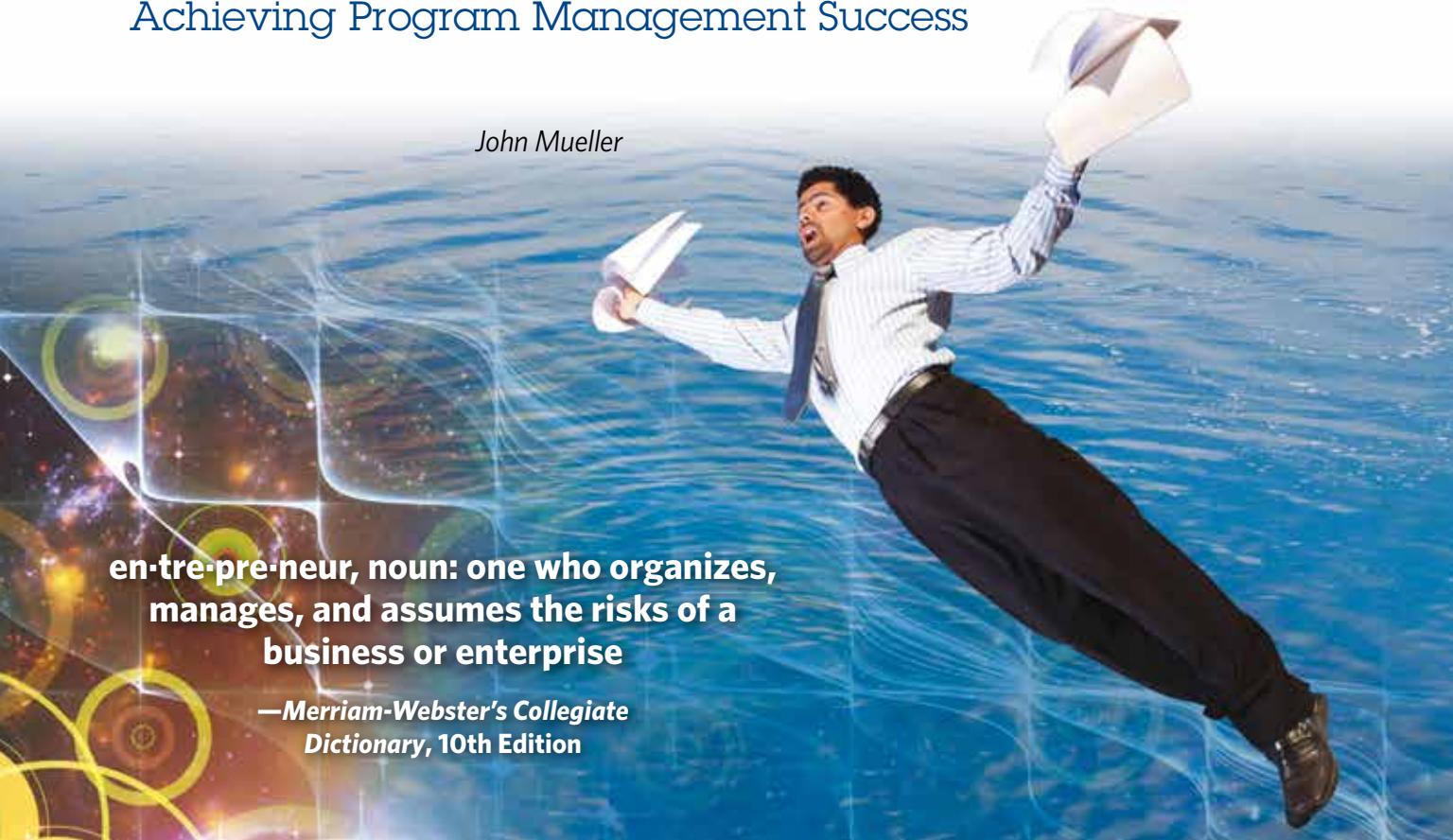


Are You Truly "All In"?

