

A New Acquisition Reform Culture For the Air Force

We Must Control Our Destiny
And Our Spending *Now*
Or Risk Having Someone Else Do It for Us

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For years, we've seen the competition for scarce resources — funding, personnel, and time — increase; it will continue to be intense in the years to come. We have more systems desired than affordable, a premium on skilled personnel, an increasingly dynamic business environment, and increased sensitivity to the efficiency and effectiveness of our use of resources.

Numerous blue ribbon/Office of the Secretary of Defense (OSD)/Services' studies and initiatives have identified not only acquisition system problem areas, but also opportunities for improving how we manage our limited resources.

Dr. Jacques S. Gansler, Under Secretary of Defense for Acquisition and Technology (USD[A&T]), commented on Sept. 2, 1998, that "The dilemma we face right now is in the budget area. We have unlimited demands for very limited resources.

"We simply can't afford to buy all the things we'd like to have, and if we continue on our present path we are not going to be able to afford to buy the things we have to have...If we don't begin to break out soon from this death spiral," he warned, "it will be impossible to do so later."¹

Among the potential actions Dr. Gansler must consider is "termination of a num-

ber of traditional weapon systems that are now in acquisition in order to fund the newer systems." He called widespread implementation of Acquisition Reform a necessary action. This directly reflects the fact that Air Force acquisition processes and the resources necessary to run them are not an end unto themselves, but rather, exist in order for the Air Force (and the other Services) to deliver required capabilities to the warfighters.

Off to a Good Start

The Air Force has successfully undertaken a number of aggressive efforts addressing specific areas of concern. Such efforts have already saved or resulted in cost avoidances of over \$20 billion for the Air Force in recent years. These efforts, however, were the easier achievements, compared to many of those that lie ahead.

Making future modifications and upgrades only on the margins of our acquisition system components — what some might call continuing to pick only the "low hanging fruit" — would not yield the substantial and ongoing savings necessary to offset increases in future resource demands for meeting the needs of the warfighters.

Using our past successes as a firm foundation, we must rethink the ways we accomplish acquisition and sustainment of systems across their entire life cycles.

Only by critically re-examining the core processes that we use for acquisition and sustainment activities — that is, taking a process-oriented approach — can we eliminate non-essential/non-value-added activities within our current acquisition practices, processes, and procedures, and ultimately institutionalize lasting and substantial improvements throughout our acquisition culture.

We have only one option: We must control our destiny and our spending *now*, or risk having someone else do it for us.

Rollout of a Concept

During Acquisition Reform Week III (AR Week III), May 4-8, 1998, the Air Force rolled out its next-generation Acquisition Reform concept — the Acquisition and Sustainment Reinvention Process. This next-level concept, using a process-oriented approach, leverages ideas for improvement in acquisition practices, processes, and procedures directly from the workforce and industry, and is designed to make Air Force acquisition better, faster, and cheaper.

Darleen Druyun, Principal Deputy Assistant Secretary of the Air Force for Acquisition and Management, announced and explained the new concept during a live satellite broadcast, featuring a panel discussion with Dr. Gansler, USD(A&T); along with Stan Z. Soloway, Deputy Under Secretary of Defense for Acquisition Reform

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(DUSD[AR]); Air Force Gen. George T. Babbitt, Commander Air Force Materiel Command; and Air Force Lt. Gen. George K. Muellner, Principal Deputy Assistant Secretary of the Air Force for Acquisition.

At its core, the concept builds upon the substantial reforms already implemented or currently in progress, and incorporates continuous communication and feedback across four key phases:

- Identify
- Study and Develop
- Test
- Deploy

Added Assistant Secretary Druyun, “We expect to achieve greater successes from every person, dollar, and hour we expend to acquire and sustain our current and new weapon systems.”

To demonstrate their personal support of this new Acquisition Reform concept, senior Air Force acquisition leaders introduced this future for acquisition reform by traveling to each of the Air Force Product, Logistics, and Test Centers dur-

ing AR Week III and briefing the Acquisition and Sustainment Reinvention Process to the workforce.

