

# Continuous Improvement and Innovation — Everyone's Responsibility

## Acquisition Community Gathers for 10th PEO/SYSCOM Commanders' Conference

LEON REED

Over 400 members of the acquisition community gathered Oct. 11-13 at the Defense Systems Management College (DSMC) campus, Fort Belvoir, Va., for the 10th Program Executive Officers'/Systems Command (PEO/SYSCOM) Commanders' Conference. "Continuous Improvement and Innovation, Everyone's Responsibility" was the theme selected for the fall conference. Representatives from DoD's acquisition and logistics support communities as well as representatives from defense industry used the conference as a forum to not only assess 10 years of solid accomplishment, but also to look toward continuing challenges that will await the new Administration.

### USD(AT&L) Keynote Address

Dr. Jacques S. Gansler, Under Secretary of Defense for Acquisition, Technology and Logistics (USD[AT&L]) wrapped up his official participation in this conference series by delivering the keynote address. Gansler stated that one of his proudest accomplishments was "the joint memo Joe Ralston and I signed last year requiring interoperability as a Key Performance Parameter [KPP] in every new system and making cost a critical design factor."

Looking to the future, Gansler observed, "I can't imagine a future operation that won't involve coalition forces, and our new systems are worthless if they don't have interoperability." He also spoke of cost. "Without making cost a design factor, we'll never get off that curve of higher

"One of the things that has most impressed me about this job is the quality of the people we have, civilian and military. I'm just awed when I go out in the field and think about how lucky this country is to have these people serving them."



Dr. Jacques S. Gansler  
Under Secretary of Defense (Acquisition,  
Technology and Logistics)

performance at an ever higher cost. We need to make cost a real engineering challenge, not just an accounting exercise."

Gansler expressed pride that there has been "some progress at addressing the next generation of non-traditional systems. Given the way the system works, there is never a problem of lack of support for the next generation fighter or tank; we're now seeing somewhat better support for things like the next generation of RPVs [remotely piloted vehicles]. We had some success in trying to think differently about future conflicts and the types of systems we need to have [in order] to address these future conflicts."

Gansler identified a final accomplishment as beginning to change the prevailing mindset about "the importance of how we train, organize, and use the acquisition workforce. Traditionally, we have done a great job of training and career planning for the military, but not so much with civilians. We have seen a set of very rapid advances in technology, which in many ways drives changes in the workforce. The acquisition world is really very different than it was a few years ago. In particular, the attitude of the people in the system has really been transformed."

Gansler described the budget process as one of the major continuing challenges for future DoD managers. "When I took this job, I thought we needed to fix three things. I think we've made good progress with the acquisition process and the requirements process, and after addressing those, I thought we needed to make

*Reed is a member of the research staff, Institute for Defense Analyses, Alexandria, Va.*

changes to make the budget process more responsive. We haven't been as successful in this area," although he noted that efforts to change the budget process are more constrained by congressional requirements and expectations.

He believes DoD has made some progress in "a compromise that provides some investment within the context of the existing budget process." He cited the Army's Warfighter Rapid Acquisition Program (WRAP) as a good example of an investment program that allows the Army to make investments in high-pay-off, new technologies.

"We put in this year's guidance that all Services should have a similar fund," Gansler stated. "Investments in reliability improvement would be another good area. These investment funds are the best near-term fix to the budget process; they at least give some flexibility to the Services. The best long-range solution is long-term budgeting, where the fierce arguments are about the outyears, but we know what we'll have for the next few years."

Thanking members of the acquisition community for their dedication and cooperation, Gansler concluded by saying, "One of the things that has most impressed me about this job is the quality of the people we have, civilian and military. I'm just awed when I go out in the field and think about how lucky this country is to have these people serving them."

### Activities Since Last Workshop

Stan Soloway, Deputy Under Secretary of Defense (Acquisition Reform), provided a report to the conference attendees on actions taken to follow up on recommendations from past PEO/SYSCOM Commanders' workshops and conferences. Soloway took particular note of the increasingly prominent role played by industry at PEO/SYSCOM Commanders' conferences and workshops, which results from a recommendation made at the 1999 Workshop.