Achieving Program Management Success

John Mueller



en·tre·pre·neur, noun: one who organizes, manages, and assumes the risks of a business or enterprise

—Merriam-Webster's Collegiate Dictionary, 10th Edition

Are you an entrepreneur? Are you passionate about the successes of your program and your team? Does "risk" not only describe threats but areas for opportunities? Do you work your budget to ensure that you get the maximum output from every dollar? Do you have the "right stuff" to be counted among the future entrepreneurial program managers (PMs) within the Department of Defense (DoD)?

Today, the label entrepreneur is attached to breakthrough economic success resulting from the pursuit of new products and business applications with an eye toward incorporating technology innovation. These opportunities frequently occur when new management approaches are combined with "leap-ahead" technical breakthroughs. Diverse examples from the past include refining oil into kerosene as a replacement for whale oil for home lighting in the late 19th century, developing the mass production of cars to replace horses as a means of transportation in the 20th century, or creating low-cost smartphones to supplant phone booths for on-the-go communications in the early 21st century. In these and many more cases, entrepreneurs were the visionaries who implemented innovative solutions to solve problems, establish new levels of capability and capture great rewards for themselves.

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Applying the principles of entrepreneurship to the DoD PM role initially seems an odd choice. Government PMs rarely are described as innovative, and their duties are more frequently linked with stewardship rather than entrepreneurship. However, given the current budgetary pressures and unlimited threats, discovering new methods and incentives to achieve economic and technical breakthroughs is not only desired but could make the difference between program success and cancellation. In this light, I suggest that we look to entrepreneurship leadership traits in our next generation of PMs.

- Status—will you be remembered as innovative and forward-thinking?
- Accountability—what is your No. 1 concern; yourself, the warfighter, the process, etc?

Entrepreneurial skills should complement the traditional leadership attributes desired in the DoD PMs. Common entrepreneurial traits such as being opportunistic, decisive and dedicated should be highly desired in PMs. Too often, risk-averse leadership have seen individuals exhibiting these traits

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What Is Required?

The key characteristic of entrepreneurial leaders is their attitude of “all in.” Not only are they personally involved but in many ways they risk their personal capital to achieve the desired outcome. Frequently, their personal wealth is tied to the product and, consequently, they are highly incentivized to ensure they get a return on every dollar invested. While not advocating that government PMs contribute monetarily to their programs, the concept of “all in” goes beyond holding a personal financial stake. It starts with the right attitude. All PMs should act like every dollar a program spends belongs to them and it’s their responsibility to ensure maximum return on it. Program funds are theirs to spend rather than just a taxpayer account they are asked to manage. This approach will:

- Encourage the discovery of potential areas with competitive advantages that can be exploited to DoD’s advantage while remaining focused on achieving “win-win” solutions.
- Foster creative thinking to find innovative solutions to program challenges—a willingness to do something different rather than adopt a checklist mentality.
- Convert abstract ideas into concrete steps toward desired outcomes.
- Seek full understanding not only the costs of action but the costs of inaction, providing the ability to evaluate a situation to the PM’s advantage and to take actions toward an optimal outcome.

“All in” also requires nonfinancial commitments including a PM’s:

- Reputation—what will you want to be remembered for?

as “leaning too far forward.” Within a risk-adverse culture, over time individuals with these traits tend to be “weeded out” or self-select away from key program management positions. This can result in DoD’s PMs being characterized as little more than “play it safe” leaders who risk little of their personal capital—reputation, status, accountability—in managing their assigned duties.

Are You Ready to Join the Movement?

In addition to exhibiting greater personal accountability and financial ownership, a few other key entrepreneur skills are needed in the next generation of PMs. These include:

- In-depth market awareness
- Ability to inspire innovative thinking
- Identification and pursuit of opportunities
- Action-orientation default setting
- Willingness to take “smart” risk

If these skills are not in your toolkit now, no need to fret: Each of these represents a skill that can be learned by upcoming program leaders and then applied to enhance your ability to achieve success.

