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AR Earns a Thumbs Up

If you want to know how something's going, ask the people on the front line.

As part of Acquisition Reform Week March 17-21, the AR workforce was asked how AR is going. The answer? "Better and better."

On his last day as Under Secretary of Defense for Acquisition and Technology, Paul G. Kaminski said in a video on AR Week that the survey indicated that:

- ▶ Reform initiatives are producing better products and services.
- ▶ Teaming with colleagues and with partners in industry "has been the most important element in our success."
- ▶ Integrated Product Teams have led to earlier problem-solving and reduced cycle time.
- ▶ Many reforms are becoming in-

stitutionalized.

He said that respondents had overwhelmingly picked poor communications as the No. 1 barrier to change but that he thinks this is improving. Downward communication is being enhanced through high-tech media like chat rooms on the Internet, he said, and the AR Week survey is itself an example of improved upward communication.

The second greatest concern was with management resistance to institutionalizing reforms, Kaminski said, "what many call the hour-glass effect, where the top of the organization is pushing reform and the bottom of the organization is pulling reform, but the narrow middle is still restricting movement." He said he thinks improved communication and training will ease this problem as every level of the com-

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munity receives a consistent message.

Kaminski pinpointed four areas for continued focus:

- ▶ Reducing the cost of new and existing systems
- ▶ Developing affordable requirements and systems that meet the requirements
- ▶ Resolving funding stability, including establishing reserve pools for technical risk
- ▶ Increased scrutiny of "the way that we acquire services"

"Though we can take pride in what we've accomplished," he summed up, "much more remains to be done. We must continue to move full speed ahead, or we will rapidly lose the momentum that we've gained."

Kaminski Says Goodbye

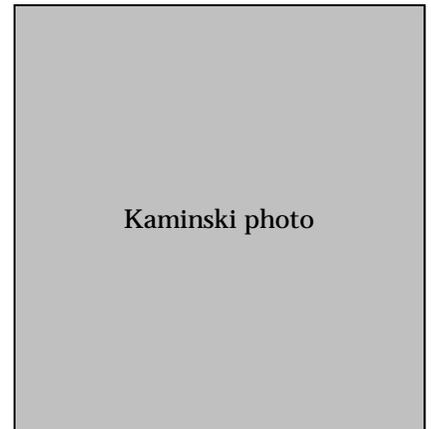
You've come a long way.

That was Paul G. Kaminski's message to the acquisition workforce as he left office on May 16 after two and a half years as Under Secretary of Defense for Acquisition and Technology.

Calling the workforce "the finest acquisition professionals in the world," Kaminski said the proof of its quality is the envy of his foreign counterparts. He cited a Russian official who was astonished that so many people are empowered to sign contracts in behalf of the U.S. government.

While acknowledging that the AR effort still has a long way to go, Kaminski praised the acquisition workforce for its willingness to "think out-of-the-box" and to take prudent risks.

Kaminski photo



IPTs, Those Versatile Devils

By Greg Giddens

To IPT or not to IPT. That is *not* the question.

Shakespeare might not appreciate the rewrite, but it's a familiar issue in the acquisition community. The Integrated Product Team (IPT) approach is seen as a powerful means of accelerating systems design by assembling a team of individuals representing all the stakeholders in the project.

Many don't realize that the concept is equally useful in other settings. In the Pentagon, the concept is proving itself in a project far removed from day-to-day acquisition work: the Acquisition Workforce Demonstration Project.

The project is a new effort to show that modifications to the federal personnel management system can improve the quality and professionalism of the acquisition workforce. Run by a Process Action Team of acquisition professionals from around the U.S. who are familiar with the civilian personnel system, it will be the largest personnel demonstration project ever, involving perhaps 50,000 DoD civilian employees.

From the outset, the team adopted the IPT approach in developing a new personnel system for selected acquisition organizations. It drew members from the services and agencies -- both personnel and acquisition specialists.

It also drew members from DoD's Office of Civilian

Personnel Policy and the Office of Personnel Management, which in earlier projects only inspected the workforce demonstration plan after the fact. That meant that when problems arose, they took longer to resolve and often resulted in frustration on both sides.

