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 Successful 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
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 $\to \infty$ 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