Acquisition and Sustainment Reinvention Process

Phase 1 - Identify

The first phase of the Acquisition and Sustainment Reinvention Process – *Identify* – focuses on members of the acquisition workforce – including officers, enlisted, government civilians, and defense industry personnel – who are actively exploring and submitting ideas for consideration.²

Who are these thinkers and innovators? They’re the front-line workers who are implementing today’s new acquisition practices, processes and procedures; they’re the “movers and shakers” who are seeking out broken or ailing process elements and developing new ideas, innovations, and fixes for outdated ways of doing business; and finally, they’re the acquisition professionals who possess the hands-on knowledge and insights into ways in which we can work smarter, better, faster, and cheaper.

Phase 2 - Study & Develop

The second phase of the Acquisition and Sustainment Reinvention Process – *Study & Develop* – includes analyzing existing activities to better integrate related efforts and better understand the existing body of knowledge and initiatives. This phase also includes establishing a Reinvention Team to examine a particular opportunity that the Air Force Acquisition Reform Leadership Council approved for study.

AR Week III served to introduce the first set of initiatives to work through the new process. These initiatives all derived directly from longstanding problems identified from within the acquisition workforce. During AR Week III, senior acquisition leaders took these workforce ideas and developed them as themes for the first four Reinvention Teams:

- Evolutionary Acquisition
- Cost as an Independent Variable/Sustainment Emphasis in the Requirements Process
- Program Element Consolidation
- Contract Award Cycle Time.

An additional five Reinvention Teams have organized and begun their work. Three teams subsumed activities already in process and well along in the Study & Develop phase:

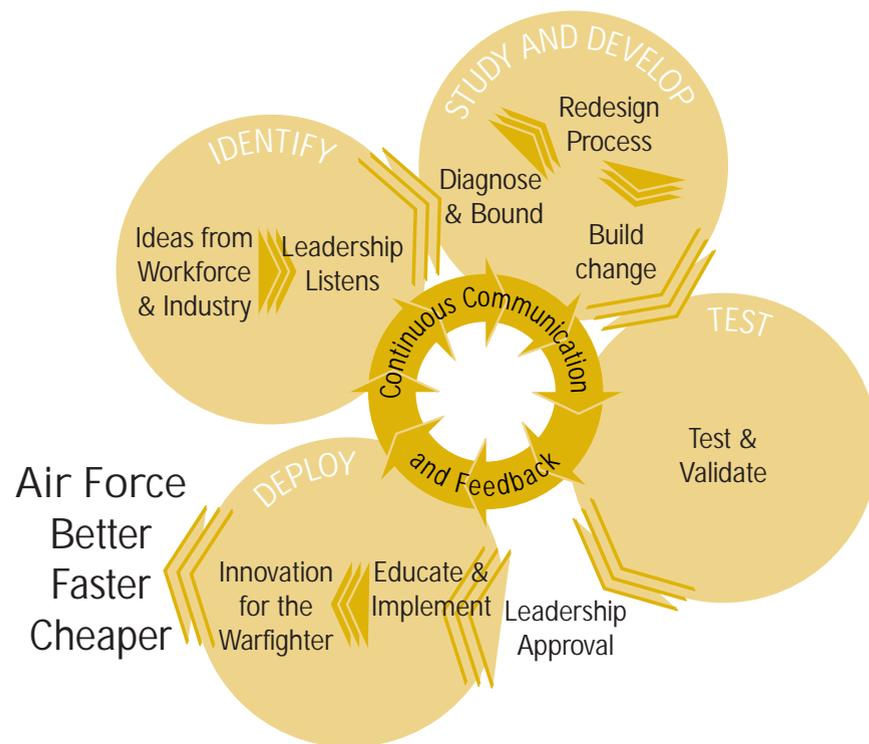
- Commercial Services (AFSCAG II)
- Reengineering the Source Selection Process
- Centralized Sustainment Contracts

The remaining two teams are:

- Acquisition Reform Training
- Total Ownership Cost

The Acquisition Reform Training Reinvention Team is addressing the adequacy, appropriateness, timeliness, and sufficiency of training required for meeting the needs of the acquisition workforce in an environment becoming ever more dynamic through Acquisition Reform.

The Total Ownership Cost Reinvention Team is concentrating on two aspects of the total ownership cost of weapon



Acquisition and Sustainment Reinvention Process

system modifications: how to fund the up-front support costs of modifications that have high, but longer, payoffs; and how to recapture resources saved in order to fund up-front support costs for similar modification efforts.

