



AVIATION WEEK Program Management Roundtable
Creating New Levels of Performance

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After five years of data-gathering and analysis surrounding the performance of top aerospace and defense programs, the AVIATION WEEK Program Excellence Evaluation Team used the 2009 Program Management Roundtable to discuss two critical topics:

- How to leverage the information and data to assure below-average programs improve and what will drive the new standards in terms of excellent program performance; and
- Identify core requirements on further developing the program leadership capability for the industry.

The roundtable, held prior to the 2009 Program Excellence Seminar, was hosted by Ron Hornish, 2009 Program Excellence Chairman. Hornish also is the vice president/general manager of precision strike solutions, Rockwell Collins. His co-host was Michael Bruno,

deputy managing editor-Defense, AVIATION WEEK. The roundtable was hosted by PricewaterhouseCoopers.

In past years, the Program Management Roundtable focused on key processes and solutions -- risk/issue/opportunity management, supply chain integration, compliance, and other critical skills. For 2009, the group determined that the best performing programs are following a standard set of processes and tools. However, what evaluation team members believe is lacking is the break-away practices that elevate programs to a standard of excellence. In addition, the 2009 evaluation process identified that programs that are performing below average do not use the basic standards in process or tools.

Participants in this year's roundtable included representatives of BAE Systems, Bell Boeing, Boecore, Boeing, Defense Acquisition University, EADS North America, Honeywell, Lockheed Martin, NASA, Northrop Grumman, Raytheon, MAG Cincinnati, and Rockwell Collins,

Key findings of the roundtable focused on the role of a leader versus a manager in program performance. ***The one over-riding recommendation is formation of an apprenticeship method of developing leaders, based on both education and experience.*** Roundtable participants recommend the formation of a working group to develop the apprenticeship aspect and gain buy-in across the industry so that the term program leader represents a defined set of experiences, not just course-work.

The priority findings leading to this recommendation include:

- Program Management is taught as a set of processes and tools; Program Leadership is based on the ability to apply and gain experience and more closely correlates to the general manager role.
- Organizations need to refine their ability to identify leadership competencies versus managerial competencies
- Program performance links directly to leadership, not by failure to follow standard processes
- Leaders know that standard processes and tools must be tailored to meet specific program complexity and requirements.
- Industry-wide, program leaders need to assure better understanding of metrics so that they deliver value versus increasing activity
- Earned Value Management produces data that must be analyzed and critical thinking applied to revise and improve the effort.
- As new talent comes on board, it is important to revisit old problems to bring in new perspective and assure early utilization of skills.

Following is the detail output from the roundtable, based on four sets of questions:

Standard processes and metrics.

- What prevents lower-performing programs from adopting these standardized processes/practices and how can the program management community address?
- We are not seeing a strong domination of breakthrough ideas or practices that differentiate average from excellent performance – why is this so, what and how should we work together to develop the next breakthroughs?
 - Need to assess root causes of performance or lack thereof
 - Tailor tools and processes to what is needed based on scale, complexity (time, technology, other)

- Use and understanding of how to apply and integrate tools and processes is a function of experience, not taking a course.
- Risk identification is not as strong as it could be and would allow for action versus reaction – this is part of the “art” versus “management”
- We need to recognize that there are different skills associated with winning, standing up, executing, supporting
- Planning goes beyond tasks and schedule (incorporates seeing opportunity, setting the cadence, the framework)
- Leadership failure is more the issue than metrics, processes – the leader must intuitively understand the value or the nuance
- There is an opportunity to be creatively active versus reactive
- One of the core competencies is influence, particularly when working in a matrix organization; this leverages your ability to get the right people on the team, to develop breakthrough ideas.
- A major obstacle is that we know the formulas and processes but we execute these as activity versus understanding how to put them to work for the team
- There seems to be an attitude that small, specialized programs are unique and don’t need to adhere to good practices, processes and tools – the whole idea of “failure to tailor”
- There is opportunity in developing a “ledger” to deal with opportunities instead of just risk mitigation
- We need to re-assess how we develop leaders – what are the key triggers.
- There is no pressure to break the current mold to exceed “good” to achieve “excellent”
- Are we capturing the power behind diverse cultural leaders and levels of leaders?
- Leadership implies that an individual can look at information that appears to be unrelated, analyze it, synthesize it, and identify what it means

Integration of a virtual globally dispersed teams.

