
Presented to: DMSMS and Standardization Conference, Hollywood, FL Aug 29, - Sept 01, 2011
CHALLENGES:
• Challenges that set the stage for change

DIRECTING CHANGE:
• Meeting the challenges via leadership direction

IMPLEMENTING CHANGE:
• Overcoming the Challenges
• CECOM Life Cycle Sustainment Initiatives
CHALLENGES: OPERATIONAL EFFECTS

- Downsizing
- Diminishing manufacturing & material shortages
- Sub-optimal materiel
- Unsafe practices
The Key Disconnect between Acquisition & Sustainment

Sustainment is – After the fact and sub-optimized

OSD Memo 6/30/2010

<table>
<thead>
<tr>
<th>Type System</th>
<th>RDT&amp;E</th>
<th>Procurement</th>
<th>Operations &amp; Sustainment</th>
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</thead>
<tbody>
<tr>
<td>Fixed Wing Fighters</td>
<td>9%</td>
<td>30%</td>
<td>62%</td>
</tr>
<tr>
<td>Ground Systems</td>
<td>4%</td>
<td>24%</td>
<td>73%</td>
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<tr>
<td>Rotary Wing</td>
<td>6%</td>
<td>29%</td>
<td>64%</td>
</tr>
<tr>
<td>Surface Ships</td>
<td>1%</td>
<td>31%</td>
<td>68%</td>
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</table>
• ARFORGEN is a training and readiness strategy that drives institutional functions.
• ARFORGEN adapts Institutional Army and guides Army Business Transformation.
Organization - Not cohesive, tends to be “stovepiped” with “rice bowls.”

People - Not convergent, tend to be “unfocused.”

Processes - Not coherent, tend to be “one-offs.”

Information - Data needed for good decision-making is not always available.
There are limitations on SD 22 utility
- Little guidance on DMSMS activities needed to implement the best practices
  - What to do
  - How to do it
- Little guidance on timing of desired DMSMS outcomes
- Little guidance on DMSMS best practices during design and development

**DMSMS CHALLENGES**

<table>
<thead>
<tr>
<th>Technology Maturity</th>
<th>Sustainment Maturity</th>
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<tbody>
<tr>
<td>5: Component validation</td>
<td>Weapon Sys History</td>
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<td>6: Systems/subsystems demonstration</td>
<td>Industrial Capability Assess</td>
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<td>7: System prototype at planned operational system.</td>
<td>Initial Support Strategy Assess</td>
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<td>8: System qualified through test and demonstration.</td>
<td>Integrate Concept Team</td>
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<td>9: System proven through successful mission operations.</td>
<td>Support Analysis</td>
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<td>Core Log Assess, LORA, Type I BCA</td>
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<td>Won Sys Support Mod.</td>
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<td>New Equip Train Plan, Obsol. &amp; DMSMS Plan</td>
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<td></td>
<td>Support Strategy, Core Depot Assess, SORA, Type II BCA</td>
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<tr>
<td></td>
<td>Reliability Centered Maintenance, RAM, PPP</td>
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<td>PBL Program, Fielding, NET, SCOR</td>
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<td></td>
<td>Sustainment Readiness Review-5, Life Cycle Cost Analysis, POM Planning, PBL / PPP</td>
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Policy and Guidance business process changes to increase effectiveness, efficiency, warfighter readiness and better value for the taxpayer:

DEC 2009: DUSD (AT&L) DTM 09-027, Weapon System Acquisition Reform Act  
• Reform of Defense Acquisition Program

APR 2010: DUSD (AT&L) Memo, Strengthened Sustainment Governance for Acquisition Program Reviews  
• Continuous detailed reviews of key elements of sustainment planning

OCT 2010: DUSD (AT&L) 10-015, Requirements for Life Cycle Management and Product Support  
• Requires a Product Support Manager for every ACAT I & II Program

• Change business practices to improve procurement and sustainment of critical goods and services

MAR 2011: SEC Army Memo, Optimization of Materiel Development and Sustainment  
• Optimize PEO and AMC responsibilities to improve agility and reduce overlaps and redundancies

MAR 2011: DUSD (AT&L) DTM 11-003, Reliability Analysis, Planning, Tracking, and Reporting  
• Formulation of a comprehensive reliability and maintainability (R&M) program using an appropriate reliability growth strategy

MAR 2011: SEC Army Directive, Designation of AMC as the Lead Materiel Integrator  
• need for a new approach to materiel management Army-wide

MAR 2011: OSD Integrated Product Support Guidebook (Draft)  
• Plan, manage, and fund weapon system product support across all Integrated Product Support 821 (IPS) Elements

APR 2011: OSD L & MR, Product Support Manager Guidebook  
• An operating guide to assist the PSM and the Acquisition Community with the implementation of next-generation product support strategies.

• Provides overall guidance, best practices and methodologies for conducting a Product Support BCA

APR 2011: OSD Memo: Joint Memo on Savings Related to “Should Costs”  
• Ensure that PMs drive productivity improvements from contract negotiations through program execution to sustainment

“MORE TO COME”
Product Support Business Model

Define the overall strategy that drives cost-effective performance and capability for the Warfighter across the weapon system life cycle and enables most advantageous use of an integrated defense industrial base.

**Industrial Integration Strategy:**
Align and expand the collaboration between Government & Industry that produces best value partnering practices.

**Supply Chain Operational Strategy:**
Connect platform product support strategies to enterprise supply chain approaches that produces best value across the DoD components.

**Governance:**
Strengthen and develop organization and mgmt processes to deliver the right sustainment information to decision-makers.