He summarized actions that were taken to follow up on recommendations

Gansler received from program managers during a special meeting he held with them at the Spring 2000 Workshop. The program managers had made recommendations on a wide range of issues, including workforce training and retention, expansion of the WRAP concept, and budgeting procedures and rules. Soloway reported that follow-up actions have been taken on all of the recommendations presented to Gansler during this exchange.

Soloway also summarized recommendations presented by the Breakout Groups at the Spring 2000 Workshop and actions taken by Office of the Secretary of Defense (OSD) and the Services to follow up on the recommendations. All of the recommendations were

**"If there's a commercial supply chain, grab it and use it. Where there isn't a solid supply chain, build alliances. Where you can't get that far, in a few cases you may have to buy and hold inventory"**



**Navy Rear Adm. Raymond Archer**  
Deputy Director, Defense Logistics Agency

assigned to OSD staff members, and a formal tracking mechanism was established to monitor progress in implementing each one.

### Panel of DoD S&T Executives

Dr. Dolores Etter, Deputy Under Secretary of Defense (Science and Technology), chaired a panel of leading S&T executives. Panel members were: Dr. Jane Alexander, Deputy Director, DARPA; Dr. A. Michael Andrews, Deputy Assistant Secretary of the Army (Research and Technology); Navy Rear Adm. Jay M. Cohen, Chief of Naval Research; and Dr. Donald Daniel, Deputy Assistant Secretary of the Air Force (Science, Technology and Engineering).

In her introductory remarks, Etter stated, "The more we can tie together S&T with the acquisition community, the better off we will be." All of the panelists agreed and stated that current collaborative efforts between S&T and acquisition within their Services are the most effective they have ever experienced.

Andrews described the increasingly central role of science and technology in the Army's transformation initiative. He noted that Army Chief of Staff Gen. Eric K. Shinseki has identified technology as the key element in achieving the future vision for the Army. In the past nine months, over \$600 million has been taken out of other Army programs and redirected toward S&T because of the importance attached to advanced technology by the Army's leadership. "That's a major commitment to S&T," he said, "and believe me, it ensures a high level of interest in what we're doing."

Daniel noted that interest in, and support for, S&T is equally high within the Air Force. He pointed out that the second-ever "Air Force S&T Summit" would be held within a few weeks, focused on transition of technologies from S&T into systems and capabilities. Every U.S. Air Force four-star general attended the first summit, an indication of the high level of importance given to S&T.

Within the Air Force, the Applied Technology Council (ATC) bridges the tech-



Retired Army Lt. Gen. Lawrence Skibbie, President, National Defense Industrial Association.



Paul Hoepfer, Assistant Secretary of the Army (Acquisition, Logistics and Technology).



LeAntha Sumpter, Assistant Deputy Under Secretary of Defense (Acquisition Processes and Policies), leads panel on Balancing Risk with Innovation.



Representatives of the 30 R-TOC Pilot programs accepting awards from DoD. Presenting the awards are Dave Oliver, Principal Deputy Under Secretary of Defense for Acquisition, Technology and Logistics (front row center), and Dr. Spiros Pallas, Principal Deputy to the Director, Strategic and Tactical Systems (front row, seventh from left).



Retired Air Force Gen. Larry Welch, President and CEO of the Institute for Defense Analyses, speaks with Air Force Lt. Gen. Ronald Kadish, Director Ballistic Missile Defense Organization.



"R-TOC is Real" panel. From left: Air Force Brig. Gen. Jack Hudson, Deputy Program Director, Joint Strike Fighter; John Wenke, Head of Logistics Support Department, Naval Air Command; Glen Buttrey, Business Financial Manager, Army PEO Aviation; Louis Kratz, Assistant Deputy Under Secretary of Defense (Logistics Architecture); and Dr. Spiros Pallas, Principal Deputy to the Director, Strategic and Tactical Systems.



Army Lt. Col. Cynthia M. Bedell, an APMC 00-3 student at the Defense Systems Management College, receives an award from Stan Soloway (left), Deputy Under Secretary of Defense (Acquisition Reform) and David Oliver, Principal Deputy Under Secretary of Defense (Acquisition, Technology and Logistics).