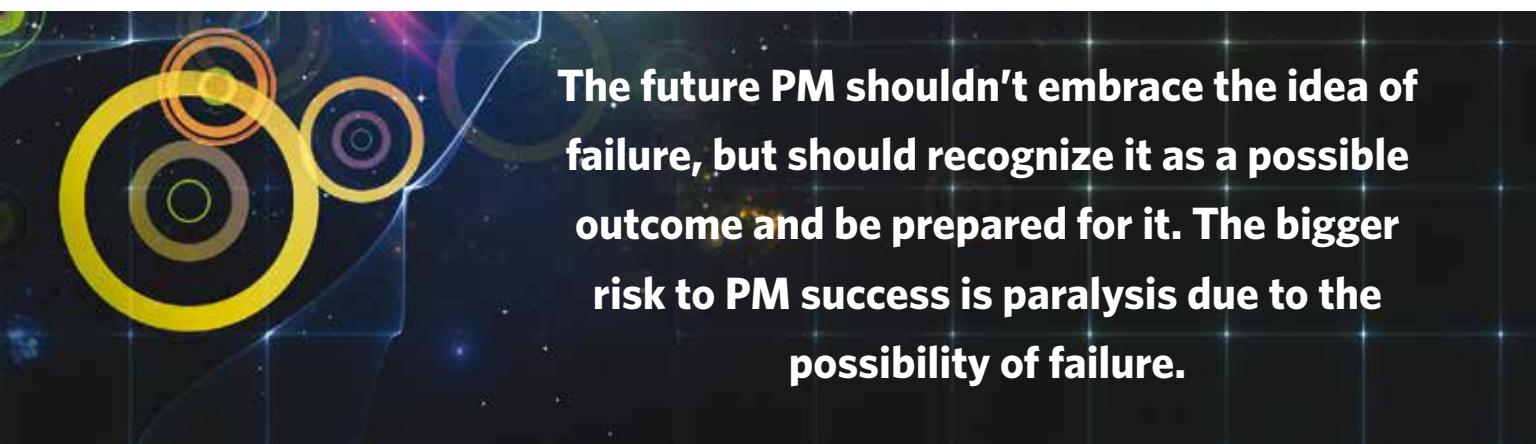
Market Awareness. Rather than focus just on a stovepipe of activity, the entrepreneurial PM identifies and understands market drivers and emerging trends that influence policy, technology, the industrial base and threat actors. Their analyses identify leading indicators for future opportunities, and this knowledge positions the PM and program office for success. The methods for obtaining this awareness are varied, but include reading technical journals and attending technical

conferences. However, one of the best and least-expensive ways to develop and maintain market awareness is by simply talking with a variety of people from industry and academia. This requires extending your contacts beyond the typical inner circle—such as your friends, people in your program office, your prime contractor—to include individuals in the labs, in related industries or those who analyze, write or invest in the defense industry (such as the media and Wall Street). Also, successful market research depends on listening more than talking. A critical market research skill is the ability to ask the right question that allows emerging risks and opportunities to present themselves. Your objective for market research is not to describe what it is (the current state) but rather to get an accurate picture of what could be (the future state). Finally, one of the quickest ways of making market research part of your daily activities is to commit some of your personal investments into a stock portfolio (not mutual funds). Nothing speeds one's understanding of industry financials better than a personal stake in the outcome of your own research.

Innovation. By their nature, most effective DoD PMs seek to find creative means of meeting their acquisition challenges—thus their aversion to checklists. However, large amounts of creativity are seldom generated when money is readily available. Why? The availability of funds influences the PM's risk-versus-reward equation away from risk taking. On the flip side, the adage that "necessity is the mother of invention" is equally true. The lack of resources is a motivator for

