

Acquisition and Logistics Excellence

2003 Conference and Trade Show

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How will the digital age change the way government and large businesses identify small, minority and woman-owned suppliers, subcontractors, manufacturers, and service providers? And how will those small businesses meet large prime contractors and government buying agencies and end users? The 2003 Acquisition and Logistics Excellence Conference and Trade Show provided a unique forum and opportunity for that much needed “big guy, little guy” interaction and networking.

This year's event was held at the University of North Florida in Jacksonville, April 23-24, 2003. Sponsored, planned, and supported by Naval Air Command, defense industry, and several government agencies/administrations/centers, the 2003 conference brought together Acquisition, Technology and Logistics (AT&L) professionals from government, academia, and defense industry, as well as many distinguished speakers and panelists. The two-day gathering proved to be a great marketing opportunity for small businesses to meet large prime contractors and government buying agencies, as well as an opportunity for structured and informal interaction among members of the acquisition community. Another bonus was training delivered by professionals in the business, as well as valuable insights from senior acquisition and logistics leaders.

Numerous seminars in acquisition training, career development, leadership, and health and wellness created a forum for teaming, collaboration of ideas, and con-

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Director, Acquisition Career
Management
Department of Navy**

tinuous examination/adoption of innovative practices.

Opening Remarks

Welcoming all the participants, Christine Stelloh-Garner, Director, Acquisition Career Management (DACM), Office of the Assistant Secretary of the Navy for Research, Development and Acquisition, said, “We've got a great agenda for you. My office is involved with this event, and that's a thrilling idea for me as I've tried to get smart over these last couple of months as to what I do, what I need to do for you, and how our office can serve you. And I'm finding that this event, which emphasizes continuous learning, is a great opportunity.”

She noted that DoD has focused for the entire past year on Transformation. And Transformation, she emphasized, provides a message that change is here to stay. “All of our speakers will share with you over the next couple of days, either in the individual training sessions or here in the main session, that the conference theme—*Achieving Speed, Agility, and Innovation to Win the Challenges of Our 21st Century Warfighter*—will come through again and again. So I believe the only constant will be change,” she said.

Stelloh-Garner related that last year the Navy Secretariat underwent a great deal of change. The entire Secretariat downsized, as the Acquisition Reform Office was combined with the old Office of Acquisition and Business Management. In fact, she added, a number of new Deputy Assistant Secretaries of the Navy (DASNs) emerged from that downsizing and consolidation effort:

- DASN Acquisition Management

- DASN Air Program
- DASN Command, Control, Communications, Computers and Intelligence (C4I)/SPACE
- DASN Integrated Warfare Program
- DASN Littoral and Mine Warfare
- DASN International Programs
- DASN Logistics
- DASN Management and Budget
- DASN RDT&E
- DASN Ship Program

From her perspective as the Navy DACM, Stelloh-Garner said that acquisition career management is the best job in the Navy. “If you are aspiring for a job, this is the one you want to have at some point. It's program management to the max—except we get to work specifically with people in careers rather than hardware and systems. And I can't tell you how much I'm enjoying this job. I look forward to coming to work. I work with a great team both within my immediate staff as well as the extended team—representatives from NAVAIR [Naval Air Systems Command] and other agencies we work with,” she said.

Continuous Learning

Stelloh-Garner commented that it's important to continue learning. “Continuous Learning money is what we are using today to help sponsor this event. Continuous Learning is what you are going to experiment with over the next couple of days.” Referring to the USD(AT&L)'s policy that every member of the AT&L workforce accrue 80 Continuous Learning Points every two years, she advised conference participants to be sure they get credit for the 2003 conference.

Conference Keynote Speaker

Introducing the morning keynote speaker, Defense Acquisition University (DAU) President Frank Anderson Jr., Stelloh-Garner noted the similarities between Anderson and Revolutionary War-era publicist Thomas Paine, who was a catalyst for bringing America together to engage in its war for independence.

Anderson, she said, is “DoD's Thomas Paine”—a catalyst for change not only



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within his own organization, but also across the entire Department.