Evolutionary Acquisition at Work panel. From left: Air Force Brig. Gen. Jack Hudson, Deputy Program Director, Joint Strike Fighter; Air Force Lt. Gen. Bruce Carlson, Director for Force Structure, Resources, and Assessments; Philip Coyle, Director, Operational Test and Evaluation; Air Force Lt. Gen. Ronald Kadish, Director, Ballistic Missile Defense Organization; Dr. George Schneiter, Director, Strategic and Tactical Systems; and John Landon, Director, Program Analysis and Integration, C3I.



Members of Evolutionary Acquisition panel. From left: Air Force Lt. Gen. Ronald Kadish, Director, Ballistic Missile Defense Organization; Philip Coyle, Director, Operational Test and Evaluation; and Air Force Lt. Gen. Bruce Carlson, Director for Force Structure, Resources, and Assessments.



Dr. Lee Buchanan, Assistant Secretary of the Navy (Research, Development and Acquisition) speaks with Gene Porter.



Science and Technology Executives panel. From left: Dr. Donald Daniel, Deputy Assistant Secretary of the Air Force (Science, Technology and Engineering); Navy Rear Adm. Jay M. Cohen, Chief of Naval Research; Dr. Dolores Etter, Deputy Under Secretary of Defense (Science and Technology); Dr. Jane Alexander, Deputy Director, Defense Advanced Research Projects Agency; and Dr. Michael Andrews, Deputy Assistant Secretary of the Army (Research and Technology).



John W. Douglass, President and CEO, Aerospace Industries Association of America, and retired Air Force Gen. Larry Welch, President and CEO of the Institute for Defense Analyses.

nology transition gap. The ATC is a partnership between the lab, the major command (user), and product centers (acquisition community), in which the partners work to develop new technologies, identify potential applications, and develop plans to ease the transition for these technologies from the lab into weapon systems.

### **CMI Panel — Commercially Developed Products**

Ric Sylvester, ADUSD (Systems Acquisition) chaired a panel on “Civil-Military Integration (CMI) Perspectives.” Panel members included: Navy Rear Adm. Raymond Archer, Deputy Director, Defense Logistics Agency; Barry Cohen, Director of Civil-Military Integration, Honeywell Inc.; Air Force Maj. Gen. Timothy Malishenko, Director, Defense Contract Management Agency; and Army Maj. Gen. Joseph Yakovac, PEO/Ground Combat and Support Systems.

Archer noted that to be successful integrating commercial capabilities, “You have to change the way you think. You have to understand how people ‘outside the fence’ think.” Defense Logistics Agency has found that “every commodity has its own industrial base; how you work in the market is different for each one. If there’s a commercial supply chain, grab it and use it. Where there isn’t a solid supply chain, build alliances. Where you can’t get that far, in a few cases you may have to buy and hold inventory.”

Malishenko reminded the audience of the findings of the 1994 Coopers & Lybrand/TASC study of the DoD regulatory cost premium. “If you look at that study’s ‘Top 10’ list, we have systematically taken on those issues and made a lot of progress. For example, we can identify over 300 business segments that have migrated from MIL-Q-9858 to ISO 9000.” But he believes a lot remains to be done. “We really need to migrate away from a local, single contract approach to corporate-wide initiatives.”

All of the panelists agreed that considerable progress has been made in implementing CMI; however, a lot remains

to be done. “There is much greater potential on the weapon system side,” said Archer. “The only way we can get footprint reductions is to get out of the business of holding inventory.” Malishenko agreed. “We have met the enemy, and it is us. We’re the ones who set limits on our potential in achieving civil-military integration.”

In a separate presentation, Rob Deadrick, Boeing’s F/A-18E/F Advanced Mission Computer and Displays Program Manager, addressed “Lessons Learned on Use of Commercially Developed Products.” His project involved integrating commercial Active Matrix Liquid Crystal Display panels with custom electronics. He reported that the process has worked reasonably well, but has required the design staff to make a major change in its way of approaching systems design, citing the following three lessons learned:

- Adapt requirements. “We have to change the way we develop require-

**“My priority would be on program stability, and that means multiyear funding.”**



**Lawrence Delaney**  
Assistant Secretary of the Air Force  
(Acquisition)

ments, from the traditional to an iterative process.”

