

AR Week III Escalates Momentum of Acquisition Reform

“We Are Making Faster,
Better, Cheaper Our Mantra”

COLLIE J. JOHNSON

Editor's Note: This issue of *Program Manager* focuses on OSD's observance of AR Week III. Look for coverage of military service and agency events – the principal focus of AR Week III activity – in a future issue. Meanwhile, tell us how your agency observed AR Week III; we're interested in hearing from you (cjohnson@dsmc.dsm.mil).

The 1998 Acquisition Reform Week III Kickoff Ceremony held in the Pentagon Courtyard on May 4, followed by Office of the Secretary of Defense (OSD) Acquisition Reform Day activities, proved that DoD hasn't missed a beat in keeping up the momentum of the Acquisition Reform spirit and message.

A Week of Accelerating the Momentum

AR Week III was announced in a Feb. 25 memorandum from Under Secretary of Defense (Acquisition & Technology), Jacques S. Gansler to the entire Acquisition Workforce, designating May 4-8 as the Department of Defense AR Week III. Sometime during that week, on a day determined locally, each activity, from camp and unit-level to major command- and OSD-level, ceased normal operations for one day to focus on Acquisition Reform initiatives.

The Deputy Under Secretary of Defense (Acquisition Reform), Stan Soloway and his staff, together with a DoD Planning Team, coordinated and managed the



preparations, ranging from determining the approach and theme, sending out training packages to 5000 different locations, to orchestrating satellite broadcasts, exhibits, demonstrations, interactive chat sessions, and the May 4 Kickoff Ceremony.

All across the nation, commanders and managers set aside one day to emphasize teaming and the day-to-day application of Acquisition Reform initiatives in their own organizations. Activities included conferences, broadcasts, classes, team and group exercises, and discussions of lessons learned.

As in past years, this year's AR Week III provided an excellent forum for

SECRETARY OF DEFENSE WILLIAM S. COHEN WAS THE KEYNOTE SPEAKER AT THE AR WEEK III KICKOFF CEREMONY ON MAY 4, IN THE PENTAGON COURTYARD. STANDING: COHEN. SEATED FROM LEFT: USD(A&T), DR. JACQUES S. GANSLER; ARMY CHIEF OF STAFF, GENERAL DENNIS J. REIMER; DUSD(AR), STAN SOLOWAY



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acquisition and industry professionals at all levels to assess ongoing reform initiatives, exchange information regarding successes and failures, and learn new ways to implement and accelerate Acquisition Reform initiatives in their own programs.

The theme for AR Week III, “Leading and Embracing Change: Institutionalizing and Accelerating Acquisition Reform” was a fitting reminder that although DoD and industry have made tremendous inroads toward their mutual goal of reforming the DoD acquisition process, much remains to be done.

The Kickoff Ceremony

Secretary of Defense William S. Cohen, joined by Under Secretary of Defense (Acquisition & Technology), Jacques S. Gansler; U.S. Army Chief of Staff, General Dennis J. Reimer; and Deputy Under Secretary of Defense (Acquisition Reform), Stan Soloway, addressed an overflow crowd to not only report DoD-industry progress, but also to laud the efforts of the men and women – the DoD-industry “movers and shakers” – who are making Cohen’s vision of a “Revolution in DoD’s Business Affairs” a firm reality.

Secretary of Defense William S. Cohen

Admittedly “stunned” at the overflow crowd assembled in the Pentagon Courtyard, Cohen said that “Today, we can proudly proclaim that we’re on the way to doing what many said could never be done – genuine reform of the Pentagon’s acquisition system...Thanks to you we are in fact reinventing the way we buy things; we are making faster, better, cheaper our mantra; and thanks to you, more of our defense dollars are going to the product, and not to the process.”

Cohen said that his role in Acquisition Reform actually started during his days as a U.S. Senator, where he helped draft and enact three laws that “scraped the rust and barnacles off the acquisition process, streamlining it, and making it perform better.” It’s extremely gratifying to bring that same level of

commitment to reform, he told those assembled, to his current position as Secretary of Defense.

