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DAU ACQUISITION FOCUS DAYS 2015

“AFLCMC Should Cost and You!”



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Policy & Processes Branch
AFLCMC/AQPB

24 June 2015



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A Brief Presenter Intro



Andy Walsh – aka “Fluff”



Chris Hoskins – aka “Stuff”

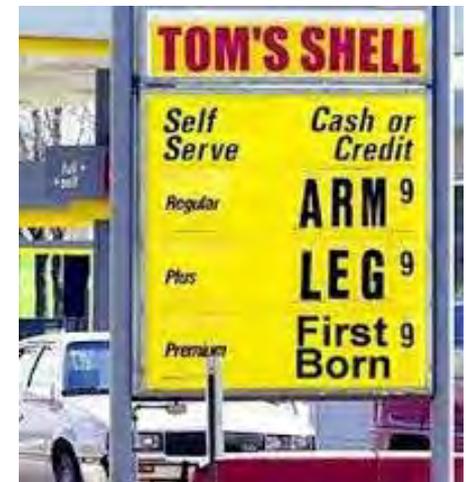


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Why Talk “Should Cost Management”



- Because Leaders At All Levels Are Talking Should Cost
- Because Program Teams At All Levels Are Talking Should Cost
- Because “Business As Usual” Is Business As Usual No More
- Because AFLCMC Personnel Must Know Where To Go For Help

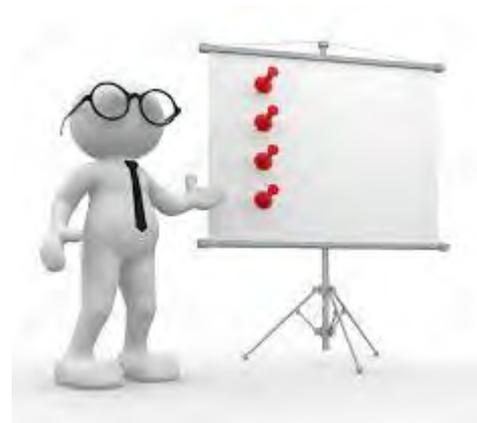




Agenda



- Should Cost (SC) “Strategery”
- SC Community Roles & Relationships
- SC in AFLCMC
- SC Sources
- Wrap Up

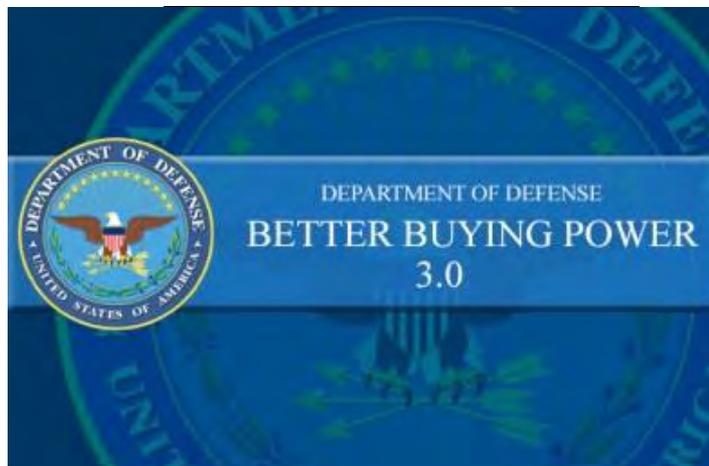




Should Cost – At “100K Feet”



- **Air Force Mission:** To Fly, Fight and Win...In Air, Space and Cyberspace
 - **Vision:** *Global Vigilance, Reach and Power*
 - **Core Competencies:** Developing Airmen, Technology to War Fighting, and Integrating Operations
- Translated To Air Staff & AFMC Levels We Get
 - **BBP**





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Should Cost – 100K To 50K Feet



- “The basic goal of Better Buying Power remains unchanged: deliver better value to the taxpayer and Warfighter by improving the way the Department does business.”
- “Should Cost management is an important tool to control costs both in the short term and throughout the product life cycle.”
- “All acquisition managers should routinely analyze all cost elements and consider reasonable measures to reduce them, with prudent, cost-benefit based considerations of associated risks.”