- Use what’s available. “We need to follow technology, not push. Pushing technology can cause significant problems, including increased risk. Compromises allow us to use already-developed equipment.”
- Use commercial standards, but carefully analyze the future directions of these standards. “You have to understand the commercial market — where it is headed as well as the viability of individual suppliers.”

### **R-TOC is Real**

Reducing Total Ownership Costs (R-TOC) has been a major emphasis of OSD and the Services for the past two years. A panel co-chaired by Dr. Spiros Pallas, Principal Deputy to the Director, Strategic and Tactical Systems, and Louis Kratz, ADUSD (Logistics Architecture), discussed the status of R-TOC implementation within the Services. Other panel members were: Glen Buttrely, Business Financial Manager, Army Program Executive Officer (PEO) Aviation; Air Force Brig. Gen. Jack Hudson, Deputy Program Director, Joint Strike Fighter (JSF); and John Wenke, Head of the Logistics Support Department, Naval Air Systems Command.

Pallas described the genesis of the R-TOC program. Many DoD officials have become concerned that the aging inventory will continue to consume larger portions of the DoD budget, reducing the funds available for modernization. “Operations and Support [O&S] costs rise faster than we anticipate, and the bill payers often turn out to be the acquisition programs.” The Services selected 30 Pilot programs to develop new approaches to reducing ownership costs, focusing on:

- Improvements in reliability, maintainability, and supportability.
- Logistics cycle time reduction.
- Competitive product support.

Each Pilot program developed a detailed baseline, and progress has been measured on a quarterly basis.

Pallas also stressed that the purpose of R-TOC goes further than cost reductions. "It isn't just about reducing ownership costs; we're also trying to improve system performance and increase readiness."

Kratz described efforts that have been made to improve the responsiveness of the logistics support process and reduce logistics cycle time. He said that the recommendations from two panels at the Spring 2000 PEO/SYSCOM Commanders' Workshop had been consolidated to develop an action plan, and that good progress had been made in the intervening six months on every initiative. "We have ongoing an independent assessment of 'core' requirements," he said, "which is due to be finished in March 2001. We were also able to coordinate with the outsourcing and privatization people, specific consideration of A-76 waivers. We will address those on a case-by-case basis. We did address it on Apache prime vendor support, for example, and we are willing to address others as we move forward."

Hudson described the efforts of the JSF to "design in" ownership cost reductions. He noted that the program has involved the warfighters in the design process "from the outset." The program has developed "realistic but aggressive cost objectives." The JSF program has gone through four rounds of Cost and Operational Support Trades, which have assessed all costs (acquisition as well as support) vs. performance. Of the system's seven KPPs, three are related to operations and support: mission reliability, logistics footprint, and sortie generation rate. Similarly, Buttrey stated that the user is deeply involved in Comanche design decisions. He also stressed the importance of designing the system for ease of maintenance.

All of the panelists agreed that the R-TOC program and other initiatives have helped foster the best working relationship between the acquisition community and the logistics support community in at least the past decade. "There was a definite problem 10 years ago," said Pallas, "but I think the situation has

improved." Kratz agreed that relations between the acquisition and logistics support communities are "the best [they've] been for at least 10 years." Buttrey said that "the degree of interchange with my counterpart in logistics support is the highest it has ever been."

Kratz commended the Services and the Pilot programs for their efforts to reduce ownership costs. "We're really pleased with the progress the Pilot programs are making. We know they're struggling with a very complex problem. We know that (from OSD's perspective) we really asked them to 'slog through' the system, and I think in general the PMs pushed as hard as they could ... and in doing that, they really were able to highlight some of the more difficult roadblocks that we can go fight."

### **DoD Acquisition Workforce of the Future**

Keith Charles, Director of the Acquisition 2005 Task Force, gave a presentation on "Shaping the Department of De-

**"Half of the [acquisition] workforce will be gone by 2005, and three-quarters will be gone by 2008."**



Keith Charles  
Director, Acquisition, Technology and  
Logistics Workforce Management

fense Civilian Acquisition Workforce of the Future." The Task Force report concluded that the entire Federal Government faces a major shortage of acquisition professionals within less than a decade. Because of hiring freezes and personnel cutbacks in the past years, the acquisition workforce has aged significantly and is now approaching retirement age. "Half of the workforce will be gone by 2005, and three-quarters will be gone by 2008," said Charles.