Transformation, she said, was the name of the game at DAU. She related how

Anderson has focused on the internal organization of DAU for the last year, and is now teaming with the Services and Service DACMs on how to deliver training as a team, how to identify training requirements, and how to best fulfill those requirements.

DAU as Corporate University

Anderson began his presentation by providing an overview of what's happening in the Defense Acquisition University and what's going on in the Department as far as Transformation.

Explaining the concept of a corporate university, Anderson said that DAU is somewhat of a split personality. “We are torn between being an active institution and corporate university, but our entire mission is to help all of you excel in the workplace.” DAU, he continued, does not provide degree-type training, but because of the wide number of strategic partnerships with academic institutions, the training received through the university counts toward individual degrees.

Anderson emphasized that as a corporate university, DAU is participating in a lot of initiatives in its continuous efforts to enhance the AT&L workforce skill sets. DAU has a packet of Continuous Learning programs and 49 Continuous Learning modules on the Continuous Learning Web site (http://clc.dau.mil/kc/no_login/portal.asp).

“We are not a research institution. We are not trying to create new knowledge, but we're trying to do research on those things that will help all of you advance in your workplace,” he stated.

“We want line of sight between those things that we have invested in, and the ability of the workforce to use our Knowledge Sharing and Communities of Practice Web sites as 21st Century learning assets. That is one of the huge ways that we hope to help create a smarter workforce—by connecting practical with practicality,” Anderson said.

Just as DoD is looking at Transformation and the way the Department con-

ducts warfare, he said that DAU is going to have to go through the same kind of Transformation in terms of how the University supports the acquisition, procurement, and support of DoD's weapon systems "to make sure that we share knowledge instead of hoarding it."

Noting the size of the various acquisition career fields, Anderson said that the largest career fields are Systems Planning, Research, Development and Engineering (SPRDE), followed by Contracting. Each career field, he added, has a functional team set up (Course Administrator, Functional Advisors), and each team for each one of the functional communities tries to answer two fundamental questions:

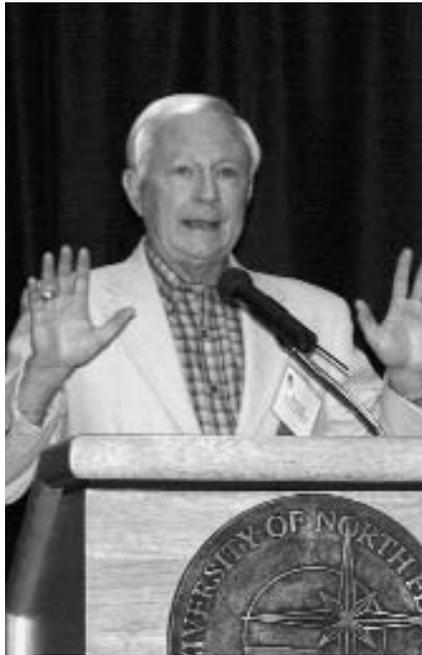
- What is it that you need to know?
- What should you be able to do to excel in your job?

Inviting the audience to provide feedback, Anderson said, "When you rate a course—if you don't like it, don't tell us it was great so you can leave town with your certificate. Take the time to give us thoughtful feedback because we are trying to respond to those things that will make training better for you and for the next individual going through our course. We are collecting the information so that you have an opportunity to influence the kind of training that you, and those that will follow behind you, will be receiving."

Transformation

Anderson told the conference participants that Secretary of Defense Donald Rumsfeld has sent out new Transformation Guidelines—"a very important document," he said, "that empowers all of us to take a leading role in terms of how we will change and shape the Department of Defense." Anderson discussed three important aspects of the Transformation document.

First, he reminded everyone that it is up to all of us to succeed. "It's not just about change for the sake of change, but looking at better ideas in terms of how we do things," he said.



