

Strategic Planning

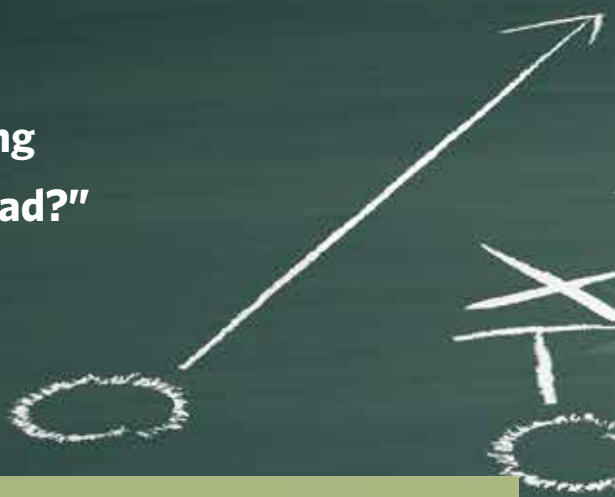
Shaping Future Success

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Brian Schultz

**“What’s the use of running
if you are not on the right road?”**

—German proverb



Department of Defense (DoD) program managers (PMs) typically face significant challenges in executing their current program as reflected in their acquisition program baseline. While the current program may have several years of cycle time prior to delivery and fielding, the PM may also be planning for future increments, sustainment and other long-term efforts. Strategic planning can help the PM position these future programs and actions for good outcomes.

So what is this strategic planning all about? Let’s start with some background, including a strategic planning definition from Wikipedia:

Strategic planning is an organization’s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.

The origins of strategic planning can be traced to early military leaders like Sun Tzu who lived several centuries ago. His “Art of War” is still read today in military studies as his philosophy has proved to be enduring even as warfare has evolved significantly. Businesses use strategy to determine everything from corporate direction, competitive positioning, investments in research and development, acquisitions and divestitures, marketing and sales campaigns

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and other activities that support the overall strategic plan. Business strategy can make or break the future of a company—therefore, it involves top management.

Strategic planning became very important for companies during the 1960s and remains an important aspect of overall corporate strategic management. Companies must plan their strategies and ensure alignment of resources and plans in order to support the strategies, usually over 3 to 6 years. Given the current environment of rapid change and new technology, companies also need to monitor their strategies and be prepared to change course if business conditions change or execution does not meet expectations.

In the 1960s, Defense Secretary Robert S. McNamara (a former Ford Motor Corp. president) introduced the Planning, Programming, and Budgeting System (PPBS) to the DoD. Prior to that, the DoD's budgeting focused on areas such as overhead, salaries and investments, not on the strategic objectives desired from the resource allocations. In the federal government, formal strategic planning was mandated with passage of the Government Performance Results Act (GPRA) of 1993. GPRA requires agencies to develop strategic plans, performance plans and conduct gap

analyses of projects. Federal agencies also are required to conduct performance management tasks such as setting objectives, measuring results against the objectives, and reporting progress against the overall strategic plan.

In looking at how strategic planning can help in acquisition, it can be helpful to examine how industry uses it since companies starting using this process in the 1960s to help determine competitive strategies, research and development, and other investment and corporate actions to grow a company's sales.

Strategic Planning

There are many variations and approaches to the strategic planning process, but they all should start with the desired end state. This end state often is called the vision or future end state and represents what the organization is attempting to achieve. It is important to establish a compelling vision that clearly articulates what the future end state should look like. This compelling vision statement will be shared with not only within the organization, but often with other stakeholders as well and sets the stage for everything that follows. The vision communicates the direction of the organization and should be easily understood and concise.

Taking care of people obviously is a priority, and many consider people as a critical success factor in acquisition. Unfortunately, an acquisition program office environment presents unique challenges in building morale.



Given the long-term mission of many program offices, a vision will help ensure that staff members understand what the team is trying to achieve. It gives them the big picture. A vision should not be confused with a mission statement. The mission is what the organization does in order to meet its responsibilities on a day-to-day basis. For a program office, the mission could be as simple as “credible execution of acquisition programs.”

As the next logical step, we must define what is needed to achieve the vision. This step involves setting objectives that directly link to the final end state. Finally, action plans must be developed to accomplish the objectives. In order to ensure we are on track, quantifiable goals that can be accurately measured should be established.

PMs should already be conducting strategic planning for the long-term sustainment of their system. Maintenance planning, source of repair, and performance-based logistics may take several years to plan, design and implement. In this case, the guidance is clear and the program office should understand the objectives and metrics needed to monitor the progress toward achieving the vision of the desired sustainment plan.

The following are a couple of good examples of other long-term efforts that are suitable for strategic planning. We learned that adjustments along the way always were needed and that observing interim results was important to build some momentum and to show the team that its hard work was starting to pay dividends.

International Cooperation and Collaboration

I worked in a program office that had a lot of foreign military sales customers but very few cooperative development programs. While representatives of the nations would meet periodically to discuss future efforts, very little was accomplished and frustration set in at all levels. One senior leader called the previous set of meetings a traveling cocktail party. The partner countries agreed that we should pursue more cooperation and collaboration with clear expectations of results.

Our team laid out a strategic plan to achieve the goals, knowing that it could take years to make it happen since it involved getting agreement to some new multilateral international agreements between the partners. We also laid out a progressive order of tactical and strategic meetings to review candidate programs, synchronize requirements, assess funding and determine appropriate acquisition plans.