However, Charles observed that this challenge also represents an opportunity to change the culture of how the Federal Government recruits, trains, and manages the workforce. The task force report identified that there is no employee recruitment strategy and little workforce planning and market analysis. "We're going to need to figure out how to recruit and hire in the private sector," he said. "We do an excellent job of career planning and training for our uniformed personnel, but not for our civilian workforce. We need to change this." Charles recommended that federal managers should address retirement planning with their senior employees, identify work that can be contracted out, and develop recruitment and training plans for their agencies.

### **R-TOC Pilot Program Awards**

Before the evening session began, representatives of the 30 R-TOC Pilot programs were called forward to accept an award from DoD. In presenting the awards, Dave Oliver, Principal Deputy Under Secretary of Defense for Acquisition, Technology and Logistics commended the Pilot programs. "I commend all the people who got awards for carrying this very important program forward. You all do really deserve credit because I know this has been a real struggle for you to accomplish. But it is so very important to DoD's future, and your successes will help immeasurably."

### **Acquisition Executives' Roundtable**

The evening panel provided the most extensive opportunity for the audience to ask questions of senior DoD acquisition executives. An initial question put to all

# Pre-Conference



From left: Air Force Col. Barry Wilson, Air Force Col. Cheryl Nilsson, and Joseph McDade, Air Force Associate General Counsel — Tutorial on Alternative Dispute Resolution.



Air Force Maj. Ross McNutt, Acquisition Management Policy Division — Tutorial on Cost of Delay, Evolutionary Acquisition, and Spiral Development.



Air Force Lt. Col. Russell Blaine — Tutorial on Reverse Auctioning.



William Jones, Navy Total Ownership Cost Team Leader — Tutorial on Knowledge Management.

**B**uoyed by strong attendance and positive feedback from the initial set of tutorials held in conjunction with the Spring 2000 PEO/SYSCOM Commanders' Workshop, conference organizers decided to include tutorials on the program for the Fall 2000 conference as well. Once again, the tutorials were focused on major new programs and emerging issues of substantial interest to the acquisition community. Sessions were held concurrently to allow the maximum number of presentations. The topics and presenters included:

#### **Knowledge Management**

Randy Adkins, U.S. Air Force Knowledge Management Program Manager; Alex Ben-

net, Deputy CIO for Navy Enterprise Integration; Dr. James Edgar Jr., Director, Army Procurement Policy and Acquisition Reform; William Jones, Navy Total Ownership Cost Team Leader; and Mary Lawson-Hines, Air Force Acquisition Reform Office.

#### **Information Assurance**

Understanding the Concept and the Threat: Navy Capt. J. Katharine Burton, Director Defense-wide Information Assurance Program; Dr. Michael J. Shore, Chief, Force Protection and Technology Applications, DTRA; and Rick A. Harvey, Research Staff Member, Institute for Defense Analyses.

#### **Cost of Delay, Evolutionary Acquisition, and Spiral Development**

Air Force Maj. Ross McNutt, Acquisition Management Policy Division.

#### **Integrated Digital Environment**

Navy Rear Adm. Gwilym Jenkins Jr., Deputy for Acquisition Business Management.

#### **Commercial Practices**

LeAntha Sumpter, Assistant Deputy Under Secretary of Defense (ADUSD), Acquisition Processes and Policies.

#### **Implementing Performance Based Milestone Payments**

Tim Frank, Contract Specialist, Defense Contract Management Agency; Dan Mor-

# ce Tutorials



Mary Lawson-Hines, Air Force Acquisition Reform Office — Tutorial on Knowledge Management.



Alex Bennet, Deputy CIO for Navy Enterprise Integration — Tutorial on Knowledge Management.



Dr. Michael J. Shore, Chief, Force Protection and Technology Applications, DTRA — Tutorial on Information Assurance.