Many more Reinvention Teams will follow.

Each Reinvention Team, which includes members with a variety of different skills, experiences, and viewpoints, will first diagnose and set boundaries for their chartered problem, followed by a thorough examination and redesign of processes, as necessary. Finally, team members will build a proposed change package.

Called an “Innovation Package,” each proposed change package will address achieving aggressive performance goals through design of processes (“process”); realignment of workforce rewards, incentives, and education (“people”); and proactive management of the change process itself (“change management”).

Further, each Reinvention Team Leader has a great deal of latitude in identifying the scope of the Team’s activity, the ways in which they identify and analyze the relevant processes involved, and the particular format and content of the final Innovation Package.

The challenge of being able to step back from our ingrained processes and procedures in order to conduct critical examinations is neither small nor easy. It requires careful identification and in-depth examination of:

- The core processes (vice functions) involved.
- Whom the processes are meant to serve.
- What products and services are provided.
- The inputs to the processes.
- The essential process elements that add value in the eyes of the process customers.
- The process elements that are necessary, although they don’t add value in the eyes of the process customers.

- The waste elements that can be eliminated, because they are neither value-adding nor necessary.

It also requires the design of robust metrics that truly assess how well our core processes are achieving their intended results. Such processes typically cross both functional and geographic boundaries.

Phase 3 – Test

In the third phase of the Acquisition and Sustainment Reinvention Process – *Test* – each Innovation Package will be tested and validated in a limited, real-world environment to assess proof of the reinvention package design, design stability, further refinements needed, and leadership acceptance.

This is a critical phase of the process because it ensures that team members communicate and work out any difficulties in setup, interpretation, and interrelationships of the existing and proposed processes.

Also, by doing a limited-scope test and validation, we ensure that the final Innovation Package, when deployed, will be relevant, practical, and sustainable, and will not generate unexpected difficulties or cause misperceptions and erroneous expectations.

At the same time, we will test the metrics that we intend to use in judging the efficiency of the proposed package. If all looks well at this point, we will develop a detailed implementation plan and a communication plan for introduction to the acquisition workforce.

Following successful development of the plans, the entire package will be presented to Air Force leadership through the Acquisition Reform Leadership Council, for their subsequent approval and commitment to deployment.

Phase 4 – Deploy

In the final phase of the Acquisition and Sustainment Reinvention Process – *Deploy* – the Innovation Package will be implemented across the acquisition workforce, as appropriate, to deliver re-

quired capabilities to the warfighters. A key element of this phase is the education and training of the acquisition workforce to provide them the tools, knowledge, skills, and understanding necessary to implement change, where needed, quickly and effectively.

Another key element of deployment is establishing and assessing the resultant process performance through use of appropriate and adequate institutionalized metrics. This is the only way to judge the effectiveness of our reinvention efforts and assess the value of these activities.

Supporting Structure

Initially drafted by the Acquisition Management Policy Division (SAF/AQXA), Office of the Deputy Assistant Secretary of the Air Force for Management Policy and Program Integration, the Acquisition and Sustainment Reinvention Process was further reviewed by the Request For Proposal Support Office (RFPSO) representatives of the Product, Air Logistics, and Test Centers prior to the AR Week III rollout.

Subsequently, Major Command (MAJCOM) and Air Force Materiel Command Center commanders identified 20 senior “Acquisition Reform Champions” to assist Air Force leadership with coordinating, supporting, and encouraging Acquisition Reform efforts at their assigned organizations.

SAF/AQXA, as the focal point for Air Force Acquisition Reform activities, is augmented by selected individuals from the Secretariat and Headquarters staff, Reinvention Team Leaders, Acquisition Reform Champions, field representatives, Industry Associations, and functional and process experts from within the acquisition workforce and industry, to form the Acquisition Reform Core Team.

This team is charged with reviewing Acquisition Reinvention Idea submissions; integrating related ongoing ideas, ongoing reforms, and reporting requirements; proposing Reinvention Team themes; preparing work packages

and guidance for Reinvention Teams; supporting the Reinvention Teams and team leaders; making recommendations for awards and recognition; and supporting the Acquisition Reform Leadership Council.

