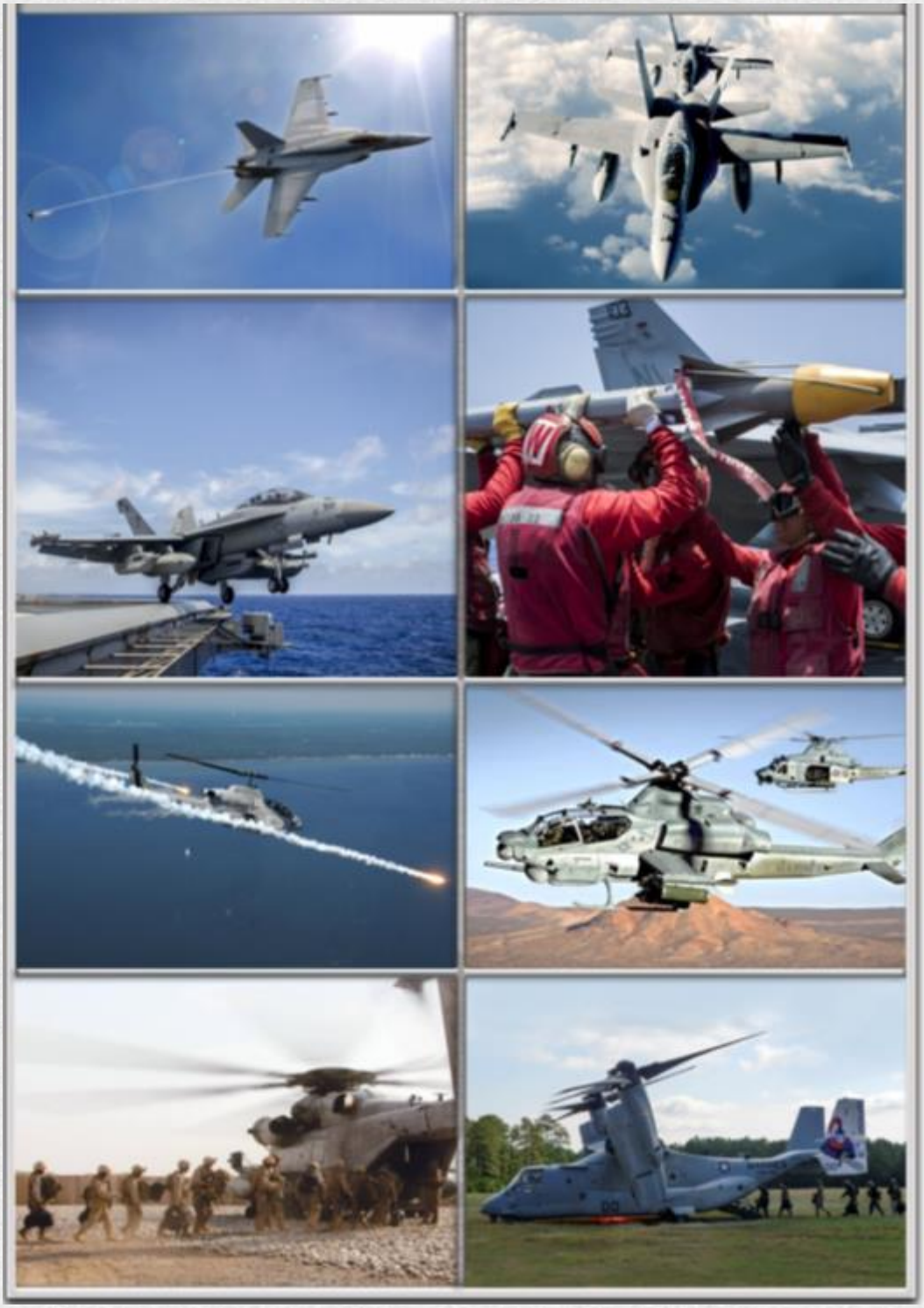
Continued on next page

For those advocating a smaller acquisition work force, I say look first at identifying the laws, processes, and bureaucracy that can be cut. I know; easier said than done. The Defense Department bureaucracy, and the laws that created it, is entrenched. No one is going to stand up and say, “You know what? After years of working here, I’ve concluded that I don’t add value to the end product. Cut me.” An entitlement mentality sets in as each new office is created specifically for the purpose of helping reform our acquisition system. All of it, to include a probable impending review of Goldwater-Nichols, misses the point.

I’ve never seen a program succeed or fail because oversight was strictly adhered to, or woefully lacking. The successful programs that I’ve been a part of started with proper planning and budgeting prior to contract award. The team not only got the requirements right, but vetted as well. The technology was demonstrated and mature. There existed a solid technical baseline, which, in turn, provided confidence in the cost and schedule estimates. There existed a solid understanding on the part of the contractor of how the requirements flowed down to the specification. Once the government had completed all the above, the program had a decent chance of success. The PMA, and the contractor, then acted as partners in the execution phase.

Finally, and most importantly, leadership, trust, transparency and teaming cannot be overvalued in this endeavor. All four values are your keys to successful acquisition management and good program outcomes. In fact, the most successful and rewarding experience you’ll have as a PMA is working with an industry partner who shares the same four values. If you both consistently apply them, and are persistent about it, then you’ll build a “Culture of Success.” Use the fundamental themes outlined in this booklet.

