Leading a Program…Some Call It Program Management

Ms Judy Stokley
Air Force Program Executive Officer for Weapons
Overview

- A Program’s Journey

“The man pulling radishes pointed the way with a radish.”

ISSA

- The Inner Voice of Leadership
Advanced Medium Range Air-to-Air Missile (AMRAAM)

“THE AMRAAM JOURNEY”
The AMRAAM Journey

- Background
- How Did We Change?
- Where Are We Today?
- Lessons Learned
- Summary
Advanced Medium Range Air-to-Air Missile (AMRAAM)

Program Description

- Medium Range Air-to-Air Missile (AIM-120)
  - Radar-Guided, All Weather, Beyond Visual Range

- Total Planned Procurement: 2,419 Navy/8,498 Air Force/ 3,754 Foreign Sales

- Prime Contractor: Raytheon Company

- Contract Awards:
  - Jan 01 CATM Production
  - Jan 01 Annual Sustainment
  - Apr 01 Production Lot 15 of 22

- Combat Proven
In 1997, AMRAAM Program Faced:

- Extended Production Run
  - Small Annual US Procurements
- Costly Infrastructure
  - At Low Quantities, Only 50% of Dollars Bought Missiles
- Significant Mandated Manpower Reductions by FY00
  - No Plan in Place
- Loss of Competition From AMRAAM Producers
  - Raytheon Petitioned Government to Purchase Hughes Aircraft Company
HOW CAN WE IMPROVE AMRAAM?

- Reduce Average Unit Procurement Cost (AUPC)

- Attain Go-Ahead Decision and Funding for P³I Phase III

- Accelerate JSPO Manpower Drawdown Plan
In 1998, AMRAAM Program:

- Supported Raytheon/Hughes Merger
  - Attained $50K Reduction in Hardware Unit Price as a Condition
  - Consolidated Development, Production, and Repair at Tucson, AZ

- Teamed with Raytheon to Implement Commercial Business Practices
  - Saved 28% ($590M) of Procurement Funds
  - Reduced AF Manpower by 66% 2 Years Early
  - Over 80% of Dollars Now Buy Missiles With Phased Improvements

- Established 10-Year Cost Control Strategy
  - Long-term Production Price Commitments From Raytheon
AMRAAM Cost Projections

Improved Missiles at Reduced Prices

AUPC Dollars in Thousands (BY98)

Lot 3 4 5 6 7 8 9 10 11

Lot 12 13 14 15 16 17 18 19 20 21 21

Before

After

Investments
PSE/Sust/Depot/Train/ICS
GWEF/SIM
A&AS/Tech Support to Prime
Test Support
Safety, Env, WRTTM, AMAT
Warranty/ECO/Other
TSPR
Hardware Price

In t e g r i t y  -  S e r v i c e  -  E x c e l l e n c e
### Evolution Of AMRAAM

<table>
<thead>
<tr>
<th>FY DELIVERIES</th>
<th>AIM-120B (Lots 6-7)</th>
<th>AIM-120C (Lots 8-10)</th>
<th>AIM-120C-4/5/6 (Lots 11-15)</th>
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<td>EEPROM</td>
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<td>Beyond Visual Range (BVR), All Weather, Look-Down/Shoot-Down, Multi/Cluster Targets, Air Force Production - 3,266</td>
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？ How ？
AMRAAM Vision Implementation Steps

15 Month Implementation
Recruit Team Members
Obtain Senior Leadership Buy-In
Conceive the Strategy
See the Vision and Opportunities
Lean government team partnered with industry to meet our commitments to develop, deliver, warrant, and support affordable, combat ready products and services.

Win-Win Strategies in an Atmosphere of Teamwork and Trust
Lean government team partnered with industry to meet our commitments to develop, deliver, warrant, and support affordable, combat ready products and services.

**Promises Made, Promises Kept**

- Cost
- Schedule
- Performance
Lean government team partnered with industry to meet our commitments to develop, deliver, warrant, and support affordable, combat ready products and services.

Warfighters’ Lives Depend on us Meeting Our Commitments
Takeaways

Partnerships

Commitments

Warfighters
The Contractor shall perform the tasks that he deems necessary and sufficient to develop, deliver, warrant, and support affordable combat capable and readily available weapons systems.

The Government shall commit to a reasonably stable production program, establish contractor control and accountability, support a long term pricing strategy, and strive to enable contractor success.