True Acquisition Reform, he asserted, is going to occur when everyone in the acquisition community is committed, understands the principles of Acquisition Reform, believes in them, and puts them into practice.

Said Cohen, “It was Tolstoy who reminded us that the issues of war and peace are often determined, not by leaders, but by everyday individuals. Every person is interconnected in this grand fabric of history. And so we’re here today to celebrate the individual acts of accomplishment and daring that are taking our forces and this Department into the future.”

Cohen stated that America stands at a true pivot point in history – a time of rapid change in politics and technology, and a time of great opportunity and great danger.

To allow our troops to succeed in this uncertain future, he believes that we have to build a force for the future. But he also knows that it’s going to be impossible to build these forces without getting more out of our defense dollars; and it’s going to be impossible to build them unless we have an acquisition system that can respond just as quickly and flexibly as our warfighters.

“That’s why we are empowering you,” he told those listening. “We want you to have the authority, the tools, the know how, and the incentives necessary to innovate and to resolve problems with a combination of *competence*, *creativity*, and *common sense*. If the conventional wisdom doesn’t work, then it’s no longer wisdom and it shouldn’t be our convention.”

Concluding his remarks to the Acquisition Workforce, Cohen placed particular emphasis on this one point: He and the rest of the Department leadership are going to fully support you, the Acquisition Workforce, when you try new approaches.

“Reforming this acquisition system of ours,” he affirmed, “is not a risk-free enterprise. As you innovate and improve, there are going to be times when honest mistakes will be made. But when that happens, all of us in the DoD leadership are going to back you up 110 percent...and if we’re successful in empowering you to fight these problems, then you’re going to be successful in empowering our warfighters with combat superiority.”

Packard Award Presentations

Following his remarks to the Acquisition Workforce, Cohen, joined by Under Secretary Gansler, awarded five teams the David Packard Excellence in Acquisition Award (see p. 114).

- Advanced Amphibious Assault Vehicle Program Team
- Army Purchase Card Program Team
- Integrated Program Management Initiative Joint Team
- New Attack Submarine Program Office
- U.S. Special Operations Command Naval Special Warfare Rigid Inflatable Boat Program Team

Speaking of the late David Packard, a former Deputy Secretary of Defense and founder-chairman of the Hewlett-Packard Company, Cohen repeated Packard’s oft quoted credo: “Get the best people, stress the importance of teamwork, and then fire them up with a will to win.”

Referring to the five award-winning teams, Cohen said, “Their will to win should light a fire in all of us.”

Dr. Jacques S. Gansler

Under Secretary of Defense (Acquisition & Technology), Dr. Jacques S. Gansler, began his remarks by summarizing some of the critical issues the Acquisition Workforce must face during the next year:

- Expansion of our current and past efforts to revolutionize the way we do business, as we concentrate on further adapting commercial “best

OSD ACTIVITIES

AR Week III

Panel/Speaker Topics

Pentagon Courtyard • May 4, 1998

practices” to defense needs (including in the cost accounting and auditing area).

- Restructuring of our support systems.
- Significant reduction of our infrastructure.
- Great Reduction in Cycle Times.
- Competitive sourcing of the vast majority of our support and infrastructure work.
- Civil/military industrial base integration.

To achieve success in this next round of reform, Gansler believes we must deal with government cost accounting and auditing requirements that industry sometimes finds overly burdensome — and which some of DoD’s critics claim are antiquated and highly unreliable.

He also spoke of the need for a total re-engineering of the DoD logistics system. “We are living today with a 1950s’ logistics model that is no longer affordable and which fails to provide acceptable performance. Advanced information systems and rapid transportation are keys to our success in this area.”

