

Acquisition Reform as Performance Art

Re-forming Acquisition Reform

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Silence falls upon the audience as the houselights dim. Three figures appear center stage. Demanding greater accountability, an aggravated politician lambastes bureaucrats for operating in a maze of outdated policy. A baron of business extols the virtues of a market economy and explains that with stable requirements, industry could deliver cutting-edge weapon systems on schedule and budget. In response, a contrite, high-ranking military member acknowledges past mistakes but focuses attention on the lessons learned. The military member explains they are proactively reforming their acquisition processes based on these lessons. The three characters continue to speak, now inaudibly. The curtain falls. The audience sits in the bewildered confusion often accompanying performance art.

Defense acquisition outcomes are the result of a complex combination of actions and inactions by members of Congress, the military Services, and the defense industry. Collectively, these elements comprise a major part of what one might call the defense acquisition system. Yet acquisition reforms, when implemented, tend to focus narrowly on changing the internal acquisition processes of the military Services. This approach has failed to produce substantial improvements. If we are to achieve significant improvements, acquisition reforms should address

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the broader defense acquisition system. Simply modifying the military's acquisition processes is inadequate to the task of generating actual improvements. It is time to consider seriously the prospect of re-forming acquisition reform.

There is no shortage of defense acquisition reform efforts. In fact, it seems that each decade contains its own major reform effort along with a smattering of lesser initiatives. A list of better-known acquisition reforms includes the Fitzhugh Commission in 1970, the Packard Commission in 1986, Perry's Acquisition Reform in 1994, and the Defense Acquisition Performance Assessment Project in 2006. These reports focus primarily on improving the cost and schedule performance of defense programs. While each study provides a unique set of recommendations, there is a great deal of consistency among the proposed solutions. In the most general form, these recommendations tend to suggest improving acquisition outcomes requires that military Service members do more good things and stop doing as many bad things.

Because these standard recommendations lack novelty, it is all too easy to view them superficially. Consequently, it appears plausible that the suggested actions could improve defense acquisition. In other words, because the recommendations fit so easily in to the existing paradigm of defense acquisition reform, one is able to accept them without much (if any) critical thought. However, the frequency of these studies makes one doubt they substantially improved acquisition outcomes. Studies focused on defense system cost growth further suggest these reforms did not quite deliver.

In a 1993 RAND study, Drezner and his team analyzed the impact of defense reforms from 1960 to 1990 on weapon system cost growth. Their results indicate no significant change in performance. In 1996, Christensen's team of analysts narrowed the focus to the impact of the Packard Commission by analyzing 269 defense acquisition contracts from 1988 to 1995. The results of this study suggest performance on development contracts worsened significantly. A more recent RAND study, led by Arena in 2006, provided some positive but ultimately inconclusive results regarding changes in defense system cost growth. Collectively, these studies call into question the impact of prior reforms and suggest it is time to address the broader acquisition system rather than simply continue modifying the military's acquisition processes.

This assessment of the situation is not without its critics. Apologists for acquisition reform often contend the consistency in recommended solutions and the lack of discernable improvements are both the result of a failure of the military Services to implement the reform in practice. This view is not without some merit. It is interesting to think about when this argument is used, by whom, and for what purpose. This type of defense of acquisition reform is often employed by those leading the current wave of acquisition reform as a means to convince a critical audience that somehow this iteration of reform will be different. Inevitably, somebody in the audience

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Reform leaders typically provide an answer in two parts: First, the previous reforms did not have the current leader in charge of the effort. Second, this time we have the full support of senior leadership. These justifications tend to work the first time one hears them. Subsequently, one understands the first portion is a classical management fallacy in which one overestimates personal ability. The negative consequences of such an overreliance on personal ability are even more likely to occur considering the manager is only part of one of the world's largest bureaucracies. It is difficult to imagine any large-scale, organizational effort for which the second claim is not a necessary condition. This creates an interesting scene in which the position is potentially accurate and not altogether irrelevant, but too weak to inspire much confidence that future reform efforts will actually be implemented.

One might think the motivation behind the recommendation to take a systems approach is based on a desire to shift blame away from the military. After all, increasing the aperture will defuse the focus given to any one group. While broadening acquisition reform to address the roles played by members of Congress and the defense industry does produce this result, it is merely a consequence and not the intent of the recommendation. To be clear, the military Services are ultimately responsible for the acquisition outcomes of defense programs. Nevertheless, the Services are perhaps too obvious a place to focus attention. Provocatively, it is precisely because they seem like the logical place to start that one should look elsewhere. However, the temptation to do something (almost anything) might be too great. It is understandable why acquisition reforms focus primarily on military processes. Since these processes are so well defined, they lend themselves to modification. Unfortunately, just because the processes lend themselves to modification does not mean these modifications produce significant improvements.