This time, the team worked contentious issues early on, and by being open and collaborative, it made faster progress. But being on a team doesn't mean giving up one's personal views. It merely helps focus everyone on the goal and how to reach it.

There will always be problems. The team process doesn't change that. It does, however, provide an environment that promotes an early understanding of problems and potential solutions.

More news on this project will appear in upcoming issues of *AR Today*. But the power of IPTs to facilitate projects in a variety of situations is the story behind the story.

Greg Giddens is director of the Acquisition Workforce Demonstration PAT.

Gore Credits Federal Workers For Rise in Public Confidence

Federal workers have found ways to serve the public better, so they deserve the credit for the first rise in public confidence in the government in 35 years. So said Vice President Al Gore to 800 federal workers and military leaders at the Reinvention Revolution Conference at the National Institutes of Health, Bethesda, MD. Gore heads the National Performance Review, an effort to reduce government bureaucracy and waste.

"Who else knows better where the waste is, what pointless regulations and rules need to be changed or abolished, and how partnerships can replace rivalry and confrontation?" Gore asked. "You proved that you are the solution to reinventing government."

Gore said 150 agencies had surveyed their "customers" -- regular users of their services -- about the agencies' performance. The survey indicated that all calls to U.S. Customs "are now answered in 60 seconds or less," and that 97% of callers to the Social Security Administration got through in five minutes or less.

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Spotlight on Small Business

This says it all about DoD's commitment to small business: When the Small Business Administration (SBA) announced the 10 Regional Small Business Prime Contractors of the Year, nine (including the National Small Business Prime Contractor of the Year) had been nominated by DoD.

The event followed by only a few weeks the awarding of SBA's prestigious Dwight D. Eisenhower Awards for Excellence to three large companies for their commitment to helping small business. One winner was the defense arm of Texas Instruments, a major DoD contractor.

The National Small Business Prime Contractor of the Year, announced as part of Small Business Week June 1-7, was Vista Technologies of San Antonio, TX, provider of survivability and vulnerability analysis and systems engineering. Regional winners nominated by DoD were Foster-Miller, Inc., Waltham, MA; Sharon Construction Corp., Red Bank, NJ; A&T Associates, Temple Hills, MD; Planning Technologies, Atlanta, GA; R&R International, Akron, OH; Globe Engineering, Wichita, KS; Richard Manufacturing, Ogden, UT; and Spectrum Astro, Gilbert, AZ.

Small Business Week honors the nation's 22 million small businesses, which employ half the private workforce and generate most of the new jobs. The theme for this year's celebration was "Building Tomorrow's Economy Today."

Earlier, SBA gave Eisenhower awards to Sprint Corp. and divisions of Texas Instruments and the 3M Company for the large amount of

business they channel to small companies. The awards were presented April 29-30 as part of the Annual Joint Industry/SBA Small Business Procurement Conference.

"The management and employees of these three firms," said SBA Administrator Aida Alvarez, "have proved their dedication to working with and sustaining hundreds of small firms around the nation. These small firms are the local companies that provide jobs to thousands of working men and

women. All are to be heartily congratulated."

Small business continues to get a larger share of DoD contract dollars. In fiscal 1996 it was the largest percentage in 30 years.

Awards to small disadvantaged and women-owned companies received about 17% of DoD dollars. The former accounted for about 6% each of prime contracts and subcontracts, while women-owned business received about 2% of prime contracts and more than 3% of subcontracts.

PEO Meeting Eyes Total Cost

It's a matter of simple arithmetic.

More than 80% of the inventory DoD will be using 15 years from now is already operational. So it follows that controlling operating and support costs today would be a major step in reducing total ownership cost over the next 15 years.

That's precisely what 325 top people in the acquisition, logistics and user communities gathered to discuss April 22-23 at the Program Executive Office/System Command Commanders/Program Managers conference at the Defense Systems Management College, Fort Belvoir, VA.

"PEO/SysCom" focused on "Reducing Total Ownership Cost," especially on identifying new ways to lower program life cycle support costs. One purpose was to improve the integration of the acquisition and logistics support of programs, and many participants said they felt great progress had

been made in that area.