Navy Capt. J. Katharine Burton, Director, Defense-wide Information Assurance Program — Tutorial on Information Assurance.

rison, C-17 Production Contracts and Pricing, Boeing; Jim Steggall, Manager, Government Acquisition Policy, Rockwell Collins, Inc.; and Craig Webster, Research Fellow, Logistics Management Institute.

### **Implementing Alternative Dispute Resolution (ADR)**

Joseph McDade Jr., Associate General Counsel, U.S. Air Force; Air Force Col. Cheryl Nilsson, Chief ADR Division; and Air Force Col. Barry Wilson, Chief Contract Policy Division.

### **Reverse Auctioning**

Robert Barnhart, Deputy Director of Contracting, Navy Inventory Control Point; Air Force Lt. Col. Russell Blaine, Office of

the Deputy Assistant Secretary of the Air Force (Contracting); and Matthew Meindert, Army Communications-Electronics Command.

### **Integrated Project Management and Past Performance**

Bob Kayuha and Rich Leclaire, Dayton Aerospace Corp., and William Basham, Senior Officer, Source Selection Office, Naval Air Systems Command.

Although the tutorials were held prior to the formal start of the conference, most conference participants arrived early to attend at least one of the tutorial sessions. The format of the tutorials allows presenters to address a technical topic in con-

siderably more depth than is possible during a conference presentation, and the informal classroom setting also permits more dialogue between presenters and the audience.

panel members was what they would most like to make sure is kept by the next Administration.

Lee Buchanan, Assistant Secretary of the Navy (Research, Development and Acquisition), responded, "Other Transaction Authority is near and dear to me. It was originally created for DARPA but now has been extended throughout DoD. It's under attack all the time, but it's one of the cheapest ways to get reform because it's so flexible."

Lawrence Delaney, Assistant Secretary of the Air Force (Acquisition), stated that his priority would be on "program stability, and that means multiyear funding."

Army Lt. Gen. Paul Kern, Military Deputy to the Assistant Secretary of the Army (Acquisition, Logistics and Technology), commented, "I would like to see us stick with performance specs. Often, it is so easy to take comfort in Mil-Specs, and we have made a lot of progress that I'd like to see continue."

Finally, Harry Schulte, Acquisition Executive and Senior Procurement Executive, Special Operations Command, added, "I have seen Evolutionary Acquisition work – the idea of getting a partial solution to the field quicker. If you have a user community that's willing to accept an 80 percent solution, you can get it quicker, with less risk, and that can still be far better than what they have."

In answer to another question, Delaney stated, "Logistics is just at the leading edge of a revolution brought about by information technology. The ability of networks is such that we're likely to see order of magnitude improvements in the responsiveness of our logistics systems."

"Visibility of O&S costs is a problem," Schulte observed. "It's hard to tell how to do it better without knowing what it costs."

Buchanan commented on the importance of a skilled acquisition workforce and commended DSMC and other ed-

ucational institutions. "I'm pleased to see that the business of education such as goes on in this building has become incredibly more relevant to the business of buying stuff. That is a big help."

Schulte also identified the acquisition workforce as "the toughest issue we're going to face. The next five years will be critical."

### **Evolutionary Acquisition at Work**

Dr. George Schneider, Director, Strategic and Tactical Systems, opened the final day of the conference by chairing a panel on Evolutionary Acquisition. Other panel members were: Air Force Lt. Gen. Bruce Carlson, Director for Force Structure, Resources and Assessment, Joint Staff;

*"Evolutionary acquisition is a process whereby a system is developed in a step-wise manner, first providing an initially low-risk but militarily useful version, and subsequently providing versions with more capability..."*



**Dr. George Schneider**  
Director, Strategic and Tactical Systems

Philip Coyle, Director, Operational Test and Evaluation; Air Force Brig. Gen. Jack Hudson, Deputy Program Director, Joint Strike Fighter; Air Force Lt. Gen. Ronald Kadish, Director, Ballistic Missile Defense Organization; and John Landon, Director, Program Analysis and Integration, Command, Control, Communications, and Intelligence.

In his introductory remarks, Schneider observed that "evolutionary acquisition is a process whereby a system is developed in a step-wise manner, first providing an initially low-risk but militarily useful version, and subsequently providing versions with more capability... Adopting a time-phased, incremental approach can allow the Department to field new technology more quickly, especially for software-intensive systems, and do it with less risk."