On the topic of educating the workforce, Gansler stated that the Department will focus more attention on training and educating our Acquisition Workforce to meet the demands of our massive

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—SECRETARY OF DEFENSE WILLIAM S. COHEN

- Paperless Acquisition Process
- F-117
- Dealing with a Restructured Defense Industry
- Civil Military Integration
- Credit Card Purchase Program
- Modernization Thru Spares
- Simulation Based Acquisition
- Commercial Operations & Support Savings Initiative
- Logistics Reform
- Total Cost of Ownership
- Joint Staff Initiatives
- Advanced Concept Technology Demonstrations
- New Rules in Procurement
- Price Based Contracting
- OSD Oversight: Implementation Tools
- Continuing Learning Requirements
- Open Systems in Acquisition Reform
- Joint Air-to-Surface Stand-Off Missile
- Advanced Medium Range Air-to-Air Missile
- Standard Procurement System
- Acquisition Workforce Demonstration Project
- NPR Year 2000 Acquisition Goals — OSD Acquisition Reform
- Information Technology Management Reform Act
- Single Process Initiative
- Rigid Inflatable Boat Rapid Acquisition



“WE ARE PROUD OF YOU AND APPRECIATE ALL YOU HAVE DONE TO SUSTAIN THE MOMENTUM OF ACQUISITION REFORM AND FOR ALL YOUR EXTRA EFFORTS. THE NATION’S SECURITY OVER THE COMING YEARS DEPENDS ON YOU. I KNOW WE CAN COUNT ON YOUR SUPPORT.”

—DR. JACQUES S. GANSLER
 UNDER SECRETARY OF DEFENSE
 (ACQUISITION & TECHNOLOGY)



re-engineering effort. Said Gansler, “Unless we all know how best to do what we are doing and comprehend the benefits we derive by doing it better, Acquisition Reform will not succeed.”

Expounding on a point Cohen made in his earlier remarks, Gansler told the Acquisition Workforce that as DoD accelerates the pace of reform, there will occasionally be mistakes. “As you can imagine, the largest acquisition organization in the world is going to make a few mistakes as we transform ourselves into world-class buyers. However, we must not let these set us back.

“The overall results being achieved – in cost, performance, and cycle time – from the acquisition reforms [implemented] to-date, clearly justify moving ahead aggressively. The benefits identified are already in the billions of dollars. We are well on the way to a successful ‘Revolution In Business Affairs.’”

Gansler also directed his remarks to the defense industry represented at the ceremony. “To those of you who are here today representing our industrial partners, I want you to know that we will be looking to you to help us in this effort.

“As we move more and more aggressively toward dependence on competitive sourcing, we, as the nation’s largest buyer, must expect the best prices and

EXHIBIT BOOTHS

OSD Activities – AR Week III
Pentagon Courtyard • May 4, 1998

- Alliant Techsystems
- Boeing
- Gore Tex
- Raytheon
- Lockheed Martin
- Defense Acquisition Deskbook
- Joint Group on Acquisition Pollution Prevention
- Navy Acquisition Reform
- NAVSEA Acquisition Reform Successes
- Modeling & Simulation – DMSO
- Simulation Based Acquisition – DTSE&E
- General Services Administration
- Air Force Acquisition Reform
- Evolved Expendable Launch Vehicle
- Joint Air-to-Surface Stand-Off Missile
- Joint Direct Attack Munition F-117
- Prime Vendor – DLA
- SOCOM Acquisition Reform Office
- Army Night Vision
- Army Acquisition Reform
- Army Acquisition Corps
- Army CECOM
- Open Systems Joint Task Force
- Global Automated Maintenance Environment
- Smith’s Industries
- Naval Air Warfare Center
- Flight & Training Simulation
- Navy Office of Training Technology
- Defense Acquisition University
- Rockwell/Collins
- Advanced Amphibious Assault Vehicle
- Navy Safety & Survivability Reinvention Laboratory
- Electric Boat
- C4ISR
- Joint Base Station – SOCOM
- Rigid Inflatable Boat – SOCOM
- Logistics Reform Applications

Centuries ago in the ancient Roman empire, fishermen would cut a slice into one of their corks on their fishing nets and they would insert a coin into the cork before the nets were lowered into the water. The coin was meant to send a message to the Roman god of the sea, Neptune, that the fishermen were willing to pay the necessary price to invest their time, their strength, and their labor to reap the bounty of the sea.

