



CAPSTONE TRAINING

PROGRAM MANAGERS
COURSE (PMT 401)

DAU EXECUTIVE
COACHING

REGROW ACQUISITION
WORKFORCE

Report Documentation Page

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Acquisition Reform

How Training Can Help

Ronald G. Joseph, DBA

With an ever-growing national debt and more than \$17 trillion in unfunded liabilities, the Department of Defense is, yet again, focused on acquisition reform as a way to achieve new efficiencies and savings. Acquisition reform efforts certainly are not new. A recent study revealed that more than 260 pertinent studies, commissions, and papers have been written over the last 20 years, including the highly regarded Defense Acquisition Performance Assessment (DAPA) of 2005.

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Although DAPA and other major efforts such as the Packard Report (1986) and the Fitzhugh Commission (1970) have led to improvements in the acquisition process, many of the key reforms mentioned throughout the decades have not been implemented. The reasons for this are varied and complex, but there are some internal things that DoD can do to improve the acquisition process.

Train As You Work: Integrate Government and Contractors in Capstone Classes

Our current acquisition leaders have recognized that government program managers (PMs) have only a limited understanding of commercial business processes, which also limits their ability to motivate industry teammates to negotiate smart win-win solutions. Contractor PMs are equally deficient in understanding government processes. I recently attended a weeklong corporate senior PM training session, and during the entire week I heard only one government term—Milestone C. Further investigation revealed that contractor PMs did not understand the differences between different “colors of money” and how their future cash flows might be affected if government PMs failed to properly manage color-of-money issues. This raises the question of how we operate as an effective government-contractor team on billion-dollar programs when we still speak two different languages.

Encourage Government, Contractor Training in DAU's Program Manager Course (PMT 401)

The government already has the infrastructure to integrate senior government and contractor program management training. All government PMs are required to attend PMT 401 prior to leading a major defense acquisition program (MDAP). PMT 401 is a 10-week course focused on improving acquisition outcomes through improved analytical skills, critical thinking, and decision making. Although some industry PMs attend PMT 401, the numbers currently are too low to be effective.

Some industry executives balk at the idea of paying 10 weeks of overhead for their PMs to attend; but, with billion-dollar contracts on the line, this objection seems shortsighted. DAU has data indicating that both government and contractor PMs gain a better understanding of the other's system during the course. Contractors who have attended PMT 401 also have indicated there were many other tangible benefits. For example, one defense contractor vice president stated that PMT 401 was one of few opportunities contractors had to engage meaningfully with the next generation of government PMs outside formal, contractual meetings. This helps build long-term trust.

The importance of having trust relationships in the work environment has been well documented by research. Anecdotally, we know this to be true as we give more latitude to subordinates whom we trust more. Unfortunately, in acquisition, a lack of trust can lead to broken negotiations and eventually to cost overruns and schedule delays. In an example of how

the system should work, both the incoming government and contractor PMs of the B-2 system attended the same course. During the course, they developed a strong trust relationship that helped them solve very complicated problems from a win-win perspective. Asked why he was so successful, the government PM pointed to the trust relationship he developed with his contractor in PMT 401.

Developing trust and understanding between government and contractor PMs is so important that DoD should give some consideration to mandating contractor attendance via key personnel clauses or as terms of contract award such as ISO 9000 or Capability Maturity Model Integration (CMMI) levels for software development. Mandating attendance contractually requires the government to pay for some or all of the costs of attendance. But paying for contractor attendance is relatively a small concern when one considers there are only about 100 MDAPs in DoD at any one time. In addition to the limited numbers of contractor PMs requiring PMT 401 level training, contractor PMs rotate less frequently than their government counterparts, further reducing the long-term cost of their training.

Mandate DAU Executive Coaching for All New ACAT I PMs

Why mandate executive coaching? The answer to this question begins with understanding the complexity of the acquisition process and the nature of hierarchical organizations like DoD. Research into hierarchical organizations indicates that responsibility increases as a manager moves up in the organization; and at the point of transition to executive responsibilities that increase becomes nonlinear. My own research related to responsibilities in a complex acquisition organization revealed that the point of non-linearity, which I call the Joseph-point, generally happens at the colonel/GS-15 major PM level. For example, for a lieutenant colonel, typical responsibilities include having as many as 50 employees, modest budget responsibility, and interfaces with colonels and perhaps a one-star PEO. As a colonel, an ACAT I PM may be responsible for an organization of 200 or more persons, millions to billions of dollars in contracts, and routinely interface with generals and senior executive civilians—a very large increase in responsibilities.

Civilian research indicates that this large jump in responsibility for new executives requires an adjustment period of 6 to 12 months. In this transition period, the organization may suffer as these executives struggle to make this metamorphosis. The corporate world has long acknowledged this lag and invests more than \$50 billion annually in executive training, including executive coaching, according to the American Society of Training and Development Annual Report 2012.