After more than 4 years of work, we achieved the first cooperative program. We also achieved more effective collaboration between the partners and this assisted not only the acquisition teams but also helped the operational community plan for and obtain new capabilities at reduced cost. One lesson learned was that, without a structure and process to facilitate cooperative and collaborative programs, very little occurred during the previous model except for a lot of information exchanges with little follow-up or focus. Strategic planning helped solve this problem.

From Sole Source to Competition

Some PMs deal with the challenge of breaking out of a sole-source environment. The lack of data rights, loss of critical suppliers, a closed technical architecture, a legacy weapon system with proprietary design, and many other factors can lead to this undesirable situation.

Migrating to a competitive environment can take years and can be a good objective for strategic planning. For example, I worked a program that was stuck in a sole-source situation for decades. We developed a long-range plan that involved several actions. First, we communicated the objective to our team and to industry. We also made it clear that we would work this initiative over a period of years but also solicited their feedback. Second, we started planning for open system features in future modifications and developed an intellectual property strategy for obtaining the data rights necessary for some initial competitions (initially at a subsystem level). Finally, we started to migrate the overall technical architecture to a more open model. All of this took time but would not have happened without the strategic planning effort.

Improving the Work Environment

Taking care of people obviously is a priority, and many consider people as a critical success factor in acquisition. Unfortunately, an acquisition program office environment presents unique challenges in building morale. First of all, it can take years to see the results or impact of all the hard work. Second, the

stress level often is high as demands to meet deadlines and recover from test failures and other setbacks are commonplace.

Improving the work environment can take many forms, but here are a few examples based on my experience. First and foremost, ensure that critical vacancies are filled as a priority and in a timely manner. This will prevent staff from having to do "double duty" or pick up more work on top of their already full job jar of responsibilities. It also enables a smoother transition for the newcomer, avoiding the impact of rethinking roles and responsibilities that were temporarily used during the absence.

Providing opportunity for professional growth and development is high on my list of must dos. We used a practice in one program of setting the expectation that staff would periodically rotate into new jobs. This enabled individuals to take on a variety of challenges that might expose them to different facets of acquisition and prevented burn-out from doing the same job for so long. Some of them asked, "Why do we need to move if we are doing a good job and desire to stay in the same job?"

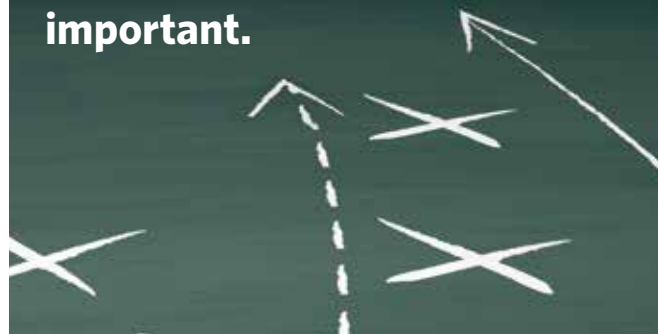
While we did allow some exceptions, the typical response to resistance was that you were holding someone else back from that great opportunity you were provided. We also ensured that individuals and their supervisors stayed on top of education, training and other development opportunities. This program office became a place where people wanted to work, and turnover was very low. Strategic planning allowed us to envision a program office that was a great place to work and we implemented actions to make it happen. Changing the culture in an organization is not usually a quick process and should not be attempted as a short-term remedy.

More Effective, Quality Manufacturing

Early in my career, I was involved in a program that fielded a great warfighting capability, but the system was plagued with reliability and maintainability issues. It turned out that manufacturing process issues were a big part of the quality and reliability root cause. It got to the point where the user asked us to stop fielding this system until the supportability situation improved. The program office stopped production until improved processes and materials were developed and thoroughly tested. Knowing that we also had future variants of this system on the long-term planning horizon, we used strategic planning to articulate an end state of high quality, manufacturing excellence, and effective sustainment. Working closely with the companies involved, we were able to overcome this initial disaster and eventually fielded systems with high user satisfaction.

In today's rapidly changing environment, technology in manufacturing makes strategic planning especially important. Advanced manufacturing techniques, new materials, increased automation and robotics, and additive manufacturing present opportunities for new production capabilities.

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Transforming a Business Model

While a business model often is associated with industry (how it delivers goods and services to make a profit), it can also relate to the DoD. Defense business systems cost billions to operate and maintain and efforts are under way to modernize and transform some of these systems and make them more like commercial ones. In acquisition, some program offices have used efforts such as business process re-engineering and lean to streamline internal operations and find efficiencies in an effort to reduce cycle time. In one large program office, we examined how we developed and reviewed some of the Request for Proposal (RFP) documentation. We learned that some processes could be conducted concurrently rather than serially and that there was some redundancy that could be removed.

I worked in another program office that developed an innovative strategy to implement an online ordering contract for communications, navigation and surveillance (CNS) systems. The idea was that customers could find the equipment they needed and use the contract if they had the funding and need. The contract was used by diverse DoD customers, reducing workload for small, unique orders and providing users a one-stop shop to support many different aircraft upgrade efforts. Once all the necessary documentation was received, the contract could be awarded within 2 weeks, reducing cycle time and ensuring competitive pricing.

Final Thoughts

Strategic planning should be a top priority for any organization's leadership. While we often get caught up in tactical execution issues, PMs and acquisition leaders can influence future outcomes with effective strategies. The vision and strategy though must be continually assessed and monitored to ensure that actions to get there are achieving the interim results. It is not easy, but all the hard work can pay big dividends! 

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