THE CULTURAL CHANGE REQUIRED FOR RAPID DEFENSE ACQUISITIONS

"...The acquisition process is **too slow**, overcautious, inflexible, overregulated, unstable, driven by the quest for performance at the expense of high costs, and far too different from the commercial world" - Jacques Gansler, 1991

Chad Millette, Lt Col, USAF (ret.), PMP KBR Government Solutions - US AFIT School of Systems & Logistics We asked 22 AWC / ACSC students & Faculty; top answers on the board...

Mentimeter

What is the first word that comes to mind when you think of Air Force acquisitions?

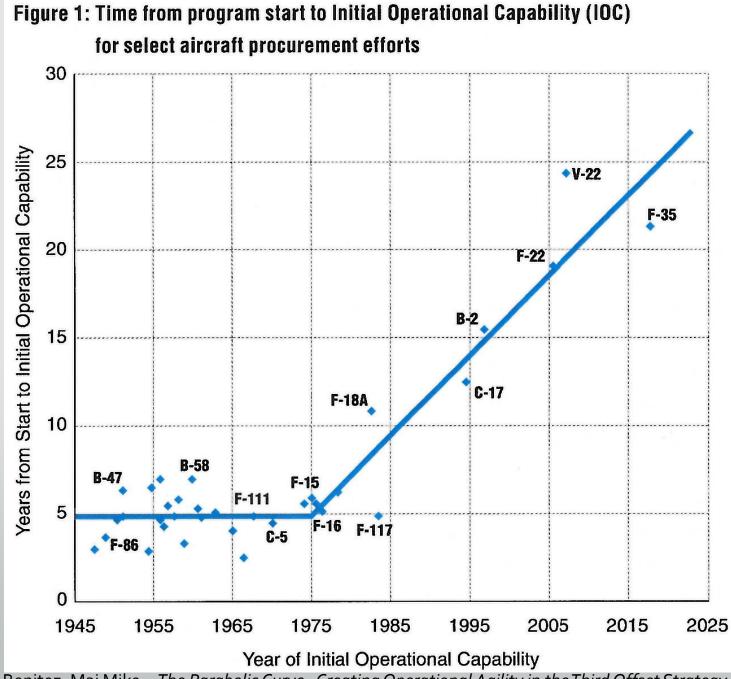
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Indicators of poor schedule performance for Air Force acquisition programs...

Air Force Schedule Performance - 2012

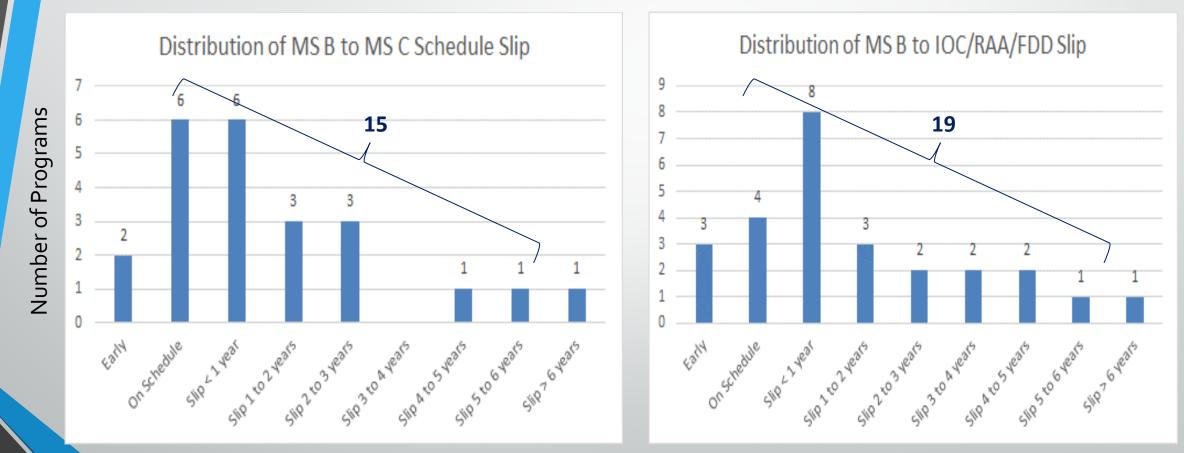


Slip in schedule between Milestone B and C



Benitez, Maj Mike – The Parabolic Curve: Creating Operational Agility in the Third Offset Strategy, The Mitchell Forum, Nov 2016

FY16 Air Force ACAT I Cycle Time Growth



Source: SAF/AQX Performance of the Enterprise

IOC – Initial Operational Capability RAA – Required Assets Available FDD – Full Deployment Decision

2018 Report on 'how we're doing' ACAT I - SCHEDULE PERFORMANCE ORIGINAL BASELINE



AWC / ACSC Student Research

18 case studies of organizations / programs / tools associated with rapid acquisition

Organizations Dedicate	ed to Rapid Acquisition	Innovative Organizations	Program Offices Executing Rapid Acquisition Efforts			
Air Force Rapid	Defense Digital Service	Defense Innovation Unit	Stryker Infantry Combat			
Capabilities Office (RCO)	(DDS)	Experimental (DIUx)	Vehicle			
Big Safari & the MC-12	Prototype Integration	AFWERx	F-16 AESA JUON			
Liberty program	Facility (PIF)					
US Special Operations	US Army Rapid		AC-130W Stinger II			
Command (SOCOM)	Equipping Force (REF)					
Strategic Capabilities	SpaceX		Squad Multi-Purpose			
Office (SCO)			Equipment Transport			
			(SMET)			
Joint Rapid Acquisition			Light Attack Aircraft			
Cell (JRAC)			Experiment (OA-X)			