*The Hon. Frank Kendall,
then Undersecretary of Defense for Acquisition, Technology, and Logistics
November 30, 2012 & August 6, 2013*



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Should Cost – At “50K Feet”



- BBP 3.0 (Like 1.0 & 2.0) Includes SC Management
 - Captured Under “Achieve Dominant Capabilities While Controlling Lifecycle Costs”
 - Call To Strengthen & Expand SC Management
- Enables Fundamental Tenets Of Efficiency & Productivity For Our Programs And Product Support Efforts
- PEOs Are Engaged
- Program Teams Are Engaged!





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Should Cost Leadership Perspectives



Video 1

<https://org.eis.afmc.af.mil/sites/ASCAQ/AQP/Bootcamp/Module%201%20Rev1.pdf>



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Enough with the Fluff.....



.....on with the Stuff

The No Fluff Zone

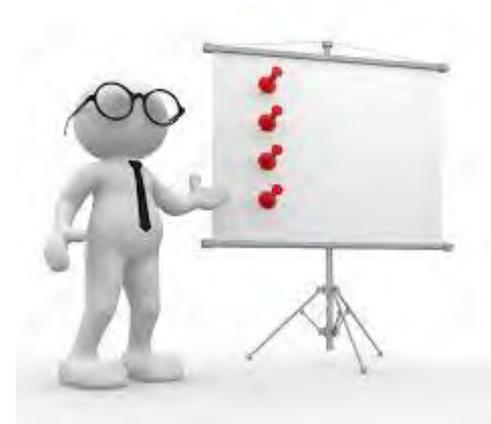
Random, Relevant, Real... No Apologies!



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The SC Community



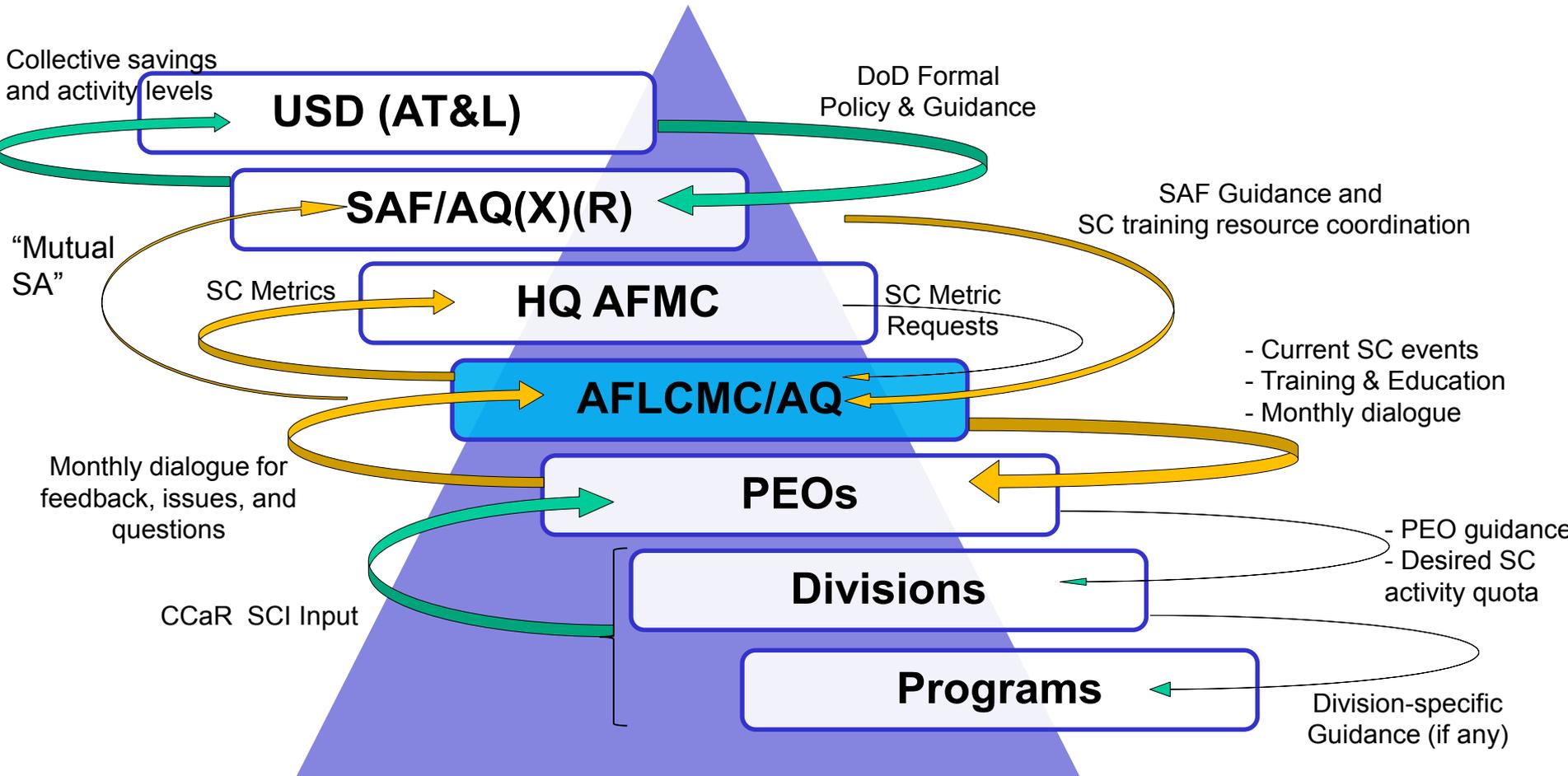
- USD (AT&L)
- SAF/AQ(X)(R)
- HQ AFMC
- AFLCMC/AQ
- PEOs
- Divisions
- Program Offices