Opportunity. In challenging times, there is a natural tendency to adopt a defensive stance to ensure survival. Think moats around castles. Employing this strategy can have short-term advantages and appear to be a "win." But was it really a win, or just the temporary avoidance of defeat? Today, just as was the case in the Middle Ages, your foes eventually will figure out a way to defeat even the best defense. Rather than retrench during challenging times, an entrepreneur looks to capitalize on the strengths of his or her organization as an opportunity to grow value. This counterintuitive strategy has been used in the corporate world to grab market share in down times, realizing that the payoff in profits will not be immediate but the "win" will come during the next upswing. Similarly in DoD, during the current budget downturn, there are opportunities to provide solutions that might not have been tried in flusher times. For every new program not pursued, there is likely an existing system that can contribute to that gap. This includes reuse, repurpose and life extensions as alternatives to the new system—possibly with lower cost and less risk. For each of these "wins," the answer lies not in what the existing system defines as a solution but in what the manager sees beyond the current solution set to solve a problem for the future.

Action orientation. The common DoD program management approach can be likened to sailing a boat. The PM's primary role is to provide the course setting (vision), enforce performance standards (implementation approach) to ensure the crew does its job, and make course corrections as



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innovation. Recall that the pursuit of technical innovations has been the source for many entrepreneurial breakthrough products that we now can't live without or that we even take for granted. Most of these innovations were not developed by people with great resources. They were developed by those who started at the bottom. Similarly, the DoD now needs innovation. These ideas come in many shapes and forms, but one truism is that the leader is seldom the only source of innovation. Thus, for the new generation of DoD PMs, a key leadership trait will be the ability to work with all members of their teams to inspire innovative ideas, to be open to new approaches, and to foster and develop team members and ideas that have the greatest potential.

necessary to arrive safely in port (vision completed). This "steady as you go" approach works well in calm seas and light winds. However, the current budget climate for DoD forecasts nothing like calm seas. Success in this challenging environment requires a more hands-on approach. The entrepreneurial PM's role goes beyond setting a vision to include motivating, demonstrating, coaching and, when necessary, doing the work himself or herself. Entrepreneurial PMs inspire action and attract like-minded people to their visions via compelling implementation strategies. This results in cultures of expectation and achievement. A leader with a vision but without an implementation strategy results in only a catchy phrase and a program failure.

Risk taking. A frequently attributed entrepreneurial trait is a high tolerance for risk. This attribute allows entrepreneurs to take on challenges when others would run the other way. While risk tolerance is an important PM feature, a more important trait for an entrepreneurial PM's success is the innate ability to accurately calculate risk. This ability is what allows an entrepreneur to avoid the "crazy" risks and focus solely on those risks where the potential payoff merits their effort. The tool available for the DoD PM in this area is the Business Case Analysis (BCA). Properly executed, a BCA provides the outline for success by highlighting both the potential costs and potential rewards. Finally, the future PM shouldn't embrace the idea of failure, but should recognize it as a possible outcome and be prepared for it. The bigger risk to PM success is paralysis due to the possibility of failure. This validates the old saying, "The higher the risk, the greater the reward." But to get any reward, you must at least be willing to get in the game.

How to Join the Movement

No matter what your current role in the acquisition process—supervisor, peer or subordinate—you can play a crucial role in developing and retaining entrepreneurs in the DoD. If you are a supervisor, the No. 1 thing entrepreneurial PMs need is your support. Give them the ability to improvise and don't

punish them for taking a reasonable risk that goes against them. As a leader, you should foster a culture in which people are allowed to learn from mistakes but understand that they shouldn't make the same mistake twice. If you are a peer, you represent the greatest intellectual resource available. Share your experiences so you can lift up the whole practice of program management within your organization or command or Service. If you are fortunate to work for a PM who is trying to innovate and try new things, buy into the process rather than cling to the status quo. You might just enjoy the ride.

Final Words

Our customers (warfighters) and investors (i.e., the taxpayers) depend upon the acquisition system to deliver the capability to stop those who would do harm, to protect those who are our friends, to assist those in need and, most of all, to provide the capability necessary to return home safely. Our challenge is to create an abundant return on the investment placed in the acquisition community. To achieve this return in the current challenging budgetary environment, entrepreneurship can't be the exception but must become part of the DoD acquisition culture. In the end, our customers and investors are "all in." Are you? &

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