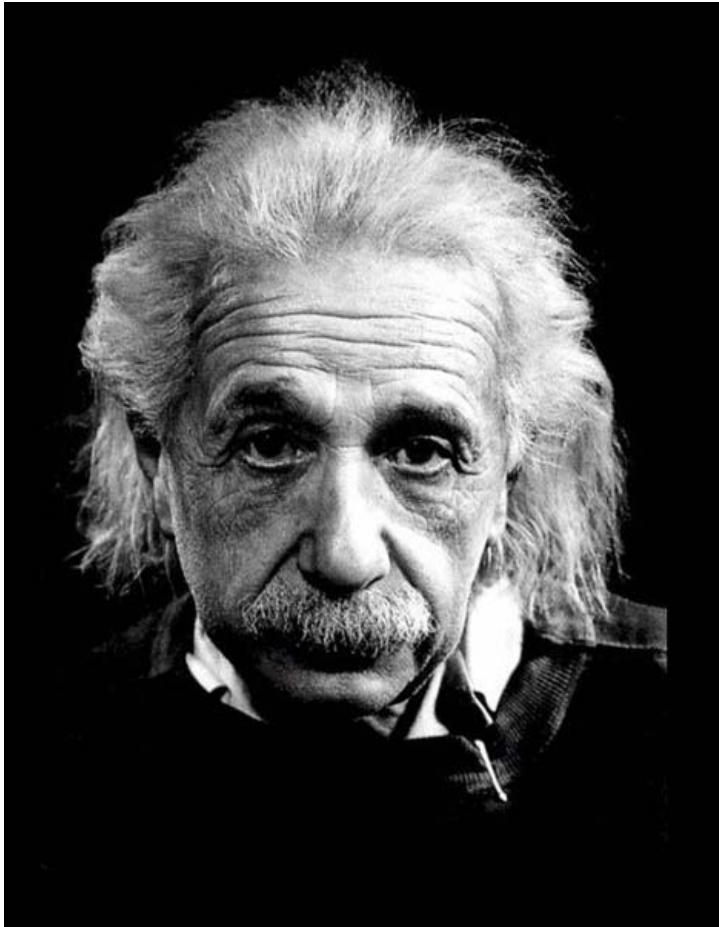


The Use of Objective Information In DoD Program Decision Making



***PSM Technical Working Group
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***John McGarry
U.S. Army RDECOM-ARDEC***



***“Two things are
infinite: the universe
and human stupidity;***

***And I'm not sure
about the universe”***

Albert Einstein

Program Performance Issues

<i>Identified Issues</i>	<i>Relative Occurrence</i>
<i>Process Capability</i>	<i>91 %</i>
<i>Organizational Management</i>	<i>87 %</i>
<i>Requirements Management</i>	<i>87 %</i>
<i>Product Testing</i>	<i>83 %</i>
<i>Program Planning</i>	<i>74 %</i>
<i>Product Quality - Rework</i>	<i>70 %</i>
<i>System Engineering</i>	<i>61 %</i>
<i>Process Adherence</i>	<i>52 %</i>
<i>Program Schedule</i>	<i>48 %</i>
<i>Interoperability</i>	<i>43 %</i>
<i>...</i>	
<i>Configuration Management</i>	<i>26%</i>

Fundamental Questions

- ***Why do we measure?***
- ***Why do we assess risk?***
- ***Do these things help?***
- ***Really ?***