SC Community Roles & Relationships

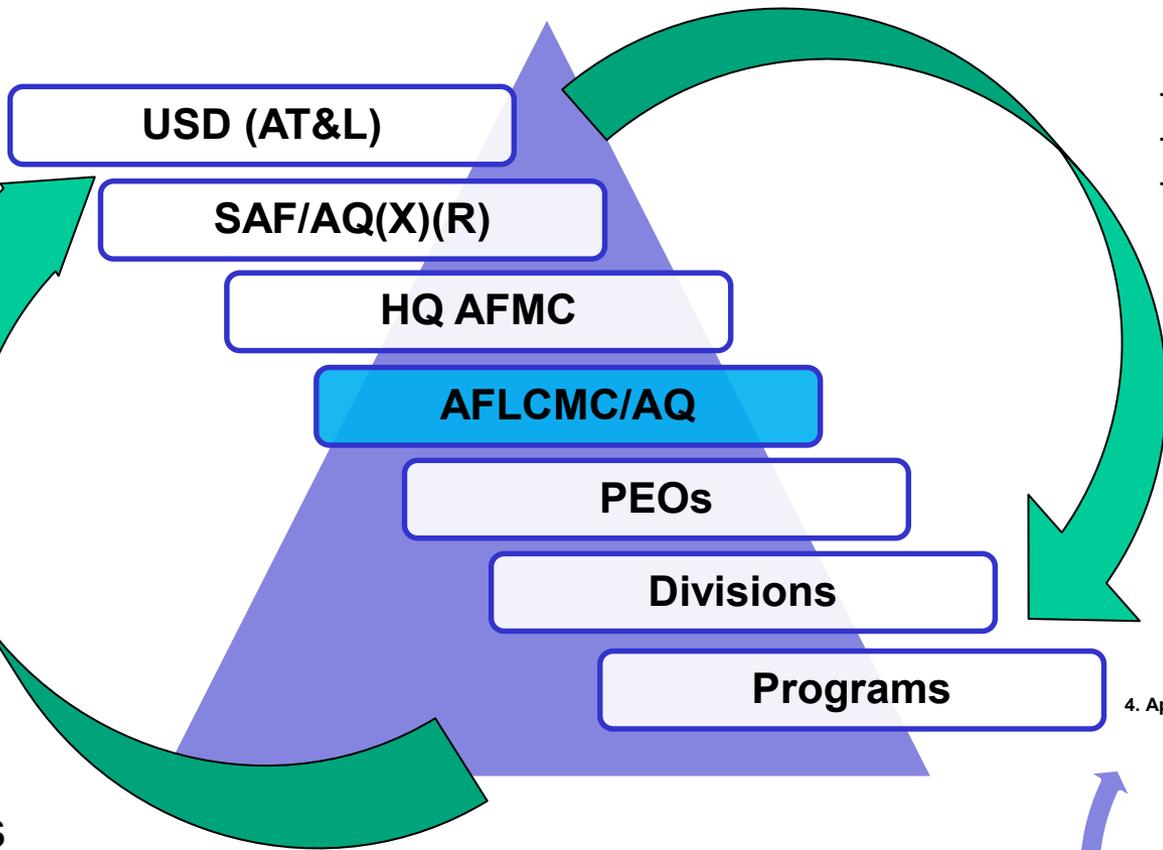


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SC Community Roles & Relationships "The Nutshell"



- Policy & Guidance
- SC Process Training
- Award Recognition

- Savings \$
- Level of SC Activity
- New approaches to saving funds (feedback)





