— Breakout Session Summary —

Multi-Organization Acquisitions: Program Management, Costs & Lessons Learned

Session 9F

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Session Goals

- How does the addition of organizational complexity contribute to the difficulties of acquisitions?

- How can Acquisition Strategy/Program Execution mitigate these difficulties?

Presenters/Panelists

- Lt. Col. Lani Smith, SMC/MCC & Mr. Sid Hollander, The Aerospace Corp., "Lessons Learned from Sucessful Acquisition of Milsatcom S-Band Control System"

- Mr. Richard Adams & Dr Anil Gupta, The Aerospace Corp, "System Dynamics Applied to SMC Acquisitions"

- Mr. Scott Carey, Lockheed Martin, "AEHF Mission Control Segment Acquisition Strategy"

- Mr. Steve Stoops, The Aerospace Corp., "NATO SATCOM Post 2000 Lessons Learned"

- Mr. Darryl Webb, The Aerospace Corp, "The Cost of Organizational Structures & Interfaces"

Key Points

- **Benefits of multi-organization acquisition**
  - Expertise, diversity, interoperability
  - Sometimes it's not a choice
- **When is it effective?**
  - Clear, shared goals
  - Agreed upon processes
  - Buy-in from Sr. Management or Stakeholders on establishing the processes
  - Established organizational interfaces
  - Partners have complementary skills, products & processes

Shared Lexicon

Key Points

- When is a multi-organization acquisition not effective?
  - No champion
  - Too many stakeholders with divergent needs
  - Lack of shared understanding
    - Goals, strategy, customer, interfaces & processes
  - As organizational complexity grows you hit a knee in the curve when pursuing the acquisition is no longer worthwhile due to escalation of "hidden costs" (includes $ & schedule) from the additional interfaces, increased communication & communication intensity

At that point a stovepipe looks like a good thing!

Key Points

- **Mitigation of Effects of Organizational Complexity**
  - Recognize issue upfront, plan for it
    - Understand the constraints imposed
    - Establish authority to proceed & get buy-in
    - Establish business rules & rhythms to determine how you work together as a team
    - Establish integrated set of procedures
  - Pick subs upfront and treat as teammates
  - Baseline change control process
  - Shorten the decision cycle time across formal & informal boundaries
    - Time to coordinate a position $\longrightarrow$ ∞ as waves of changes flow down & rework grows

Other Lessons Learned

- Separate Grd System & Satellite Contracts can work
  - Grd System is not a discriminator
- Demonstration phase can reduce risk & proposal uncertainties w/minimal schedule impact
- Baseline CONOPS early
- Don't reinvent legacy requirements
- Government doesn't have to be the integrator
  - Satellite Contractor led IPTs
- Budget people and time for source selection
- Budget cost & schedule for component refresh & sustainment
- Ensure source selection process includes risk assessment
- Just Say "No" to requirements creep

Conclusions

- Multi-Organization Acquisitions:
  - Have clear benefits sometimes
  - Are required most of the time
  - Bring additional interfaces & overall complexity
  - Are more costly (time & $)
  - Require significant upfront planning & process development to create an effective team with a shared understanding
  - Can be successful