The Acquisition Reform Leadership Council is a select group of Deputy Assistant Secretary-level, Secretariat, Headquarters, Air Force Materiel Command, selected product and logistics centers, MAJCOM, OSD senior leadership, and Industry Association professionals. Charged with approving Reinvention Team themes and the resultant deployment packages, they also provide guidance and policy for Acquisition Reform activities, provide "top cover" for ongoing Acquisition Reform initiatives and studies, provide advocacy for Acquisition Reform, and bring an industry perspective to Acquisition Reform activities.

Reinvention Team Operations

Each Reinvention Team (RT) Leader, nominated by a designated command, is personally approved and designated by Assistant Secretary Druyun. The RT Leader then receives a Reinvention Package prepared by the Core Team, which provides a Prologue describing the RT objective, the contextual framework, and a proposed scope.

Additionally, the Reinvention Package includes information on a number of the factors that the RT needs to consider within the areas of Process, People, Performance, and Change Management, as the team develops its Innovation Package product. The Reinvention Package also includes the Rules of Engagement for the RT, along with relevant background briefings and information on other related ongoing reform activities.

The RT Leader is responsible for developing the team membership based upon the required skills, knowledge, and experience needed for the team to accomplish its tasking. Further, the RT Leader is responsible for team activities, team schedule, individual levels of commitment, and the final Innovation Package.

To provide a bias toward accomplishment, each RT is expected to accomplish its tasking within a maximum of nine months. Approximately four weeks after an RT Leader establishes his or her team, the RT Leader must personally present a baseline briefing to SAF/AQ, including an outline of the RT's scope, the approach that the team intends to use, and the proposed timeline of activities. The outcome of this briefing is a personal contract between the RT Leader and SAF/AQ.

RT Leaders have significant flexibility in identifying the skills and talents of the individuals that they bring onto their team's membership, whether they be on a full-time or part-time consulting basis. They also have free rein in developing an Innovation Package with a mix of both "inside the box" and "outside the box" solution elements.

As each RT is established, a dedicated Web site for RT members will be established on the Air Force Acquisition Home Page to facilitate the cross-flow of information between geographically separated team members. This action should reduce the need for all team members to be in the same place at the same time for all meetings and discussions.

An additional benefit of the Web site will be improved cross-flow of information between the various RTs, so that each can benefit from insights gained and lessons learned by other teams. Ideally, a Web site accessible to the general public will allow members of the acquisition workforce to find out the latest news and activities for each of the Acquisition Reform initiatives discussed in this article, and may ultimately spark submission of additional related ideas.

The Challenge Train

This is an exciting time for Air Force acquisition, and there is a groundswell of participation in these acquisition and sustainment reform activities. Although many members of the Air Force acquisition workforce were introduced to this new reform concept during AR Week III, many more have yet to experience this new concept of changing the Air Force

acquisition and sustainment culture and future environment.

Toward that end, three meetings with industry representatives have already taken place, and more around the nation will follow. But a key point in this entire acquisition and sustainment reinvention culture is that acquisition and sustainment reinvention is the job of *everyone* in the Air Force acquisition workforce, including industry: *Acquisition and sustainment reinvention belongs to everybody, and will not work without you and your personal involvement.*

It is essential – throughout all the scrutiny and evaluation of DoD's current business practices, and as we review the palette of alternative opportunities available – that we remain focused on the end goal: making Air Force acquisition and sustainment function better, faster, and cheaper so that we can deliver required capability to the warfighters where they need it, when they need it.

The challenge train is already headed out of the station and this bullet train is building speed rapidly. We invite you to *climb aboard*, and be a part of this reinvention culture now!

E N D N O T E S

1. Dr. Jacques S. Gansler, USD(A&T), Speech to the Association of the U.S. Army, "The Revolution in Business Affairs – The Need to Act Now" (Falls Church, Va., Sept. 2, 1998).

2. The Air Force has established multiple ways, both overt and anonymous, for members of the acquisition workforce to submit problems and ideas for consideration: <http://www.safaq.hq.af.mil/innovation> (anonymous if desired); E-mail arideas@af.pentagon.mil (source not revealed except by permission of submitter); and telephone Commercial (703) 588-7100 or DSN 425-7100.

Since the inception of these avenues of communication in May 1998, the Air Force has received 68 ideas.