



AVIATION WEEK PROGRAM MANAGEMENT ROUNDTABLE

ASSESSING HOW PROGRAMS SUCCEED, FAIL

written by Carole Rickard Hedden

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AVIATION WEEK's third annual Program Management Roundtable convened following the 2008 Program Excellence Seminar with better than 30 program managers and executives attending. The roundtable focused on assessing those traits that contribute to the success and failure of programs. This is a particularly important topic as complex and complicated programs are being critiqued in terms of cost and schedule overruns, and as the traditional organization of program leadership within the industry is changing. Specifically, large companies that at one time managed the overall program process are shifting responsibility for increasingly complex sub-system leadership to the supply chain. The handoff has not always been smooth, and the requirement for additional program management professionals at all levels of the supply chain has become evident. In addition, the role of the sub-contracts manager or procurement manager has changed from one of contract administration to that of a program leadership task.

The Program Management Roundtable, sponsored by PricewaterhouseCoopers, was hosted by Dave Barakat, chairman for the 2008 AVIATION WEEK Program Excellence initiative and recently retired as the Vice President for Technology, Engineering and Program Management at Northrop Grumman. Joining with Dave as the co-host was Joe Anselmo, AVIATION WEEK senior business editor.

Participants in the roundtable represented Boeing, Defense Acquisition University, NASA, General Atomics Aeronautical Systems, Northrop Grumman, L-3 Communications, Lockheed Martin, Raytheon, and Honeywell.

In opening comments, Barakat noted that the experience and level of training for program managers has increased over the past five years. However, he also noted that a goodly portion of the program management talent links to “DNA – the innate ability to lead.” In addition, Barakat noted that in better than 35 years of experience in the industry, he has identified distinctions between good and great program leaders, and that the term great applies to a limited number of individuals.

The roundtable’s purpose was to identify what distinguishes the leadership attributes of the great program manager or great program performance versus good. This distinction is particularly relevant as outside forces tend to affect the overall performance – a shift by Congress of a few million dollars has an exponential impact in terms of overall cost and schedule slip, pushing good programs into poor performance and pushing great into the good category.

Attributes of Programs that Succeed and Those That Fail

1. Customer relationship – the relationship is based on expectations and includes not only the end user but the program office, Congress, and suppliers. Each of these relationships is dynamic, creating instability and additional risk.
2. Trade space – the area of negotiation in terms of time, requirements, and cost. In programs where the trade space is well defined, there is less risk. It is essential to define it, scope it, and operate around the trade space to assure flexibility and adaptability. Too often this is not established as part of program start-up or contract.
3. Failure attributes tend to stem from over promising and the maturity/experience of those involved to know reality versus what the data indicates. A second category of failure stems to poor handoffs between capture and stand up of the program team.
4. These attributes are consistent, no matter where the team member is positioned in the value or supply chain.
5. Best advice – If you were no longer in your job and instead were the new person coming in to take over, what would you do and what would you want in place – and then make it so.

Top Issues with Which Program Leaders Struggle

1. Staffing – relates to identifying the right people to be on the team, but also with attrition, skills sets and “raiding” by another program.

2. Contextual Fit – personnel understand roles and responsibilities that every team member brings, not just the hard skills but also the soft skills of relationship building, leading, developing people.
3. Supplier Management – We have shifted tremendous responsibility through the supply chain and increased dependence, without assuring business and leadership skills are in place to handle complexity or complication level.
4. Program Focus – we love our engineering and technology and have a desire to improve the design as we go; must maintain focus on the original goals and table all else as scope creep or change in requirements.

Top Predictive Measures That Should Be Incorporated Into Program Tool Chest

1. No one solution but monitoring and identifying does require robust discipline.
2. Contractor funding history more important than ever.
3. Patterns and trends over time versus current data alone.
4. Risk factors are indicators of where the data will go – management reserve trending, consistency in staffing, late start, critical path adherence, subcontract performance – it's a framework of all of these.
5. SPI and CPI are dominated by historical/lagging indicators versus predictors; however, program leaders need to be aware of rolling wave.
6. Analyzing data and predictive measures needs to be active; too many dog and pony shows results in sanitized data.
7. Supplier performance measures: financial viability, quality, managed change versus firefighting, are you asking the supplier to apply successful record to entirely new domain, is the supplier seeking recognition more than producing, and is process dedication a visible practice.
8. Need to focus on leading risk indicators, and by focusing risk identification on objectives of the program create an opportunity to methodically engage suppliers in the process of risk identification, communication and monitoring/reporting LRI data.

Developing Program Leaders

1. Key talent requirements for your organization or that of suppliers – we bought components a decade ago, now we are buying sub-systems.
2. Career path for program leaders should include rotations to include procurement and contract/supplier management.

3. There are transition points for differing leadership skills during program lifecycle – hunters to skimmers; the program plan needs to incorporate this fact.
4. Place program management experience within supply chain to assure skill transfer.

Program Leadership Skills to Support International Teaming

1. The program leaders need to assess and internalize why a particular country and its industry are part of the team – to access skills, to tap into new markets, as part of workshare.
2. International teaming relationships may be with the supplier or buyer, but also with the overall industry and the governing body for that country; the program leader has to assure alignment of all these shareholders' expectations. (You're not just seeing influence with one government body but with several.)
3. There is no single preferred tool for collaboration; however, the tool set does need to be in place.
4. ITAR/export control is a significant risk and opportunity to be itemized as part of the program plan and processes. Must be understood and accepted that technology transfer is a gray area that changes real time.
5. Building multi-cultural teams – understanding the varied cultures, what each team member brings, invest in renewal.
6. Risk management is taken to an entirely new level on international team – multiple governments, multiple customers, and multiple cultures.
7. Note that acquisition do matter (roundtable cited BAE Systems expansion into wheeled vehicles as strategy).
8. Understand, apply and leverage international sources of funding to assist with workforce training, research, joint development.
9. Overall agreement that global teams are the reality but careful planning and monitoring required.

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