Most conference sessions were devoted to finding ways to reduce operating and support costs so that those funds can be released for investment. Half a dozen program managers shared their experiences, and senior DoD executives fielded questions.

A highlight was the presentation of the David Packard Award for Acquisition Excellence to Dr. Paul G. Kaminski by former Secretary of Defense William Perry.

"People who have been in this process for a while have been talking for a long time about moving acquisition logistics from investment to total ownership cost," said one participant. "Now I sense that we're moving from talking to doing."

New Air Force Planning Process Called 'Marvel'

Griffin picture

Griffin

By Joseph Lusczek

The end of the Cold War drove the services to reform their planning processes, especially for weapon systems. For the Air Force, the result is the Modernization Planning Process, used most recently to help develop the Air Force Long Range Plan.

John M. Griffin, who recently retired as Development Planning director at the Aeronautical Systems Center at Wright-Patterson Air Force Base, OH, said the new planning process fulfills the basic requirements of effective long-range planning:

- ▶ It focuses on mission areas and the goal at hand, in order to avoid the temptation to replicate yesterday's systems.
- ▶ It is supported by analysis rather than guesswork.
- ▶ It involves all parties, and all agree on the recommendations.

Five years in the making, the planning process stresses cooperation among Air Force and industry planners and minimizes duplication of efforts. "It will save billions of dollars by

identifying the high-payoff future systems, assuring the best suite of weapon system upgrades/modifications, and new program starts," Griffin said.

He described the process as "a marvel of cooperation and communication." All warfighting major commands have formed mission area teams that include representatives of the Technical Planning Integrated Product Teams (IPTs) organized by the Air Force Materiel Command. These IPTs have hundreds of members, including planners and analysts from industry, laboratories, Air Logistic centers, System Program Offices and Product Centers.

An example of the efficiencies embedded in the process, Griffin said, is that the mission area teams publish prioritized lists of needs and the IPTs distribute the lists "so that everyone is playing from the same sheet of music." The IPTs collect suggestions for satisfying the published needs, which are assessed and ranked according to

combat capability and affordability.

The planning process is directed by AFPD 10-14 and implemented by AFI 10-1401. The POC is AF/XPX. A briefing on the process resides at www.wpafb.af.mil/xr/. Click on "other places to go" and select AFMPP to download it.

Information needed to request needs/deficiencies and future capabilities on aeronautical systems is available at www.wpafb.af.mil/tpipt/userid.htm.

The planning process is paying huge dividends, Griffin said, adding: "Air Force systems planners have been trying to implement an efficient process for 40 years, but consensus-building was always a challenge, and duplicative efforts drained resources. IPTs, coupled with advances in electronic media, facilitate consensus-building immeasurably."

Joseph Lusczek is in the Development Planning Directorate at the Aeronautical Systems Center.

How AR Reduced Sub's Cost

The services are adjusting to tighter budgets in part by forming new relationships with industry. Navy Secretary John Dalton recently cited "teaming for the next generation of fast-attack submarine" as "the perfect example."

The contractors are collaborating, he said, saving the Navy an estimated half billion dollars in design and initial procurement costs. The submarine has a third fewer design documents, 1,000 fewer pages of specifications, and 12,000

unique parts, compared to 96,000 for the older Seawolf.

In urging a congressional committee to make certain necessary changes in the law, Assistant Navy Secretary John W. Douglass and Vice Adm. Donald L. Pilling said aggressive use of acquisition reform principles has significantly reduced the cost. "This is the first ship for which design, construction and planning efficiency were an integral part of the construction plan," they said. "We have collaborated with the

For Army, Plan Takes Pain Out of Change

Army planners have the next best thing to a "time machine" to prepare for the 21st century. It's the Army Strategic Management Plan, and Army Chief of Staff Gen. Dennis J. Reimer sees it as a way to move the Army forward by managing change.

The plan took shape at two meetings of Army Staff principals last fall. Maj. Mike Gilroy, project officer for the plan, said the trick for the Army as for any large organization is to remain committed to its core ideology (the glue that holds an organization together over time) while remaining flexible enough to meet changing objectives and adjust to changing resources.