One conceptual error with the dominant perspective is it presupposes the military Services, while responsible, control acquisition outcomes. In reality, defense program managers merely influence certain aspects of the acquisition process. This influence interacts with the influences of members of Congress and the defense industry. Improving acquisition performance requires understanding and subsequently modifying the underlying structure of this dynamic web of complex interactions. Like the pedestrian list of common acquisition reforms, even this recommendation to take a systems approach is not altogether new. Some acquisition reform studies and research articles address elements of this concern. Understanding these attempts at reforming the overarching acquisition system helps set the stage for a further interrogation of why defense acquisition reform efforts fail to produce meaningful improvements.

The 2006 *Defense Acquisition Performance Assessment Report* certainly influenced the way acquisition professionals discussed acquisition reform, even if it has not yet fundamentally changed actual acquisition outcomes. The use of "big A" acquisition (the management systems) and "little a" acquisition (the military's processes) became part of the insider's lexicon. Even today, people refer to "big A" acquisition issues. However, while significant in a certain rhetorical sense, in implementation the focus appears to have reverted to the military's acquisition processes. Perhaps the pressure to do something compels military members to reform the only portion of the system under their immediate control, even when there is little chance this change will improve performance. Under such a construction, the reform actions are more symbolic and rhetorical than constructive.

Deborah Frank addressed the overarching political concern in her 1997 article "A Theoretical Consideration of Acquisition Reform." Frank recognized that "far more radical" change would be required, one that "basically alters the relationship between the political system and the acquisition process," to produce significant and meaningful changes in acquisition outcomes. However, such radical change is unlikely given that the defense acquisition system, even with its occasional public failure, works at what must be considered an acceptable level of performance. More directly, Frank explained, "a political system accustomed to muddling through will probably engage in radical reform only in response to massive failure. And the fact is the failures of the acquisition process tend to appear on the margins." That the acquisition failures, when they emerge, are of insufficient quantity or magnitude to warrant significant change to the defense acquisition system does not mean one is able to ignore them. These failures form a basis for rhetorical and symbolic maneuvers by members of Congress, the military Services, and the defense industry.

Regarding the numerous attempts at acquisition reform and the consistent lack of discernible improvements in performance outcomes, the Center for Strategic Inquiry's Jeff Dafler observed:

"If reform fails, does anybody care? The big question about outcomes in the organizational context is: What are the consequences of the success or failure of reform? It seems there are political consequences to failing to call for reform, which means there are organizational consequences for failing to engage in reform. History, however, seems to indicate that there are no consequences for failing to actually achieve the stated aims of a given reform initiative. So then, you have politicians engaging in discourse that conveys outrage over cost overruns, senior officials at the Pentagon engaging in discourse showing their determination to stop them, and defense personnel (apparently) engaging in discourse to prove their commitment to action. Based on the outcomes, however, one is only left to conclude that the politicians are not actually outraged, Pentagon leadership is not really determined, and defense personnel are not all that committed. They are all only pretending."

Changing the wording of this conclusion slightly to be more consistent with the motif developed in this article, perhaps they are all only engaged in the performance art of acquisition reform. A performance where the roles are too tightly scripted, the actions too repetitive, and the outcome too predictable. In other words, the performance contains all the inherent flaws of a sequel.

It is time to focus attention on the broader defense acquisition system, rather than the military's acquisition processes. Informed by this broader perspective, we should decide either to do substantially more by actually changing the structural causes for the dynamics among Congress, the defense industry, and the military Services, or, interestingly, to do considerably less by ceasing to pursue acquisition reforms that too narrowly focus on the military's acquisition processes. It is worth noting in passing that attempts at reform are not free. Pursuing reforms entails costs in terms of both time and effort. This has important implications for the current wave of acquisition reform, with its densely encoded pursuit of greater "efficiency." If reforms to the military's acquisition processes fail to significantly improve performance it would be more efficient to allow the acquisition system to operate at the given, albeit uninspiring, level.

More than 40 years of acquisition reforms combined with relatively consistent performance data are sufficient to question the efficacy of this script. If there is a real defense acquisition problem (which is suspect), the solution likely requires us to re-form acquisition reform to address more fully the broader defense acquisition system. If there is not really a problem, these reforms are inefficient as well as ineffective. In either event, the data suggest we should stop tweaking the military's acquisition processes in hopes of substantially improving acquisition performance unless these refinements are part of a much larger acquisition system reform. That is, unless one finds playing a role in acquisition reform as performance art intrinsically rewarding or otherwise unavoidable.

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