Agenda

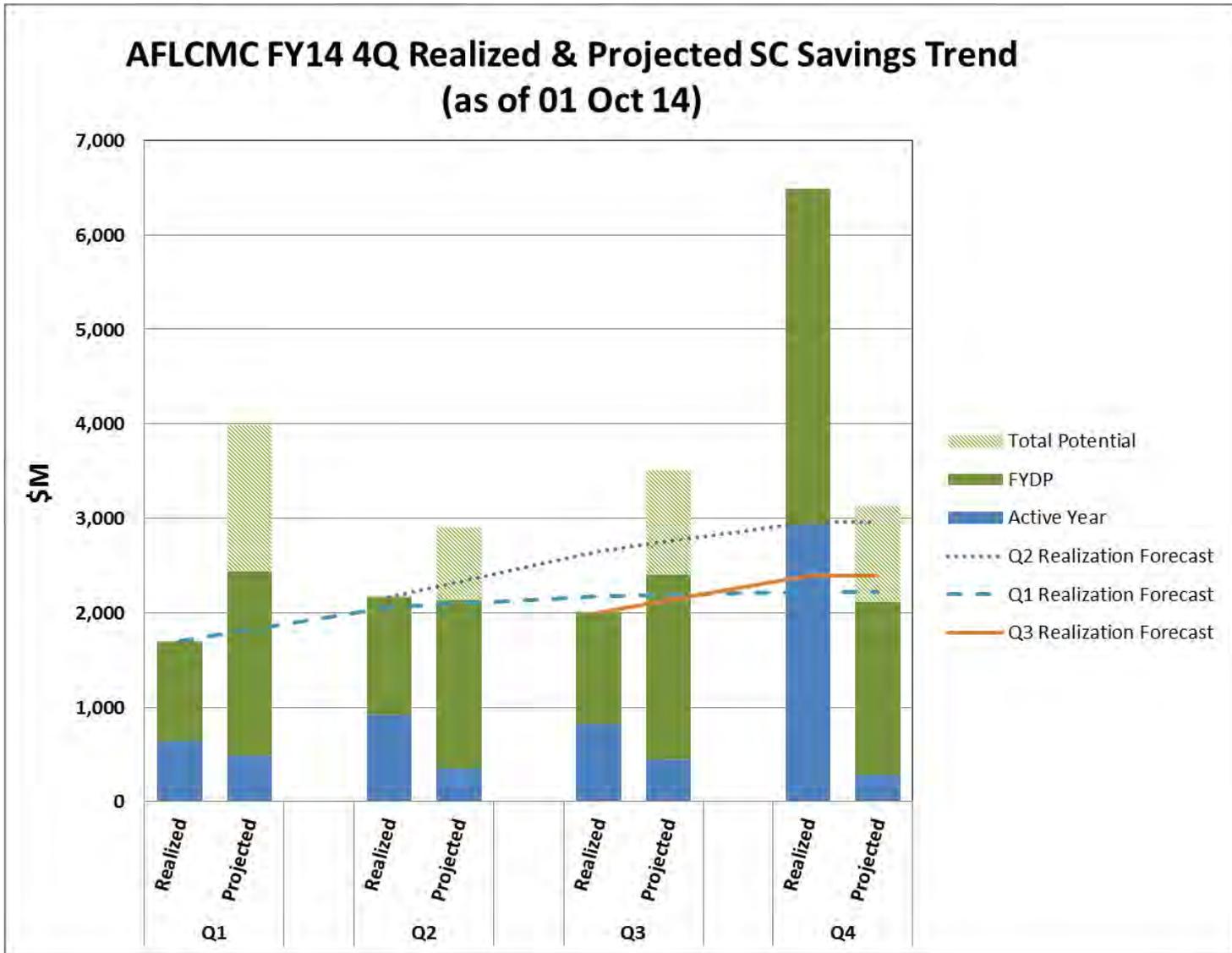


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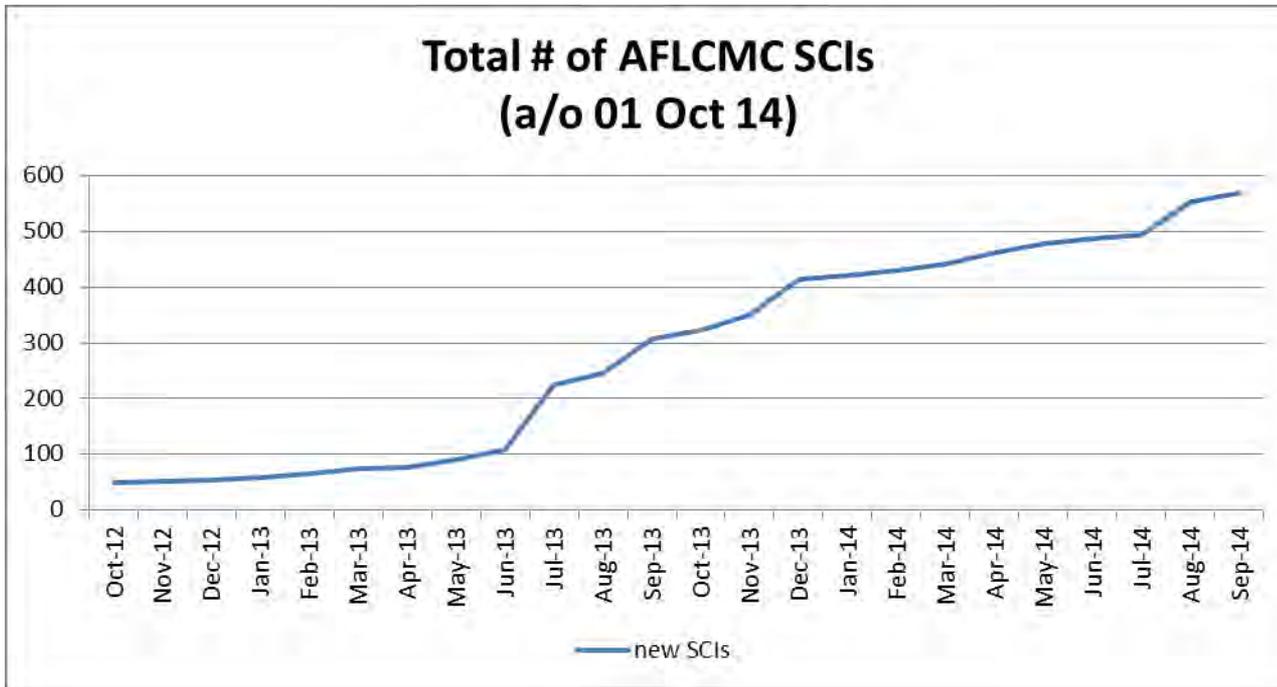


AFLCMC Quarterly SC Metric





AFLCMC Quarterly SC Metric





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Applications

Program Phases & Funding



- Phases and “Colors” Of Money
 - Development (3600)
 - Production (30XX)
 - Sustainment (3400)
- Years Of Money
 - All Years Of The Program Can Apply
 - Reported In Metrics: Current Year, FYDP Years
 - FYDP Currently Assumed Through 2020
- FMS And Lab Programs Are Currently Encouraged, But Not Required To Execute Should Cost Management



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.....back to the fluff!