Getting down to specifics, Gilroy said the Army first articulated three critical success areas:

- ▶ The national strategy debate
- ▶ Current operations & training
- ▶ Resources

The participants defined the organization's goals, long-term

objectives and short-term objectives. "It's like a funnel," Gilroy said. "We start with a very broad goal and filter down through strategies to achieve that goal, then to long-term objectives and finally to discrete, concrete, short-term objectives. The objectives must be quantifiable and time-certain."

In time, the group had nine goals, 127 long-term objectives and 314 short-term objectives. "If you are going to manage change -- and that's what this is about -- then you can't have an inflexible document guiding that change," Gilroy said.

"When you reach a target date, you must ask whether all of the short-term objectives have been met," he continued. "Are there new efforts we need to insert into the plan? Do we need to whittle this

down some more? When you get to that point you need to reevaluate, and say, 'OK, we've done these, here are the ones we want to add, this one

isn't quite complete yet.' You adjust, give a new finite time period to get to the goal and then move out. That's the stage

we're at now."

The plan is a work in progress, Gilroy said, and is being widely used in many large companies, because they face the same challenge of managing change within the core ideology.

He recommends the article "Building Your Company's Vision" in last September-October's *Harvard Business Review* for an explanation of how the plan works.

most knowledgeable engineers, designers, planners, production, and operational people involved in shipbuilding and component manufacture. We have involved them up front and throughout the design process."

DoD originally intended to have Electric Boat Corp. build the first New Attack Submarines because of its experience with subs. A revised plan called for alternating contract awards between Electric Boat and Newport News Shipbuilding. Then the companies themselves proposed building the subs as a team. In February the details were

put down on paper.

Electric Boat will act as a prime contractor to the government, with Newport News assuming a major subcontractor relationship. This simplifies the business relationship and establishes the means for savings to be realized.

Both will use Electric Boat's digital design database. They will specialize in certain assemblies. They will complete construction and testing of alternating submarines. Innovation will be encouraged as more open lines of information exchange are developed between the builders and

between the shipbuilder team and the government.

"The result is a lower program price and a more secure program benefitting both yards and the Navy," Dalton said. "The big winner in this common sense approach is the American taxpayer."

"In our relationship with the defense industry, we are less adversarial, more efficient, more innovative, and more productive as a team. These are win-win improvements for the Navy and Marine Corps, and for the industries that support us."

Going Commercial Will Save Time and \$

A new contract to fly four U.S. government science payloads on a commercial spacecraft is expected to save time and money. The project is jointly funded by the DoD Space Test Program Office at Kirtland AFB, NM, and the Office of the Secretary of Defense Foreign Comparative Test Program to demonstrate the cost and schedule advantages of using off-the-shelf micro-satellites.

Capt. Gary Haag of the Space Test Program Office said using a commercially available spacecraft avoids research and development costs of about \$2 million per spacecraft and reduces the time from award to initial launch capability by 12 months.

The \$5 million contract was awarded to an English company, Surrey Satellite Technology Ltd., to fly the payloads on Surrey's "Micro-Sat" spacecraft bus.

The Foreign Comparative Test Program funds the testing and evaluation of off-the-shelf equipment developed by allied countries.

DoD to Cut Costs By Sharing Radar System

The Defense Department has agreed to share the use of a government radar system in order to shift the cost of maintaining and operating the system to a private company.

DoD will still have low-cost access to the system's ability to produce accurate, detailed maps and digital terrain elevation models.

Intermap Technologies Inc. of Englewood, CO, will assume the cost of maintaining and operating the system, known as interferometric synthetic aperture radar, and will try to sell commercial mapping services. The technology has been used in Bosnia for terrain and elevation analysis.

The radar system was developed by the nonprofit Environmental Research Institute of Michigan as a Defense Advanced Research Projects Agency project. ERIM and Intermap have a partnership where ERIM develops new radar technologies and Intermap develops commercial applications.

UPCOMING EVENTS

We would like to post all events of interest to the AR community. See the box on Page 2 to find out how to notify us of your event.