Above all else: Lead. The acquisition community must have leaders. It is a national security imperative.



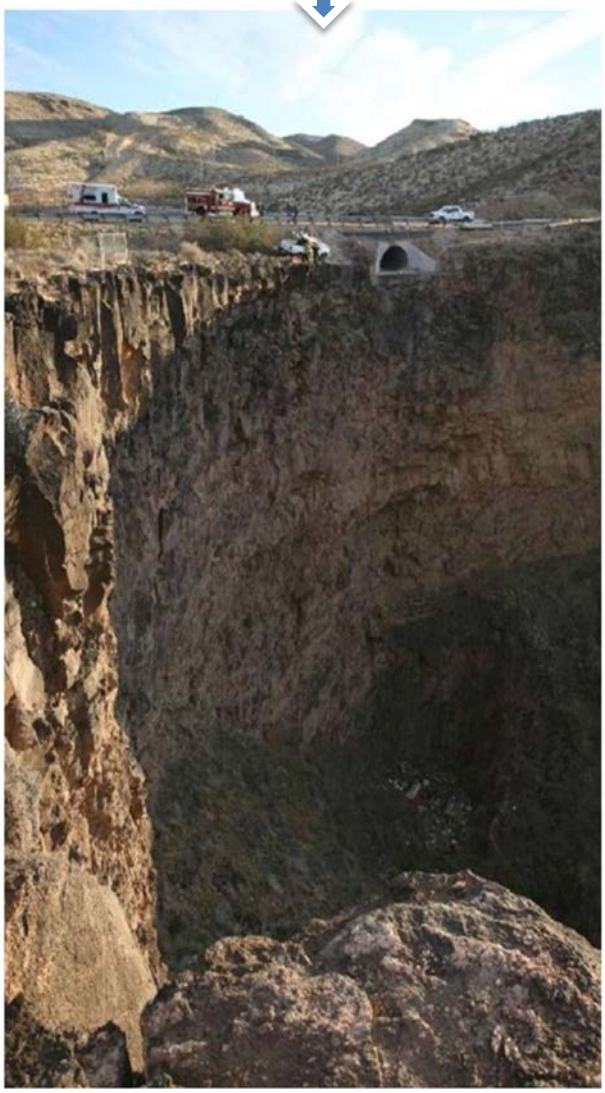
One Final Piece of Advice …

Get a Hobby

Program Management is complicated and, at times, grueling, so make sure you maintain your work/life balance.

Perspective Matters

Do you know the true state of your program? Which one is it?



Be open, honest and transparent about the state of your program. What is its trajectory? Do you have options? What are the cost, schedule, and performance implications? Is there an exit plan? An off ramp?

Don't be afraid to take the off ramp. I've done it four times. No one goes home happy, but you've got to make a call sometimes.

Perhaps the assumptions have changed since the program was initiated, and it's no longer required. Often times, the picture unfolds slowly, but once it does it will take a ton of leadership and stakeholder commitment to either justify the program's continuation or its termination.

Packard Commission-1986

Excerpts:

- "Recommendations are intended to help establish strong centralized policies. Establishment of strong centralized policies implemented through highly decentralized management structures. ”
- "Excellence in Defense Management will not and cannot emerge by legislation or directive. Excellence requires the opposite, responsibility and authority placed firmly in the hands of those at the working level.“
- “Excellence in Defense Management cannot be achieved by the numerous management layers, large staffs, and countless regulations in place today. ”
- “The DAE should ensure that no additional layers are inserted in this program chain of command.” … “By this means, DoD should substantially reduce the number of acquisition personnel.”

Addendum

Reserve the time to mentally get away from being a PMA

An Army at Dawn	Atkinson, Rick
The Day of Battle	Atkinson, Rick
The Guns at Last Light	Atkinson, Rick
Bleak House	Dickens, Charles
The Forever War	Filkins, Dexter
The Good Shepherd	Forester, C.S.
Fire and Fury	Hansen, Randall
Neptune's Inferno	Hornfischer, James D.
Endurance	Lansing, Alfred
Lone Survivor	Luttrell, Marcus
Matterhorn	Marlantes, Karl
The Cruel Sea	Monsarrat, Nicholas
Theodore Rex	Morris, Edmund
The Rise of Theodore Roosevelt	Morris, Edmund
To Engineer is Human	Petroski, Henry
The Long Road Home	Raddatz, Martha
Life	Richards, Keith
Eagle Against The Sun	Spector, Ronald
The $5 Billion Dollar Misunderstanding	Stevenson, James
Six Frigates	Toll, Ian
Anna Karenina	Tolstoy, Leo
Guns of August	Tuchman, Barbara
Legacy of Ashes: History of the CIA	Weiner, Tim

Disclaimer: Not meant to be an endorsement by the author.

RAMPAGE

Per SECNAVINST 5720.44C, Section 0218, para. 1.c. (1)
The views presented are those of the author and do not necessarily represent the views of the DoD or its components.

Rear Admiral
Wayne E. Meyer Memorial Award
Secretary of the Navy
2014
Acquisition Excellence Award
Recognizes:
RADM Donald E. Gaddis
Program Executive Officer
Tactical Aircraft