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—Edward C. "Pete"
Aldridge Jr.
Former USD(AT&L)

Second, Anderson said that Transformation isn't something that can be done at the top, but it involves all of us. "Secretary Rumsfeld can't change the institutions that we have here in Jacksonville or elsewhere throughout the Department of Defense. It is up to the leader-

ship team here and to all of you that show up to work everyday. It is going to take all of us, each and every one of us, who are going to have to make the commitment to change. All of us are going to have to decide that we are willing to improve the organization that we are a part of. Transformation is going to occur because of all of us," he said.

And third, he continued, we have to answer the following questions:

- When is the transformation going to be done?
- When will we be through with change?

"We won't," he stated. "The only constant that we have in this Department is, in fact, *change*. All of us need to get comfortable with it."

He went on to say that the reason the Navy and the Marine Corps are willing to sponsor conferences of this nature is "because they want you to take something back to the workplace—this is all about creating a learning culture and about sharing." Anderson invited all the participants to go back to their workplace and share and encourage every one of their teammates to be a part of the Transformation movement that the senior leaders are trying to bring in for us.

"This gives all of us an opportunity to shape and change our working environment. We are all responsible. We are in power. If we are going to make a difference, we are going to have to change each and everyone's job to ensure that we are optimizing every single dollar invested in our organization. It is the only way we can truly transform the Department," he said.

Everybody in the Department of Defense, Anderson said, should feel good about what our warfighters are doing and the power of jointness. "We are recognizing that there is power in a team, and we've seen it in action. We are going to have to do that in terms of how we do logistics, the way we do acquisition, the way we shape acquisition strategies. There is power in team unity," he stated.

"It's all about sharing—not only sharing between the different Services, but sharing within Services, sharing between Departments. We want to ensure that every one of our teammates is the smartest he or she can possibly be, because through collective action we will win. We really want to do the right thing—and we believe we are," he emphasized.

Anderson concluded by saying that Transformation involves all of those who work for the Department. "You have to see where you personally fit; you have to think about your role. DoD is our organization—we are trying to transform where we all work. We need to keep challenging ourselves and pressing hard to make sure what we do tomorrow is better."

Luncheon Keynote Speaker

Welcoming the luncheon keynote speaker, [then] Under Secretary of Defense (Acquisition, Technology and Logistics) Edward C. "Pete" Aldridge Jr., Stelloh-Garner said that the conference planners were particularly fortunate and honored to host Aldridge as their keynote speaker in view of the fact that he had just announced his imminent retirement as USD(AT&L).

"The fact that he still take the time out of his schedule to come to talk to us, to share ideas with you is a great, great honor. I hope you'll have the opportunity to meet with him and ask him questions on his perspectives on where we are, where we have been, and where he thinks we need to head—what business is not yet done."

Aldridge began his remarks by talking about the initiatives and strategies developed during his tenure as Under Secretary. One of the first things he did was to change the acquisition community's focus from acquisition reform to acquisition and logistics excellence. This, he believed, better reflected the goals and aims his office was trying to instill throughout the acquisition community.

"When I first entered this job a little over two years ago," he said, "I set for myself

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five goals that I wanted to accomplish." Those five goals, which Aldridge instituted in May 2001, are now the foundation of DAU's strategic planning and curricula. "I want to let you know why I developed those goals," he said, "and what I think we've done to accomplish them."

Goal 1

To improve the credibility and effectiveness of the acquisition and logistics support process. Aldridge stated that cycle times were too high, too long, and cost overruns were too frequent. The credibility of the acquisition and procurement process—from the perspective of Congress, which funded DoD's acquisition systems and programs—was almost zero. "We had to focus on how to rebuild this acquisition and logistics support system," said Aldridge.

DEFENSE ACQUISITION BOARD

Aldridge restructured the Defense Acquisition Board to eliminate many unnecessary meetings, moved the Assistant Secretaries, (who in the past served on the Board) and replaced them with the Service Secretaries so they could brainstorm together the entire decision-making process of their Military Departments. "It's amazing how fast things happen this way," he said. "Issues are decided in a meeting rather than two to three months of staff time trying to figure out how to get them through the acquisition process."