- ▶ **9th Annual Acquisition/Procurement Seminar** will be held in Mannheim, Germany, at the Federal Academy of Defense Administration and Military Technology (BakWVT), July 7-11. For more information, contact DSMC's IDEA Team at 703-805-5196.
- ▶ **Open Systems Acquisition of Weapons Systems -- A How-To Workshop** oriented to mid-to-senior level personnel, will provide participants with practical skills for defining and using open systems concepts in the defense procurement process. No charge to qualified government and industry personnel. Dates for the 2.5-day workshops are June 17-19, July 23-25, August 20-22, September 17-19. For more information, visit <http://www.acq.osd.mil/osjtf> or contact the Open Systems Task Force at 1-888-278-7261.
- ▶ **21st Century Commerce & CALS Expo USA 1997** (formerly CALS Expo) is scheduled for October 13-16, in Orlando, FL. For more information, contact Delores Jackson at 202-775-1440 or e:mail sgoodman@nsia.org.
- ▶ **The Army's Roadshow V-97** will visit Washington DC, Atlanta, El Paso, Wiesbaden and other cities during the year. For more information, visit <http://acqnet.sarda.army.mil/acqinfo/zproadsh.htm> or call Susan Erwin, DSN#761-9292.

Cohen Names Task Force To Study OSD

Secretary of Defense William S. Cohen has formed the Task Force on Defense Reform to find ways to improve the organization and procedures in the department.

The task force will recommend organizational reforms, reductions in management overhead and streamlined business practices. It will report to John Hamre, Under Secretary of Defense (Comptroller), and will make its recommendations to Cohen by Nov. 30.

"We have a multiplicity of agencies," Cohen said, "and the question is: Can we operate more efficiently?"

"The Quadrennial Defense Review is an exhaustive examination of the department's defense programs. It will help guide defense into the next century. However, there was not sufficient time for the QDR to study significant reforms in major areas of my personal focus."

The task force will seek the advice of business executives who have streamlined their companies, and will work with the National Defense Panel and the Vice President's National Performance Review.

It will focus on:

- ▶ The role and organization of the Office of the Secretary of Defense.
- ▶ Streamlining of the defense agencies and DoD field activities, which have grown in the last decade to the point where oversight is considered inadequate.
- ▶ Enterprise-wide business practices, including acquisition, logistics, installation operations and property management.

AR-ON LINE

Visit These Hot *Federal* Sites
On the Internet!

"Thomas" - Legislative Information on the Internet. *Thomas* allows you to search the U.S. Congress library for specific legislation by topic, bill number, popular/short title or just scan the current floor activity in the House and Senate. It also provides committee information, historical documents and explains the legislative process. Visit <http://thomas.loc.gov>

National Performance Review. VP Al Gore's "Reinventing Government" site is a great place to keep up with federal policies in Acquisition. Visit <http://www.npr.gov>

US/Business Advisor. This is the "one-stop" electronic link to government for business. It provides government information, services and transactions in an effort to make the government/business relationship more productive. Visit <http://www.business.gov>

Federal Acquisition Jumpstation. This jumpstation is a good comprehensive list of acquisition-related links (including DoD and the Services). Visit <http://msfcinfo.msfc.nasa.gov/fedproc/home.html>

It's not every day that a Secretary of Defense calls on employees to be

do we need, and how are we going to pay for them?" He said he aims to stir

Do What Business Did, Cohen Urges

"impudent," but that's just what William S. Cohen did during a salute to government workers on May 5.

"Ask the impudent questions that challenge the older order of things," he urged the department's civilian employees, adding that that's what he himself was doing in the Quadrennial Defense Review.

"We're asking what kind of armed forces do we need for the next century," he said. "What do we want our forces to do and how do we want them to carry out those duties? What programs, policies and technologies

up a national debate.

Spurning "business as usual," Cohen said DoD must change if it is to maintain readiness with reduced resources. He said the key is to emulate corporate America, which restructured and slimmed down to remain competitive. Acquisition reform has put the department on the road to acquiring technology more efficiently, he said, but it must look hard at all business processes.

"We've got to find ways to do things better and cheaper and faster," he said.