***Only if we use the answers to make
Meaningful Program Decisions***

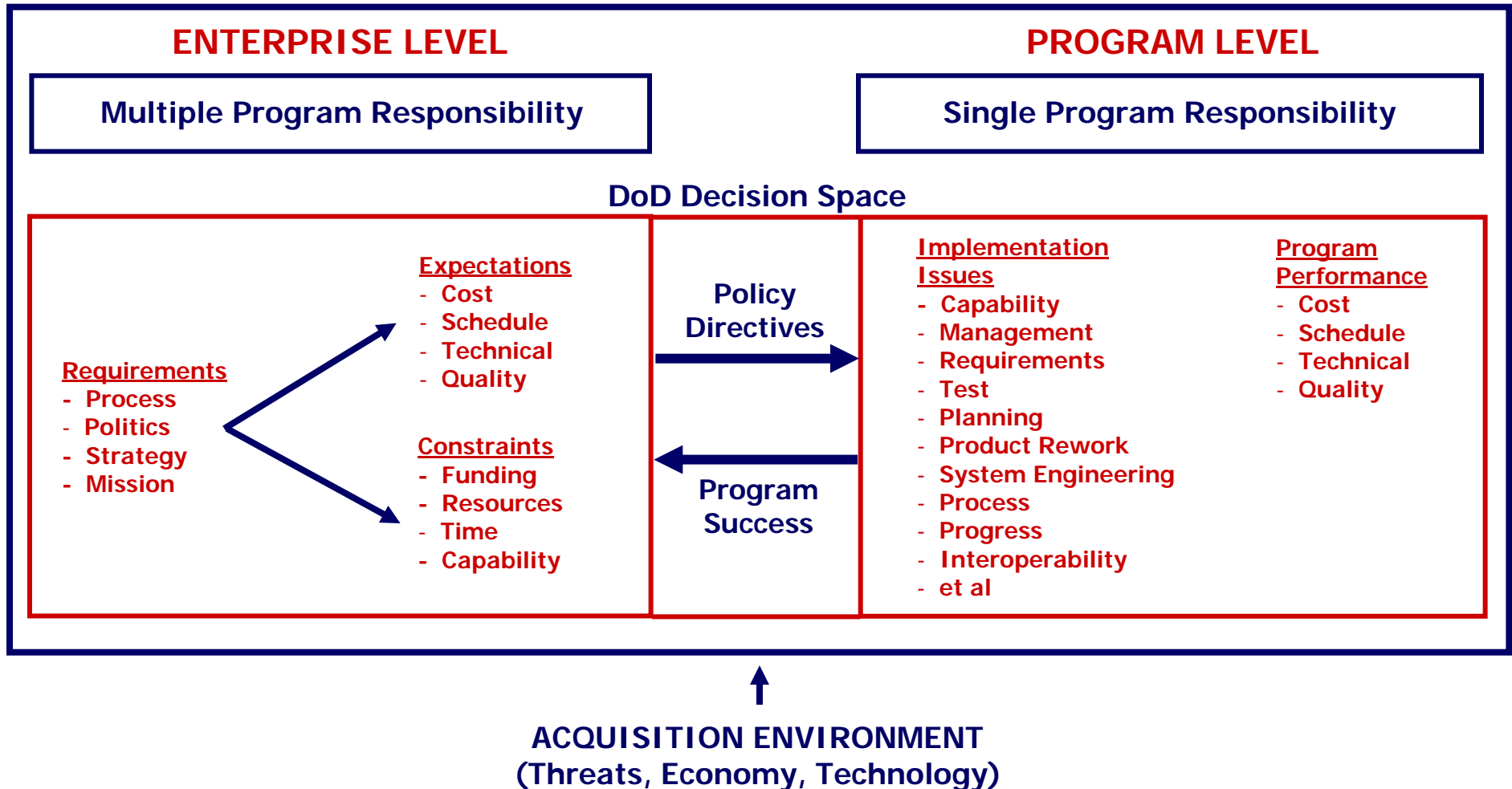
A decision is a choice for action...