Characteristics / Tools Identified

Raw Data – extracted from the students' prepared case studies

	Organization / Effort																
Characteristic/Tool	JRAC	PIF	AFWerx	SOCOM	F-16 JUON	SpaceX	REF	Big Safari	SMET	OA-X	AC-130W	RCO	DSS	SCO	DIUx	ICVD	TOTAL
Hand-picked team / unique hiring				Х	Х			Х		Х	Х	Х	Х	Х	Х		9
IDIQ / OTA / UCA / BAA		Х	Х					Х	Х	Х				Х	Х	Х	8
Flat organizational structure				Х	Х					Х	Х	Х	Х		Х		7
Empowered lower echelons	Х	Х		Х							Х	Х	Х	Х			7
Intelligent risk taking		Х		Х		Х	Х				Х	Х		Х			7
Small team / organization	Х							Х		Х	Х	Х					5
Tightly coupled ops & acquirers				Х	Х		Х									Х	4
Deliver minimum viable product	Х		Х					Х									3
COTS				Х			Х			Х							3
Unique Requirements Process				Х			Х										2
Get out of competition' card					Х			Х									2
Flexible job opportunities		Х											Х				2
Not waiting on paperwork						Х					Х						2
Concurrency									Х							Х	2
Co-location												Х	Х				2
Dedicated Contracting Group		Х															1
Title X Authority				Х													1
Private company						Х											1
Genius leader						Х											1
Long term relationships with contractors								Х									1
Incrementally funded											Х						1
Exempt from taxes												Х					1
'Alpha Contracting'		Х															1
Culture of accountability & ownership						Х											1

Characteristics / Tools Identified

Massaged Data – updated with additional knowledge not captured in the cases

	Organization / Effort																
Characteristic/Tool	JRAC	PIF	AFWerx	SOCOM	F-16 JUON	SpaceX	REF	Big Safari	SMET	OA-X	AC-130W	RCO	DSS	SCO	DIUx	ICVD	TOTAL
Hand-picked team / unique hiring				Х	Х	X		Х		Х	Х	Х	Х	Х	Х		10
Flat organizational structure				Х	Х	X		Х		Х	Х	Х	Х		Х		9
Empowered lower echelons	Х	Х		Х		X		X			Х	Х	Х	Х			9
Intelligent risk taking		Х		Х		Х	Х	X		Х	Х	Х		Х			9
IDIQ / OTA / UCA / BAA		Х	Х					Х	Х	Х				Х	Х	Х	8
Small team / organization	Х			Х				Х		Х	Х	Х					6
Tightly coupled ops & acquirers				Х	Х	X	Х	X								Х	6
Deliver minimum viable product	Х		Х					Х				Х					4
COTS				Х			Х	X		Х							4
Not waiting on paperwork						Х		X			Х						3
Unique Requirements Process				Х			Х										2
Get out of competition' card					Х			Х									2
Flexible job opportunities		Х											Х				2
Concurrency									Х							Х	2
Co-location												Х	Х				2
Dedicated Contracting Group		Х										Х					2
Title X Authority				Х													1
Private company						Х											1
Genius leader						Х											1
Long term relationships with contractors								Х									1
Incrementally funded											Х						1
Exempt from taxes												Х					1
'Alpha Contracting'		Х															1
Culture of accountability & ownership						Х											1

#1 Common Characteristic: Personnel Management

- 10 of the 17 organizations investigated had the ability to 'hand pick' their personnel
 - Program offices acquiring predominantly classified systems (i.e. RCO, Big Safari) make use of Green Door assignment process
 - DSS hires people at the GS-15 pay grade
 - SpaceX certainly hires who they think is the best fit

What are the implications for the rest of us?

Can this be abstracted from these rapid organizations into 'standard' program offices?



Overall, 24 characteristics

Some are unique to these rapid organizations and <u>can not</u> be incorporated into 'standard' program offices

• Many are already available and in use in 'standard' program offices

- Some are (somewhat) easily incorporated into 'standard' program offices (at least theoretically)
 - Barriers to incorporation are cultural

Characteristics Unique to Rapid Acquisition Organizations

- Not having to wait on paperwork / Having a 'get out of competition' free card (SpaceX, Big Safari, AC-130W, & F-16 JUON)
- Unique (or other than JCIDS) requirements process (SOCOM, REF)
- Dedicated contracting group (PIF, RCO)
- Title X authority (SOCOM)
- Private company with a genius leader (SpaceX)
- Long-term relationships with contractors (Big Safari)

Already available to program offices

- Contract vehicles: IDIQ, OTA, UCA, BAA
- Tightly coupled operators and acquirers
- Using COTS solutions
- Concurrency in development, testing, and fielding (F-35 anyone?)
- Co-location
- Incremental funding
- Program office tax exemption
- 'Alpha contracting'

SHOULD Cultural changes that can be made

Not our current monolithic program offices PM reports to the PEO and not responsible to other functionals

Small hand-picked teams in a flat organization taking intelligent risks led by an empowered PM to deliver the minimum viable product

> Not the 100% solution; incrementally delivering capability

Acquisition Culture

"Decisions on matters that have never been previously reviewed are being withheld for inordinate lengths of time.... If we are to be held to this overly conservative approach, I fear the timid will replace the bold and we will not be able to provide the advanced weapons the future of the nation demands." - Gen Bernard Schriever in a memo to CSAF Gen LeMay 14 May 1962

"The current risk-averse culture, along with the gap in technical engineering expertise within Air Force acquisition programs hinders program managers from making informed, timely, and independent decisions. This culture is negatively impacting programs and is a driver of rising costs and protracted schedules." - Owning the Tech Baseline Report <u>2016</u>

50 years later, Gen Schriever's fears are still valid...

CULTURE - "THE ORGANIZATION'S IMMUNE SYSTEM"