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Training & Education Sources



- SC Computer Based Training (CBT)
 - Aka AFIT SYS 190 – SC 101+
 - 1st Offering May-Jun '15; 53 Enrolled Students
 - ~6 Hour Course (6 CLPs Awarded)
 - Incorporating Feedback From Initial Offering
 - “Worldwide Deployment” July/Aug ‘15 Timeframe



Excellent First Stop For Should Cost Foundational-Level Knowledge



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Training & Education Sources



- SC Focus Week Training
 - 1st Offered In Spring 2015; Now Recurring
 - PEO Perspective & SC Exemplars From PMs
 - ~1½ - 2Hr Session (1-2 CLPs Awarded)
 - 23 July '15: Next Event Scheduled



Practical Application of SC To AFLCMC Programs



Training & Education Sources



- SC PM Journeyman Level Training
- SC Acquisition Center of Excellence (ACE) Intro/Training
- DAU Acquisition Insight Focus Days – Right Here/Right Now!
- DAU SC Initiative Workshops
 - In Planning Stages; Follow-On To SC CBT
 - Intent: Integrated Program Team Walks Out With SC Initiatives Specific To Their Program
 - Intent: Beta Test With Program In Fall '15 After Course Development





AFLCMC/AQ

Policy & Processes Branch



- **Organize, Train, and Equip**

- Monthly Should Cost telecoms
- Monthly Should Cost trainer networks
- Report AFLCMC Center level quarterly metric
 - HQ AFMC
 - AFLCMC S&P Board
 - PEO-level metric upon request
- Maintain AFLCMC SC Standard Process doc.
- Maintain SC Sharepoint site for PM reference
- <https://cs.eis.afmc.af.mil/sites/ASCACE/shouldcost/default.aspx>
- Develop & Inform of SC education & training
- Interface w/ DAU

- **Coordinate SAF/AQ SC Actions & Issues**



Web & Policy/Guidance Sources



- Websites & Sharepoint Sites
 - DAU: Should Cost Web Portal
 - <https://apl.dau.mil/sc/Pages/Default.aspx>
 - AFLCMC/AQP Sharepoint Site
 - <https://cs.eis.afmc.af.mil/sites/ASCACE/shouldcost/default.aspx>

- Policies & Guidance
 - DoDI 5000.02 (Jan 2015): – Various SC References
 - OSD/AT&L Policy (Aug 13): Oversight, Reporting & Allocation of Savings
 - SAF/AQX Policy (6 Nov 13): SC Management Guidance and Business Rules
 - AFLCMC (Apr 2015): Standard Process for Should Cost Initiatives



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“HUMINT” SC Sources



- AFLCMC/AQPB: Andy Walsh/Chris Hoskins
- AFLCMC/AZF: Mr. Scott T. DeBanto
- AFLCMC/FZQF: Mr. Michael W. King (CCaR)
- SAF/AQXRR: Mr. Roger V. Buckner Jr.
- DAU – Mr. Vishnu Nevrekar





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Wrap Up & Takeaways



- Should Cost Provides Better Buying Power For The Warfighter
- Stakeholders Outside Program Offices Engaged For Ideas & Inputs
- Look For Cost Reductions In Repetitive Activities
- Bring Lessons Learned From Program To Program
- Prioritize Initiatives And Establish Battle Rhythm To Review/Update Initiatives
- Just Do It – Part Of A Program Manager's Job



Wrap Up & Takeaways



- Outcome Of Should Cost Is Considered An Increase Towards Enabling The Warfighter
- No Single Way To Accomplish Should Cost
 - Tailored To Program By ACAT, Phase, Contract Type
 - Tailored By Guidance From Applicable PEO
 - Tailored By Other Special Circumstances (e.g. Time)
- Should Cost Now Standard Component of USAF Acquisition Culture
 - Wide Array Of Assistance Available
 - Continuous Effort On Improvements To Assist PM Workforce Lead Their Programs



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Question/Comments



What's On Your Mind???