Cultural Jolt
Win-Win Business Arrangement

Congress
OSD
Service(s)

Affordable, Combat Ready Products to Warfighters

Stockholders, Corporate Construct, Profits, Marketing, Suppliers

Accountable

Requirements
Resources
Reports

Govt PM
Industry PM

Accountable

Accountable

Profits
New Business Reputation

Develop and Execute Win-Win Strategies In An Atmosphere of Teamwork and Trust
Vision Implementation Team

- Impassioned Change Agents From The Air Force, Navy and Raytheon
  - Functional Skills
  - Demonstrated Job Knowledge and Performance
  - Enthusiasm and Personal Courage

Team Charter: Implement AMRAAM Vision
AMRAAM Vision Key Elements

- Contractor Control and Verification of Product
  - System Performance Specification: Complete Mar 98
  - Task Destinations: Complete Aug 97

- Revolutionize Business Practices
  - Production Efficiencies of One Producer: Complete Jul 98
  - Long Term Pricing Agreement: Awarded 13 Apr 98
  - CAIV for P³I Phase III: Awarded 29 Oct 98

- Incentives for Contractor
  - Direct Commercial Sales: Case-by-Case Review
  - Source of Repair: Complete Jun 97
  - Self-Oversight: Complete w/Lot 12 Contract Award 13 Apr 98
  - Support Infrastructure: Mar 98/99
AMRAAM Vision
Government Roles

- Understand, Interpret, and Iterate Operational User Requirements
- Support the Planning, Programming, and Budgeting of Program Resources
- Establish and Execute Technical and Business Relationships With The Prime Contractor
- Enable the Contractor and Other Government Agencies to Achieve AMRAAM Program Goals
- Keep the Warfighters, the PEOs, and the SAEs Informed of Program Status
AMRAAM Vision
Raytheon Roles

- Integrated Development, Production, Repair, and Sustainment
- Long Term Responsibility for Health of Systems
- Verification of Product Compliance and Design Life Bumper-to-Bumper Warranties
- Accountability for all Field Performance and Support Functions
- Proactive, Astute Business Leadership and Synergy Across Entire Product Line
Where Are We Today?

- All Contract Awards Made Within Budgets (FY98-01)
- Execution All Green for Four Years - Unprecedented!
- Warfighters Got Key Performance Improvements
- Team Embraced Vision and Annual Goal Setting
- Recognized the Workforce with Promotions and Awards
- Phase III is On Track Within Original Baseline!
- Next Award is Mar 02 - Price Based Acquisition

Partnership Is Flourishing!!
Tenets of AMRAAM Vision

Tenets are Guiding Principles That Do Not Change With Time

- Teaming Relationship Between JSPO and Raytheon
- Raytheon with Total System Performance Responsibility
- JSPO and Raytheon in a Win-Win Business Relationship
- AMRAAM With Continual Warfighter Gains in Capability
### Key Changes

#### New Way
- Program Leadership Group
- Business Control Board
- Govt: Missile Performance Spec
- Contractor Self-oversight
- Profit Posture Over Several Years
- Contractor Meets Spend Plan/Expenditures - GREEN
- Service Life Prediction Program
- Contractor and Government Invest in Improvements
- Contractor Owns Field Performance
- Contractor Maintains Availability for Warfighters
- Enablers, VTCs, and EDI

#### Old Way
- Staff
- Budget Control Board
- Govt: 370+ Spec
- Government Quality Inspectors
- Head-to-Head Competition
- Government Chronically Behind in Obligations/Expenditures
- Surveillance
- Government Only Invests in Improvements
- Government Monitors and Directs Contractor
- Government Mandates Repair Turnaround Time
- Government Reviews and CDRLs
Problem Solving

■ We Will Have Problems
  ■ Solve Them Together

■ Fundamental First Question
  ■ What is the right thing to do?
  ■ Once You Know That, It’s a Matter of Finding a Way to Do It

■ Work Together to Establish Clear Understanding...Don’t Count on the Contract

“Lawyers are well aware that any contract, however well crafted, can be broken unless some smattering of ethics and goodwill remains on each side.”

