

Enterprise

Evolutionary Acquisition

October LA INCOSE Conference – Risk Cline (Boeing) Co-Chair

Affordability from USG contracts terms of affordability – Enterprise, Portfolio and Program

Financial Aspects

- Cost of money

- Insurance – costs to customer

- International currency rates

Define value - Mgmt of portfolio and enterprise cost, prioritization of programs to obtain funds

Architecture integrated across the enterprise, value architecture

Defense Acq systems should be optimized but are not – An integrated enterprise architecture

Gary R – Drew figure, representing SOI does not look at the enabling systems- it is someone else's problem, didn't look at enabling systems so doesn't look at TOC. Need to also consider the operating environment.

- Can not look at a stand alone system without looking at the big picture (enterprise)

- Interoperability as a measure

- Mike D – to obtain gig ready, need to look at a services architecture, not using SOA.

- System is treated as a program and not looked at as a service with measures capabilities

Lots of roadblocks to affordability in DoD.

- USG is their own worst enemy, predetermined approaches

- Rick MORS 2009 , Cost WG – services protect their funding, receive a budget and reluctant to give back.

- Preconceived notions drive solutions and decisions, without analysis

Affordability WG slide 8 needs to include disposal in the 4 major areas listed in slide

Big TOC and Little TOC – Little TOC only looks at total operating costs, while Big TOC in case of JTRS needs to look at how in this case could have eliminated a set of training schools

Affordability – Labor rates as workforce ages, more and more senior people will be available driving rates. Easy to measure

Affordability is a recursive function, a slice in time and changes

Measurements during AOA to ensure decision made looks at TOC. Affordability measurements to ensure contractor is on cost target. Suppliers want to ensure they are affordable, looking at data within the org to see whether they are getting better or not.

Sample measures

Percentage of indirect to direct populations

Rick – Affordability Engineering – use of cost estimating looks like a financial role doesn't include technical performance, schedule. Definition is a program level spin not a global

Other groups that could work with us

Gary comment - NDIA committee needs to be tied into this PSM whitepaper

MORS looks at this well with cost Workgroup 27 – Terry Mitchell lead, WG 26 AOA, WG 28 Decision Support and analysis

Brainstorm Topics

Whitepaper to update ICM table

Development of indicators of afford, development of indicators for operations, indicators for services

TPMs are

Measures of value

Pete's MOE Chart (display of results), discussion - translate Y axis into dollars (value to customer), example provided # of Sat transponders

SELI – System Affordability discussion – Rick – Figure - cost, schedule and effectiveness (providing capabilities), discussion on the multiple parameters that may be different based on system. Maybe capabilities instead of technical, can not remove schedule

Rick has an affordability reference that he will send to us.

Information needs that lead to an ICM

Acq Org View

Acq Program Level

Supplier Org Level

Supplier Org Level

AoA

Executing program – am I getting better or worse?

White Paper brainstorm

Next Steps

INCOSE measurements WG and INCOSE Affordability WG - 30 Jan – 2 Feb 2010, coordinate with measurements WG so you are under their auspices with spin off sessions with affordability WG

Need good set of information needs against the ICM to drive to measureable concepts to candidate measures

Socialization with NDIA affordability life cycle committee, typically ½ hour in the afternoon

NDIA Measurement Analysis group – AoA and decision support

Preliminary white paper – 2011 PSM Users Group – presentation & workshop?

Next NDIA meeting 18 August (Wash area at Navy Ship Yard) – Jerry Cothran or the chair of the committee (name?) – Socialization of the effort and to find others to join and add

Reach out to academia – USC, MIT, Stevens Institute. Ricardo is the bridge between USC and MIT, COSOYMO WG

Information Needs Brainstorm

What is the TOC? Both big TOC and Little TOC, needs to be the whole TOC, since I may be optimizing for big TOC and impact small TOC - Both Acq and Contractor

TOC Decomposition - Include key phases of the life cycle – Acquisition (MSA, TD, EMD, Production), operations, maintenance and disposal

What is the value provided by the capability? - Both Acq and Contractor

What is the cost by critical capability? - Both Acq and Contractor

At the org level what is my affordability trend? Org & program View