**Analytical Tools:**
Build a toolbox of analytical approaches (including BCA).

**O&S Costs:**
Improve O&S cost visibility and influence.

**Human Capital:**
Integrate Product Support competencies across the Logistics and Acquisition workforce domain to institutionalize successful traits of an outcome-based culture.

**Weapons System Data:**
Define, collect, report, and manage the data we need to drive effective Life Cycle Product Support.
While the Program Manager is the Total Life Cycle System Manager

The Target has Moved

Product Support Manager
PSM within every ACAT I/II program by 4 APR 2011:

- Full Time DoD Employee, Key Leadership Position, Gov’t Performance of Critical Acquisition Functions
- Develop and implement a comprehensive product support strategy
- Conduct appropriate cost analyses to validate the product support strategy, LCSP and BCA
- Assure achievement of desired product support outcomes through product support arrangements (PBL)
- Optimize implementation of the product support strategy (i.e. balance warfighter effectiveness and affordability - PBL)
- Periodically review product support arrangements between PSIs and PSPs for consistency with the overall product support strategy
- Revalidate the BCA / product support strategy every five years.
IMPLEMENTING CHANGE:
Understanding the A,T & L “Genetic Code”

Legend
BCA: Business Case Analysis
CLA: Core Logistics Assessment
CDA: Core Depot Assessment
DMS: Data Management Strategy
IPSe: Integrated Product Support Elements
LCM: Life Cycle Management
LCSP: Life Cycle Sustainment Plan
LCCE: Life Cycle Cost Analysis
P3: Public/Private Partnering
PBL: Performance Based Logistics
RAM: Reliability, Availability, Maintainability
SRR: Sustainment Readiness Review
IMPLEMENTING CHANGE: STRATEGIC
Product Support Policies
Where does DMSMS fit as part of Life Cycle Sustainment Planning?
DIRECTING CHANGE: UPDATE SD-22

• DMSMS as part of Integrated Product Support
  – Define the Criticality of DMSMS as a sustainment planning function within acquisition
  – Develop Standard Operating Procedures (SOPs) to optimize capability, visibility, governance and reduce costs

• Develop SD-22 into a supporting Guide to the OSD Product Support Manager Guide Book
  – Further definition applied to the 12 new OSD Integrated Product Support Elements (IPS)
  – Tie in to the new OSD Business Case Analysis Guide Book??

• Provide separate section on tools/analytics and their applicability

• Create index for rapid location of common activities
  – Business case development
  – Metrics
  – DMSMS plan development
  – Others??
**SD-22 Recommendations: Processes**

- Amplify on DMSMS content in other policy and guidance documents, e.g.,
  - OSD Product Support Management Guide
    - Life-Cycle Sustainment Plan
  - IPS Element Guide (under Sustaining Engineering IPS)
  - Product support activities
    - Product support management
    - Design interface
    - Sustaining engineering
    - Supply support
  - 5000.02 Acquisition Policy
    - As part of acquisition strategy and planning
  - Defense Acquisition Guidebook
  - Systems engineering technical review checklists (as described earlier)
  - Integrated logistics assessment checklists
• Develop a Product Life Cycle Management Integrated Data Environment that allows us to optimize visibility and create ownership cost reduction opportunities

– THIS NEEDS TO BE A NON-NEGOTIABLE OR WE RISK:
  – Work redundancy
  – Inefficient buying power
  – Reduced Mean Time To Repair (MTTR)
  – Inability to meet Materiel Readiness Req’ts
SD 22 Recommendations: People

- Working Group Direction: revise SD 22 to a more “How To” Guide with SOPs that both government and industry can utilize.
  - Need both Government & Industry
- Review OSD PSM, BCA, IPS Guides for insertion points of DMSMS Planning as part of the acquisition process.
- Form Sub-teams to go through that material to:
  - Draft a table of contents
  - Determine the sources of information needed to write the sections in the table of contents
  - Identify areas where more information is needed and suggest a process for obtaining the data
  - Estimate the amount of work involved
  - Present rewrite for approval to DOD DMSMS, DSPO, CAEs, DoD, OSD, others within the Chain of Command as required.
IMPLEMENTING CHANGE at CECOM: Life-Cycle Sustainment Initiatives (LCSI)

Strategic Efforts in…

• Processes
  • IPS/PM Crosswalk
  • Data Management Strategies:
    – Joint Enterprise Product Life Cycle Management
    – Integrated Data Environment (ePLM-IDE) Pilot Program
  • Supply Chain Management
  • Industrial Base Planning

• Tools
  • Performance Based Product Support
  • Life-Cycle Analysis Capability
  • Condition Based Maintenance+
  • Knowledge Management

• People
  • Integrated Product Support Strategic Plan
  • Human Capital Development Roadmap
IMPLEMENTING CHANGE:
Team C4ISR Product Support Strategic Plan

**PROCESS DRIVEN**
- **Evaluate System Maturity:** from a Sustainment Perspective
- **Design for Sustainment:** Influence the design for better RAM-C at the beginning of Acquisition
- **Apply Life Cycle Logistics Engineering:** as a part of a totally integrated product support / systems engineering plan
- **Process Focused:** Develop performance outcomes with metrics that are monitorable and adjustable

**PEOPLE DRIVEN**
- **Enterprise Focused:** Bring to bear the full expertise of the CERDEC, LRC, SEC, ISEC, and TYAD for making informed LCM decisions.
- **Collaboration on:** managing sustainment strategies at the initial point of weapon system acquisition
- **Facilitate PB-Product Support:** to align organic/commercial core competencies
- **Utilization of Tools:** an enterprise Product Life cycle Management Integrated Data Environment
“Changing institutional bureaucracies is really hard. People make incremental change and think it’s hard, but we’ve got to completely change how we’re doing business.” -- CSA General George W. Casey, Jr.