EVOLUTIONARY ACQUISITION

Another thing Aldridge did—a monumental change in the eyes of many throughout the acquisition community—was convincing the Deputy Secretary of Defense to cancel the burdensome DoD 5000 series—some 250 pages. "We cancelled the old 5000 series, put some interim guidance in place, and cut it down to about 40 pages. You can actually read this document and know what to do," he said.

The new document gives more responsibility to program managers—more ability to innovate, to create, and to be more efficient. "We are trying not to tell you how to bake the cake," Aldridge emphasized, "but tell you what we want to achieve. I think that's what the guidance is. That is a fundamental difference between the old way of doing business and the new way of doing business."

SPIRAL DEVELOPMENT

"In the past we had recognized spiral development, but we didn't mandate in the technology program that it was essential to make spiral development happen right along with the program." Spiral development, evolutionary development, and properly pricing programs must go hand-in-hand, he emphasized.

FUTURE LOGISTICS ENTERPRISE

"We started a new logistics idea—the future logistics enterprise," Aldridge continued. "It's a way to take on the logistics system in a more business-like approach." Aldridge sees the Future Logistics Enterprise as providing requestors and suppliers more visibility into the in-transit material. "We need to be better predictors of the need ahead of time. We have to be able to plan our services contractors just as we plan for acquisition of equipment, and the Future Logistics Enterprise is a process we've started to make that happen," he said.

Goal 2

To revitalize the quality and morale of the AT&L workforce. Aldridge told the conference participants that over the past 10 years or so, we all experienced the reductions in the acquisition workforce.

“That's not a very good message,” he emphasized. “Government has to continue to be a very smart buyer of the equipment and the support we get from the contractors. We have to invest in the workforce and determine what workforce we need, what size, and what skills are necessary today and in the future.”

On the personnel side, he said that OUSD(AT&L) had a good start on an acquisition workforce strategic plan that fits into DoD's acquisition workforce pilot projects. “We started the Acquisition Workforce Demonstration Project—a pay for performance program. Rather than the automatic step increase, this sends a strong message to people about how we expect them to perform,” he stated.

Another unqualified success Aldridge pointed out was the re-invigoration of DAU. “We want that university to be the landmark in its ability to train and educate acquisition workforce members so that they can do a much better job,” he said.

Goal 3

To improve the health of the defense industrial base. “If we are to have the finest weapon systems in the world, we have to have the finest industry in the world as well. We cannot expect the finest equipment delivered to our warfighters without the defense industry that provides that equipment being healthy, innovative, and profitable.” Contrary to some prevailing perceptions throughout the government, profitability is not a bad word, he said. “It's the engine of innovation.”

Companies who are profitable attract investors, he pointed out, and also attract quality people. They deliver high-quality products and the government benefits from that.

“Two days after I took office,” Aldridge said, “I published a policy document that the Department of Defense will no longer encourage contractors to pay for [DoD's] shortfalls in research and development activities.” (Industry was using Independent Research and Development [IR&D] money to pay for

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cost increases in DoD development programs.) Aldridge also mentioned that the Department is working to attract non-traditional industry to come and work for the Department of Defense.

Goal 4

To rationalize the weapon systems and infrastructure with our defense strategy. “We need to think about the new world order and rationalize what we're doing with weapon systems and infrastructure.” He spoke of the Quadrennial Defense Review and the Defense Planning Guidance, and how those reviews led to changes and ideas.

All those policies have led to decisions on weapon systems,” Aldridge said. Some of them he mentioned included the Army Crusader; the Navy's DD(X) “family of ships” program; and the Joint Strike Fighter, now a hugely successful

international program. In fact, he said, the Joint Strike Fighter is the largest defense program in the history of the Department of Defense.

Aldridge said that the Navy has started the SSGN conversion of the TRIDENT to a conventional submarine; the Marine Corps has restructured the flight test program for the V-22 Osprey; the Secretary of Defense has redesignated the Ballistic Missile Defense Organization (BMDO) as the Missile Defense Agency (MDA), effectively placing increased emphasis on ballistic missile defense; and the Army has restructured the RAH-66 Comanche program—“all in the name of Transformation,” he noted.