Since DoD PMs are not immune to the detrimental effects of the Joseph-point, it makes sense to team PMs with experienced executive coaches during this period. Executive coaches function as thinking partners who help PMs develop

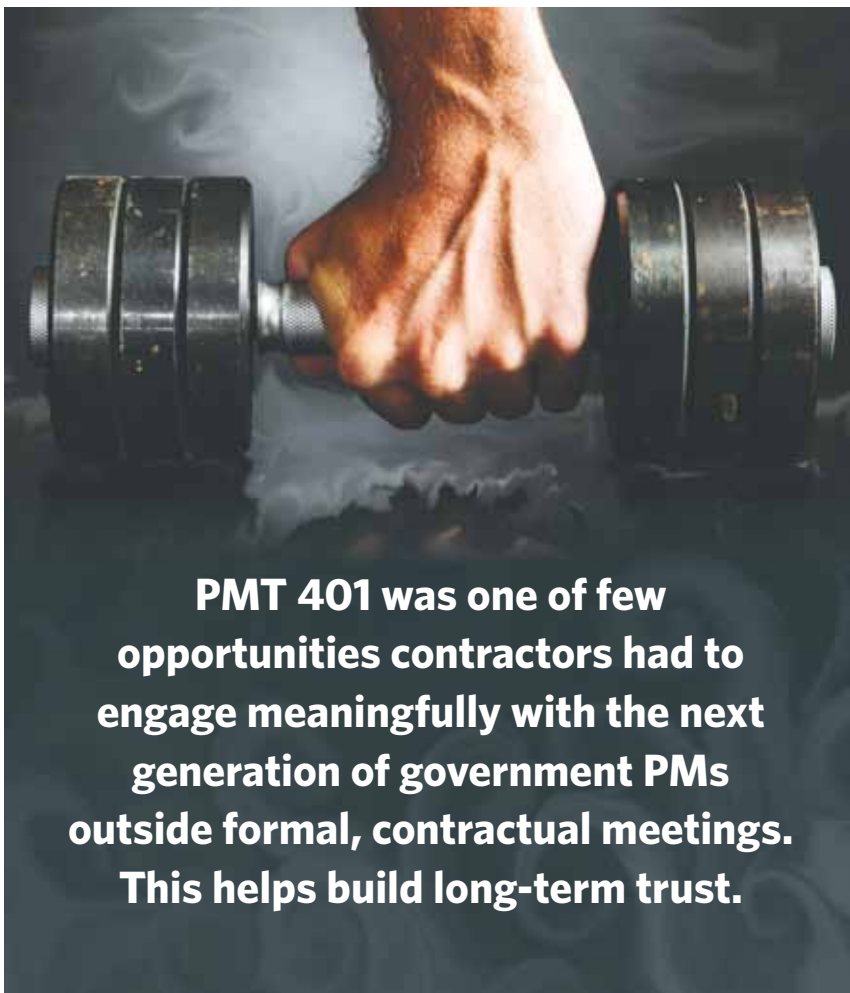
strategic critical thinking and executive-level decision-making skills. Executive coaches do not provide answers or make decisions for the PM but, as thinking partners, challenge the framing assumptions and depth of detail to ensure that the PM's plan develops in a way that provides the highest probability of success.

But how successful is executive coaching? In *The Coaching Impact Study: Measuring the Value of Executive Coaching*, Barry Schlosser, Derek Steinbrenner, and James Hunt indicated that executive coaching can have a very high return on investment or value creation if two factors are present. First, the executive coaches must work with decision makers who have the power and influence to affect the organization. And second, the program must focus on organizational goals and outcomes vs. individual skill development. These two factors are at the core of DAU's executive coaching program, which has been rated very favorably by participating PMs.

Regrowing a Capable Acquisition Workforce

We still suffer from the results of the drawdown of the acquisition workforce in the mid-1990s and a shift of much of the program leadership responsibility from government to industry. That experiment did not work, and, thanks to recent actions by the Office of the Secretary of Defense and Congress to revitalize the government workforce, we slowly are recovering. However, as we reassume program leadership, we have thrust many young and inexperienced employees into positions of substantial responsibility, without adequate on-the-job training and mentoring. Our industry counterparts have noticed the issues and impacts on them. For example, I recently spoke with several defense contractors who felt that their government counterparts were getting younger and lacked experience. They cited this as the cause of declining quality of government requests for proposals (RFPs), with one contractor noting that in some cases government teams merely cut and pasted content from one program RFP to the next.

From my vantage point, the first step to solving a declining experience problem is to acknowledge that it exists and decide what to do about it. Given the dearth of mid-level managers to provide on-the-job help and mentoring, the workforce must seek other solutions. In the past, there has been an overreliance on support contractors. Another, perhaps better, solution is to seek help from experienced government faculty at DAU. The university can provide help and mission assistance directly to program offices, including consulting,



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program and portfolio reviews, targeted and tailored training, and a host of other tools and services that can be used by program offices to solve immediate problems and mentor the workforce.

Conclusion

In a time of declining resources, training and mentoring can be key factors in ensuring effective acquisition outcomes. Providing capstone program management training, like PMT 401, to both contractors and government can help facilitate forming a common foundation for knowledge and understanding for senior program management teams. Providing executive coaching to newly selected senior PMs can help them quickly grow beyond the Joseph-point. And DAU can help programs with inexperienced individuals in key positions through specially designed workshops, targeted training, consulting services, and executive coaching. Coming budget drawdowns will create an austere environment requiring the government and defense contractor workforce to be innovative, smart, and open to asking for help to hone its training and skills. DAU is well positioned and willing to help ensure better acquisition outcomes to support our warfighters. &

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