- What are the standards for working as a dispersed, global team?
- What are the barriers to these teams working well?
- What are the enabling technologies and practices required for such teams?
- How does (or should) the program monitor conditions within the supply chain (up and down)?
 - Need clear definition of roles, responsibilities, accountabilities
 - Processes should follow relationships.
 - Technology in conducting meetings has allowed people to multi-task – need full attention (perhaps too many dysfunctional meetings creates lack of attention)
 - Lack of technology is *not* the barrier to success
 - Global alliances/teaming is complicated by politics, culture, export regulations, taxes, exchange rates
 - Avoiding assumptions is critical
 - Communication – linked to handoffs, relationships, tools – needs considerable improvement
 - The emergence of all new communication pathways (web 2.0, for instance) needs to be monitored; not evident where this new technology will take us

- Virtual teams must have a single source for documents and their control – one “home base”
- The program cadence, or battle rhythm, helps coalesce a dispersed team
- Improvement is needed in aligning incentives throughout the team, not just at the top
- One key question is how to position your company competitively while searching for transparency across the team.
- Details – time zones, cultural – are critical and must be addressed up front
- Standards – metrics, tools, processes – need to be the same across the program team (watch out for jargon; some organizations are doing the same thing but calling it something very different)
- Cultural awareness is imperative – there are twists to how risk is interpreted and managed depending on cultural background
- ITAR/regulatory compliance must be built in to the initial planning as it does represent a schedule risk
- Invest in up-front team formation and training
- Essential for all levels of supply chain to understand how their effort/product fits within the end product
- We have managers for analysis, risk and other specialties – who is managing the relationships on the team?

Lean and Continuous Performance Improvement

- What are the key areas we can address with regard to improved productivity?
- What are the key barriers to improving productivity?
 - LEAN and improved productivity needs to be integrated into how work is completed versus being an “effort”
 - We still have room to reduce unnecessary activity/effort – we’re not done!
 - We base how much time it takes to do something on history versus looking at what might be possible – need to test these assumptions
 - Challenge speed while assuring we don’t cut corners
 - Modeling and simulation techniques represent real opportunity – pictorial versus the cultural issues wrapped around language/words
 - There appears to be a gap in health monitoring tools for the overall supply chain and integration of this monitoring across the team – this appears as an opportunity!
 - Another opportunity is alignment from the bottom up to the strategy and approach to LEAN out any non-value-added activity
 - Engineering handoffs represent a significant opportunity
 - Recommendation: Revisit old problems to take advantage of new technologies and people talent
 - Need to establish a re-use philosophy beyond technology to program knowledge/experience
 - Use of a standard review deck provides a framework for the program but also across programs, allowing people to come up to speed more quickly
 - LEAN has been applied to production – now it’s time for everything else

- People who attend meetings must have authority to make decisions – they are charging time and eating into efficiency if no true role

Program Leadership Nightmares

- Working for a bad leader Lack of knowledge – the cycles of learning are ever faster
- Bad relationships
- Declining budgets and impact on behavior (ethics, compliance among them)
- Unethical behavior as things get tighter, people retire
- Loss of experience to retirements/other industry sectors
- Actions that benefit a program but harm the enterprise
- We may not be applying as robust a discipline or rigor when we work with fourth through nth tier suppliers.
- We are not “ready” enough so we are reactive.
- Losing control or never having it
- Responsibility without authority
- People who are afraid to report bad news – it has gotten better but still exists

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