While Evolutionary Acquisition is not new, recent DoD policy changes have put more emphasis on this technique. "Previous versions of the 5000 directives treated Evolutionary Acquisition as a non-traditional approach." The new version makes it a preferred approach, according to Schneider.

Landon observed that the concept dates back at least as far as a 1978 Defense Science Board report. "We've developed a process where we field a product, use it, look at it, and improve it ... Of all the benefits of this approach, the one I want to emphasize above all is that it brings the user into the process much earlier. We all receive the benefits of getting the user into the process at a point where we can get some feedback, good user insight, and a different perspective."

Carlson noted the importance of the 1999 memorandum, signed jointly by Gansler and Air Force Gen. Joseph Ralston, [then] Vice Chairman of the Joint Chiefs of Staff, which required all new systems to place far more emphasis on evolutionary acquisition, interoperability, and cost. "The requirement for interoperability is probably even more remarkable than the requirement for Evolutionary Acquisition," he stated. "But all three are critical for future sys-

tems.” While he stated that not every system is suitable for an evolutionary approach, it has considerable benefits. “If you think through a general road map of how you want to develop a system and field it in a logical manner, it will give us the ability to field a useful system quicker and then build on that affordable baseline capability.”

Kadish stated that “in the missile defense area we are still dealing mainly with unprecedented technology ... some very challenging technical requirements. There is still a lot of doubt by many people whether we can do what we say we’re going to do. This is why we need evolutionary approaches.”

Coyle focused primarily on how the test community can support an evolutionary strategy. “The Evolutionary Acquisition policy requires integrated test. However, like any policy, how you deal with them is the key.” Coyle emphasized that PMs understand that acquisition reform gives them the flexibility to take more risk. “Programs are taking more risk, and it is showing up in operational testing ... The biggest concern we often see is a ‘rush to failure’ on the part of many programs.”

Coyle listed several key ways that program managers can subject their programs to unnecessary risk during the operational evaluation (OPEVAL) phase:

- “Betting the whole program” on a single test.
- Going into testing before the program is ready.
- Encountering environments in operational test that the program has never encountered before.
- Waiting until OPEVAL before loading the system realistically.

The model for how to do OPEVAL correctly, Coyle said, was the Navy’s F/A-18E/F. “They were careful to selectively try each new environment and requirement before they got to OPEVAL. Long before OPEVAL, they did a series of small operational tests that helped them avoid surprises when they got to OPEVAL.”

Said Coyle, “I think the system works best when the operational test community is invited in early. If you reach out early, you get better test – and the warfighter gets a better product.” He urged the audience to also involve the Operational Testing community early. “If you get the Service Operational Testing community in early, they’re in a *support* mode, not a *report* mode. They’re very much a problem-solving team.”

### Industry Association Panel

The conference concluded with a panel of industry association executives, who gave their perspective on accomplishments and remaining challenges in ac-

“Shifts away from defense are already happening. More than half the people who sat on my executive committee [AFCEA, Intl.] three years ago are now in the commercial part of their companies.”



Retired Air Force Lt. Gen. Norman Wood  
President and CEO, Armed Forces Communications and Electronics Association, International (AFCEA, Intl.)

quisition reform. Retired Air Force Gen. Larry Welch, President and CEO of the Institute for Defense Analyses, was the panel moderator. Other panel members were: John W. Douglass, President and CEO, Aerospace Industries Association of America; Harris Miller, President, Information Technology Association of America; retired Army Lt. Gen. Lawrence Skibbie, President, National Defense Industrial Association; and retired Air Force Lt. Gen. C. Norman Wood, President and CEO, Armed Forces Communications and Electronics Association, International.

While commending the progress already made, Douglass suggested that a great deal remains to be done in acquisition reform. “My industry thinks acquisition reform is a never-ending treadmill that you have to stay on all the time.” In particular, he suggested that considerably more civil-military integration is required.