Today we are here just to spend a few moments of our time sending a message. We want every person in the Department of Defense to know that we are willing to pay the necessary price, and invest our strength and labor in order that we may reap the benefits of Acquisition Reform. We want every person in the DoD to know that Acquisition Reform is critical to maintaining a strong defense in the 21st century.

**—Secretary of Defense
William S. Cohen**

**Acquisition Reform Week III
Kickoff Ceremony
May 4, 1998**



AR Week III Live WebCast Scores Several "Hits"

Featuring a live "WebCast" of the AR Week III Kickoff Ceremony, as well as a series of interactive video chat sessions with senior leaders in the Defense acquisition community, the 1998 DoD AR Week III observance clearly showcased the information technology and multimedia now so inextricably linked to the success of DoD's Acquisition Reform efforts.

A readily accessible link to ACQWeb's Home Page on the Internet at <http://www.acq.osd.mil/arweekIII> ensured the widest possible dissemination of AR Week III information and materials. It also served as a point to retrieve video events highlighting important Acquisition Reform topics, as well as an electronic registration site for the chat sessions.

ACQUISITION REFORM and the Battle of Little Big Horn

“I was at Gettysburg this weekend. I’d been on that hallowed ground many times, and every time I’m there, I learn something different. This weekend, I learned about Acquisition Reform.

To me, Acquisition Reform is about Springfield’s and Henry’s. If you stop and think about it, both sides — the Union and the Confederacy — were armed with a 58-caliber Springfield, muzzle-loaded rifle.

And the way you loaded that rifle was, you took some powder out of your pocket, bit off the paper, poured that [powder] in there, and then pumped down or pushed down a bullet on top of [the powder] — and then [you] fired it. Your maximum rate of fire at that point in time was about three rounds per minute.

Available to the force — both sides — was something called the Henry Rifle. It was a 44-caliber rifle, with a 15-minute round, so you can stop and think about the volume of fire that could have been unleashed if either force would have had the Henry Rifle as opposed to the Springfield.

But as Paul Harvey often says, ‘There’s another part of this story.’ And the rest of the story is that after that war was over, and after Gettysburg was over, the United States Army faced the challenge of what to do.

What we did at that point in time was to modify the Springfield. We basically put another piece of mechanism on the rear part of the rifle, gave each soldier a knife, and 13 years later at the Battle of Little Big Horn [Custer’s Last Stand], you found a lot of Springfield Rifles and a lot of knives, because they didn’t work.

Now how does that relate to Acquisition Reform? In my mind, it has *a lot* to do with Acquisition Reform — it has *everything* to do with Acquisition Reform. Because what they were faced with at that point in time were limited resources. Do you modernize for the future, or do you continue to product-improve what you already have?

And while the pace of the operation has increased enormously, we still face the same challenges, and the challenges are still the same as Springfield’s, Henry’s, and Little Big Horn.”

General Dennis J. Reimer
U.S. Army Chief of Staff
AR Week III Kickoff Ceremony
May 4, 1998



the best service from our private contractors. We also should expect your managers to work with our managers to help us get best value for our combat forces. Competition, market research, and price analysis are important tools at our disposal to ensure best value.”

In closing, Gansler said that he had now been on-the-job as Under Secretary for about six months, and though that seemed like a very short time, it was adequate time for him to develop a deep appreciation for the dedication and hard work of the DoD Acquisition Workforce.

“I want to thank you personally for the support you have given me during these first few months. I know that this is a difficult — and challenging — period for all of you, as you put into place the new procedures and policies required to revolutionize the way the Department of Defense does its business.

“We are proud of you and appreciate all you have done to sustain the momentum of Acquisition Reform and for all your extra efforts. The nation’s security over the coming years depends on you. I know we can count on your support.”

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AIRMEN, AND MARINES
REMAIN TRAINED AND READY.”

—ARMY CHIEF OF STAFF,
GENERAL DENNIS J. REIMER