***Defined by the expenditure of
resources ...***

***That can never be fully recovered
if you change your mind***

Performance and Decision Analysis

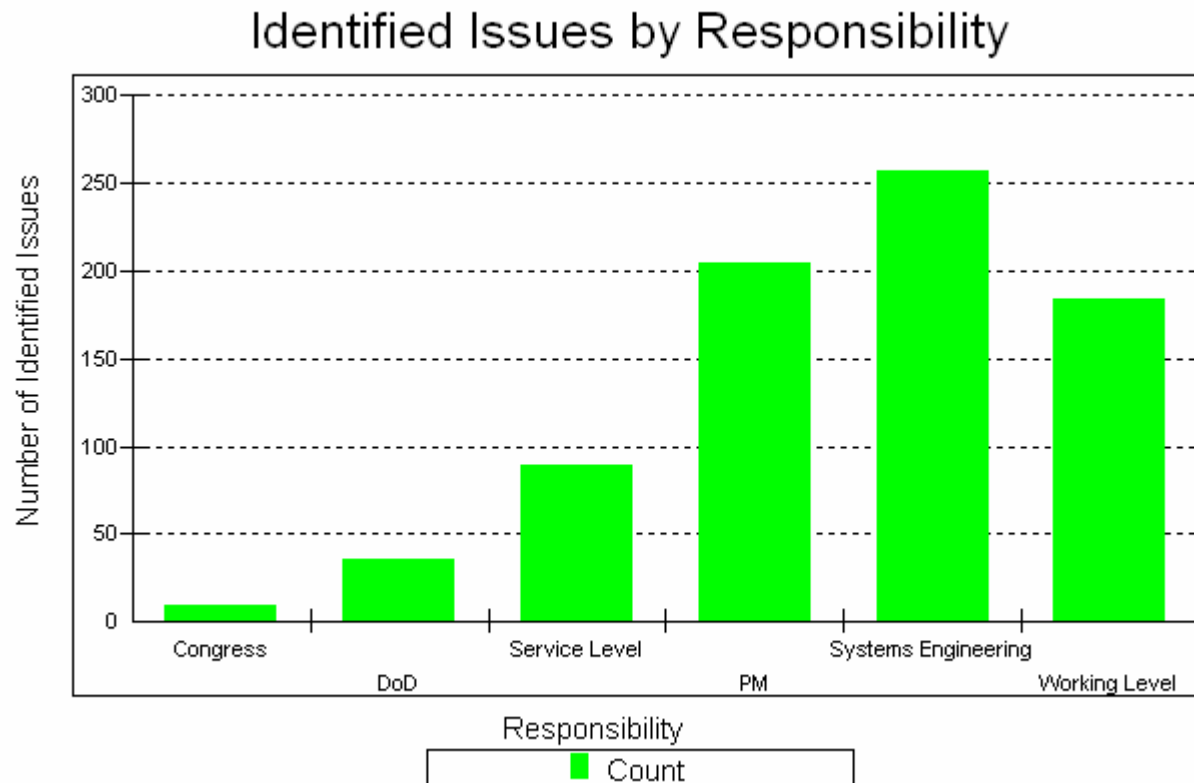
DoD Decision Environment



Performance and Decision Analysis

Where are most of the decisions made?

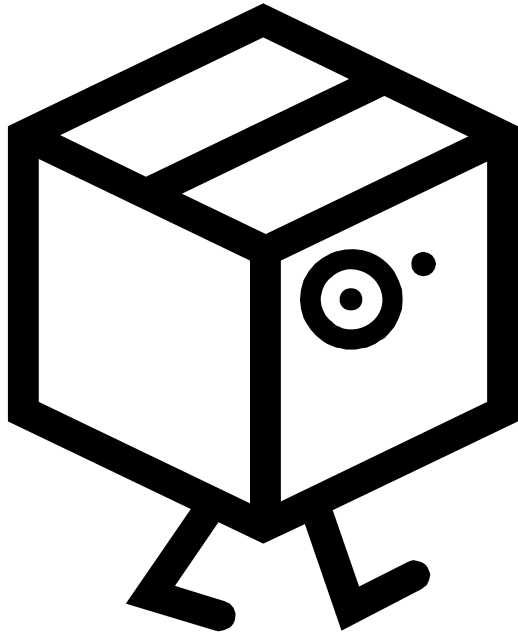
Complex issues with multiple interactions across all levels of DoD management



Key Program Decision Factors



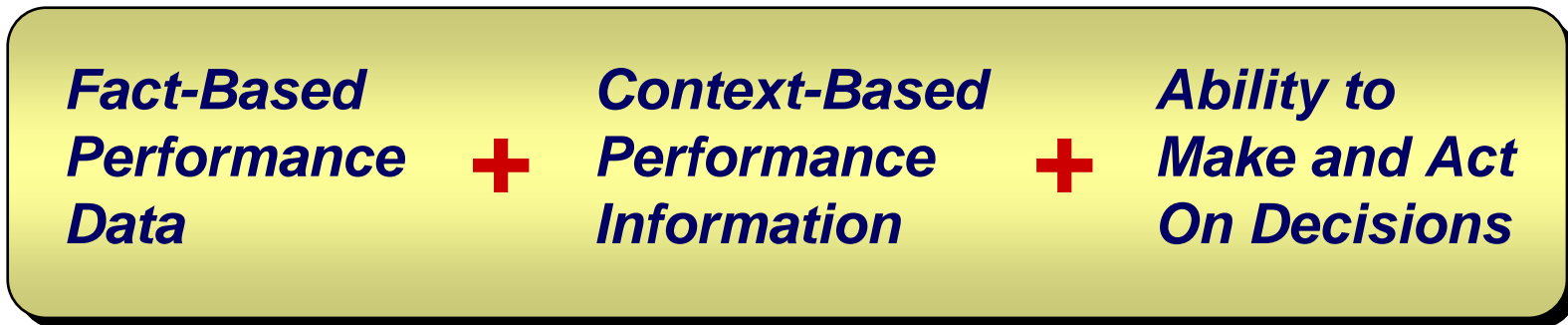
- ***Decision objective(s)***
- ***Decision authority***
- ***Decision cost***
- ***Decision capability***
- ***Decision complexity***
- ***Decision context***



To make effective program decisions, a program must establish and manage its decision space - its ability to make choices to allocate resources - across the life of the program

A Program is the Sum of Its Decisions

Program Decision Space



- ***Measurement Data***
- ***Risk Data***
- ***Financial Data***
- ***Historical Performance Data***
- ***Environmental Data***