Transformation is not a thing, not an end-state, he said. Transformation is a journey and usually consists of two parts. One part is using things we currently have in better, more innovative ways. Transformation is also the innovative use of new technology to achieve improvement in capability.

Goal 5

To initiate high-leverage technologies to create the warfighting capabilities and strategies of the future. Aldridge observed that over the years, the Science and Technology (S&T) budget of the Department of Defense has been declining. It was being used, he said, as a billpayer for other needs of the Department—and it was wrong. The reason it happened, he explained, was because S&T tends to be way out in time and doesn't have an immediate, measurable impact. “To try to offset that trend, we set a goal that about 3 percent of the total spending of the Department of Defense would focus on S&T,” he stated.

“We pushed the Defense Advanced Research Projects Agency [DARPA], which had digressed as a result of previous S&T budget cuts, back on the leading edge of technologies,” said Aldridge. He also spoke of the Department's emphasis on Advanced Concept Technology Demonstrations (ACTDs) and how DoD is trying to get the technologies it develops to the warfighters faster. “ACTDs

do that," he said. "We are focusing our activities on space, information, robotics, energy, and precision measurement—those kinds of things have a high priority within the S&T budget."

Aldridge acknowledged that certain things still remain to be done. For example, increasing the rate of shipbuilding; raising the Tactical Air (TACAIR) modernization rate higher to lower the average age of DoD's tac-

tical forces; eliminating substandard family housing units at a faster pace; and modernizing more quickly some of DoD's aging legacy systems.

Overall, Aldridge believes the acquisition community should be very proud of what it has accomplished. "Look at the things we've accomplished vs. those we didn't...I think we are on the right vector, and I know, my successor Mike Wynne [Principal Deputy Under Secre-

tary of Defense for AT&L], is going to come in and keep us on the same vector," Aldridge said.

Aldridge predicted that the AT&L community will continue to make progress toward Transformation. "It's been only a little over two years, but I'll tell you they were 'dog years'—seven years to one. And so I'm looking to a little bit different, less stressful life. Thank you...and keep up the good work."

CONFERENCE PRESENTATIONS AND SEMINARS

- DAWIA and Continuous Learning Program Requirements Updates
- Small Business Loan Program
- HUBZone Program
- Improving Business Performance Through Effective Project Management Practice
- Merging Logistics and Acquisition at the OSD Level
- The Lean Operations
- Multimedia Job Performance Aids (MJPA)
- Performance-Based Services Contracting
- Lead Maintenance Technology Center Environment
- One Touch Support
- Evolutionary Approach to Systems Acquisition Workshop
- Spiral Development 101
- Joint Aviation Technical Data Integration (JATDI)
- Partnering with the Government
- The RIFLE Program
- Mitigating the Impact of Obsolescence
- Acquisition and Logistics Training and Education
- Weapons of Mass Destruction (Small Pox)
- Career Planning and Goal Setting
- Naval Aviation Logistics Information System Tools
- DoD E-mail
- Reverse Auction
- Optimal Nutrition for Health and Performance
- Strategy in Action Systems Thinking
- Joint Configuration Management Information System
- On Your Way to Total Fitness
- The National Stock Number (NSN) Story
- RCM Overview
- Myers-Briggs Workshop
- Lean Enterprise Value (MIT)
- Improving Supply Chain Management Relationships
- Technology Transfer and Export Controls
- Empowering the Workforce: Applying Situational Leadership II
- A Hands On Approach to Motivation
- Opportunity to Do Business with Government Through Prime Contractors
- E-Buy (GSA)
- GSA Advantage Seminar
- How to Obtain a GSA Contract
- Spiral Development of the F/A-18 Program
- Navy's New Initiative for Facilities Support Contracting (FSC)
- General Wellness
- The Best of all Opportunities—The OSD Mentor-Protégé Program
- Wide Area Work Flow