Skibbie agreed. “We’ve come a long way, but there is still a long way to go.” He too noted the importance of capitalizing on civilian technologies. “Many of these asymmetric threats we face work with commercial cycle times, and that is 6-12 months, not 6-12 years. If we’re going to be threatened by people who work with commercial cycle time, then it seems to me that it’s mandatory for us to work with commercial Research and Development as well.”

Several of the panelists suggested that DoD cannot take for granted the continuing access to technology and production capabilities from high-tech industries. Douglass noted that only a decade ago, his association’s member companies were 80 percent dependent on sales to DoD. These same companies now rely on DoD for only about 20 percent of their sales. “The real future for the U.S. aerospace industry – where they’re going to make their money – is selling airplanes on the global economy and selling spacecraft on the global economy. DoD is becoming very much a niche customer for us, and a customer that has some serious flaws in the way it does its planning

“DoD has to look at a much longer haul for what it wants in aerospace,” Douglass continued. “Right now, we have absolutely no tactical air programs after 2008. There’s a 16-year hiatus in DoD’s plans for tactical aircraft; there’s simply no way Boeing and Lockheed Martin are going to keep a workforce of tactical aircraft design engineers through a 16-year gap.”

Wood noted that these shifts away from defense are already happening. “More than half the people who sat on my executive committee three years ago are now in the commercial part of their companies.”

Miller stressed the importance of improving the government’s usage of information technologies. “We need to be in a position where there is no difference

between all of the functions of government and doing those functions electronically. That’s the way the commercial world is moving very quickly, and you all know that in your everyday lives. That is the way we hope we will have the government moving in the near future.”

He noted that Americans expect Information Technology to reshape the public sector, as it is doing in the commercial sector, and maximize the efficiency and effectiveness of virtually all government functions. He noted that progress is being made, citing in particular activities such as progress in reverse auctioning and the approval of the Navy-Marine Corps Internet. But he noted that many challenges still exist, including funding, privacy and security, equal access, and the development of a basic “E-gov” culture.

Douglass had particular praise for “the work Dave Oliver has done to get export license procedures squared away. There is no question that this is the most significant event in the past few years.”

Oliver closed the conference by thanking the panelists and attendees for their insightful comments and questions. He said that the PEO/SYSCOM Commanders’ conferences had been enormously helpful over the years in identifying issues and setting the agenda for improvement of the acquisition process.

**Editor’s Note:** The author welcomes questions and comments on this article. Contact him at [LReed@ida.org](mailto:LReed@ida.org). For information on past or upcoming PEO/SYSCOM conferences or workshops, refer to the DSAC Web site at [www.acq.osd.mil/dsac/](http://www.acq.osd.mil/dsac/).

## ROBERT W. BALL



**T**he Defense Acquisition University (DAU) Press has received word of the death of Robert W. “Bob” Ball on Nov. 11. Bob had been a member of the publications staff at DSMC since July 1976, serving as Director of Publications from 1984 to 1993. In 1994, he became the first editor of *Acquisition Review Quarterly*, DAU’s journal of defense acquisition. Bob retired to his native Tennessee on March 31, 1995, after 34 years of federal civilian service.

He is survived by his wife and two daughters.

## YOU ARE INVITED!

### Interested DoD–Industry Personnel, DSMC Graduates, Faculty, Staff

**T**he Capital Area Chapter, Defense Systems Management College Alumni Association (DSMCAA) sponsors monthly “brown bag” acquisition seminars on timely acquisition subjects, featuring experts in the subject area. Seminars are open to interested DoD personnel; DSMC graduates/alumni and faculty; and DoD contractor personnel, subject to prior notification of attendance. Seminars are normally scheduled on the fourth Monday of each month from 11:30 a.m. to 12:45 p.m., and are held at the following *new* location:

**ANSER, Inc.**  
**Conference and Innovation Center**  
**Suite 700**  
**1550 Wilson Blvd.**  
**Rosslyn, Va. 22209**

Individuals planning to attend a seminar should E-mail Tod Beatrice at [beatrice@anser.org](mailto:beatrice@anser.org) or call (703) 588-7747 no later than one work day prior to the seminar. If replying by voice mail, please provide your name, company/organization, and phone number.

To learn more about the great benefits of DSMCAA membership, visit the DSMCAA Web site at <http://www.dsmcaa.org>