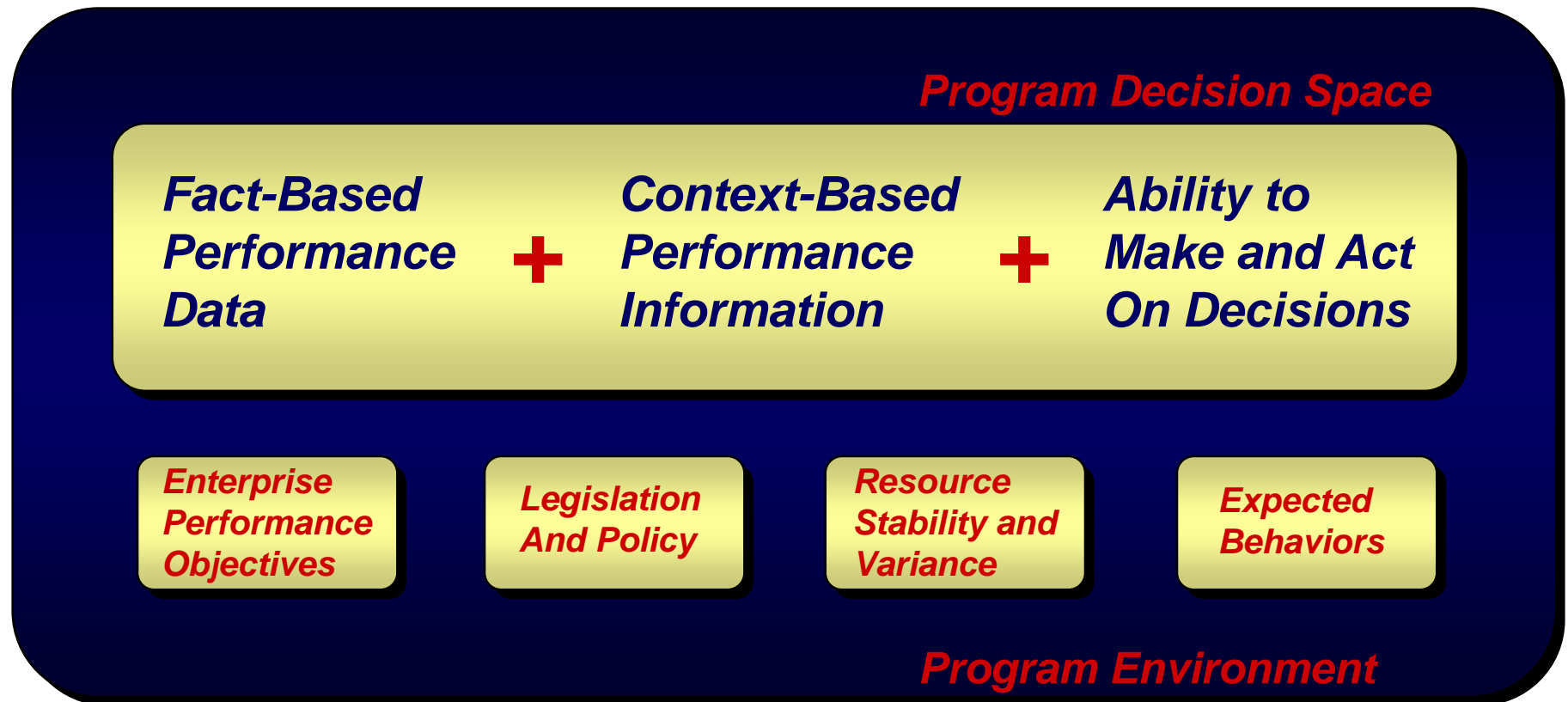
- ***Valid Performance Relationships***
- ***Cause and Effect Information***
- ***Thresholds and Criteria***
- ***Portfolio Performance Analysis***
- ***“External Analytics”***
- ***Adequate Scope***

- ***Technical Capability***
- ***Acquisition Capability***
- ***Resource Flexibility***
- ***Communication***
- ***Commitment***
- ***Pro-Activity***
- ***Leadership***

Decision Freedom

- ***A measure of the extent of the “decision space” allocated to the program team***
- ***With greater decision freedom the program has much more flexibility and freedom of independent action***
- ***The program uses this freedom to address strategic and operational issues, to allocate and reallocate scarce resources, to fend off program attacks (both internal and external), and to manage the scope of operational requirements***

Decision Freedom External Environment Factors





Enterprise constraints, expectations or poor program execution can limit the decision space on DoD programs - this reduces the overall ability of the program team to make decisions

Can you run out of Decision Freedom?



You Might Have Decision Freedom If...

- ***You can objectively characterize the status of your program***
- ***Your program has real measurement and risk management processes in place***
- ***You directly address the performance issues - not just wish they would go away***
- ***You can trade off requirements, schedule, and cost***
- ***Your program management process is based on more than “concurrent fire fighting”***
- ***You pro-actively influence the enterprise and the environmental requirements and interfaces***
- ***You can show that your decisions worked***

Performance and Decision Analysis



Contact Information

***Dr. Robert Charette
ITABHI Corporation
(540) 972-8150
charette@ITABHI.com***

***John McGarry
RDECOM - ARDEC
(973) 724-7007
jmcgarry@pica.army.mil***