Rushworth M. Kidder
How Do We Work Day-to-Day

- Make Commitments Together
- Succeed or Fail Together
- NO CLAIMS
<table>
<thead>
<tr>
<th>Year</th>
<th>Award Description</th>
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<tr>
<td>2001</td>
<td>Designated AF Pilot Program (1 of 3) for Price Based Acquisition</td>
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<tr>
<td>2000</td>
<td>SAF/AQ Lightning Bolt Award</td>
</tr>
<tr>
<td>1999 &amp; 2001</td>
<td>AF Nominee for David Packard “Excellence in Acquisition Award”</td>
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<tr>
<td>1999</td>
<td>Defense Acquisition Executive Certificate of Achievement</td>
</tr>
<tr>
<td>1998</td>
<td>SAF/AQ Award for Customer Support</td>
</tr>
<tr>
<td>1998</td>
<td>DoD Life Cycle Cost Reduction Award</td>
</tr>
<tr>
<td>1998</td>
<td>Chief of Staff Team Excellence Award</td>
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Lessons Learned

- Nurture a Government/Industry Team
  - Common Vision and Goals
  - Win-Win Strategies
- Find Change Agents With Personal Courage
- Establish Consolidated, Integrated Contract Packages
  - Avoid Fragmented Work Projects
- Articulate Responsibilities and Accountabilities
- Stand Firm Against Attackers
  - Use Compelling Data and Comprehensive Strategies
- Learn to Look Steely-Eyed Into the Barrel of a Six Gun
  - “THIS IS THE WAY WE ARE GOING” and “NO” Are Powerful
Never Give Up!!

JSPO and Raytheon

Bureaucracy
Warfighters And Taxpayers Are Looking For Great Leaders And Champions Of Change
Sharing What I Have Learned About Leading an Organization

(Some Call It Program Management)
A Program Manager Does Many Things

Provides Vision
Drives Results
Builds Teams
Manages Activities
Integrates Functionals & Components
Motivates People
Mentors People and Cares About People
Kick-Starts Initiatives
Finds Win-Win Solutions
Get and Keep Money

Communicates, Communicates, . . .
Nurtures Relationship
Sets Policies
Focuses Energy and Talent
Makes Hard Decisions
Mediates Disagreements
Does The Logic Check
Sets the Tone
Creates Structure for Change
Maintain Advocacy

BUT DOES SHE LEAD?
“BEWARE of the Scribes…”

― Beware of the scribes, which love to go in long clothing, and love salutations in the market places,“

Mark 12:38
Leadership
Personal Attributes

Vision

Integrity and Judgement

Diligence - “Persevering, Painstaking Effort”

Motivation

“…who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, at the best, knows in the end the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat”

Theodore Roosevelt
Leadership – Your Vision

“Poetry has to emerge out of the wilderness of the self.” Stanley Kunitz

Defining leadership is as amorphous as the process of crafting a poem.

Your vision must come from your core beliefs, else you can manage but not lead.
Integrity and Judgement

Integrity: Moral excellence, wholeness, soundness

Judgment: Discernment; perceive clearly with the mind or senses; make out with effort

“...those who by reason of use have their senses exercised to discern both good and evil”

Hebrew 5:14
“Why should the lord of the country flit about like a fool? If you let yourself be blown to and fro, you lose touch with your root.”

_Lao-Tzu_

You Can’t Stop the Waves, but You can Learn to Surf
“We read in search of others, and we read in order to recognize the self.”

*Harold Gloom*

You don’t become a better leader by thinking about leading, you have to lead to learn.

“I leap off a…cliff and hope I don’t make a fool of myself.”

*Dean Kountz*
Kick-Starting Initiatives

- **VISION**
- **GOALS**
- **COMMITMENTS**
- **MILESTONES**
- **ACTION PLANS**

- **PROBLEMS/CHALLENGES**
- **REFLECT/CREATE**
- **INTRIGUING APPROACH**
- **DESURED END-STATE**

- **EUREKA!**
- **Solution Set**
DILIGENCE: Persevering, painstaking attention and effort

- DO Take Action
- DO Walk the Talk
- DO Persist Against Attackers
- DON’T Lose your Clothes

WISDOM: COMMON SENSE AND DIVINE PERSPECTIVE

“How much better is it to get wisdom than gold!”
Proverbs 16:16
Motivate: To stir to action or feeling
For as he thinketh in his heart, so is he; eat and drink, saith he to thee; but his heart is not with thee.
Proverbs 23:7

Enthusiasm: Passionate devotion to a cause; syn. ardor, fervor, fire, passion, zeal

Hint: If they aren’t following, you aren’t leading.
Time to ask: What is in your heart?
It’s Your Life We are Talking About

Professional Commitment

Family
Friends
Community
Diet
Exercise
Hobbies
Personal Time