# Civilian Agency Industry Working Group:

## Progress Through Partnership

Presented at the February 1st meeting of the NDIA
Program Management Systems Committee

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# Agenda

- Why we are reviving the Civilian Agency Industry Working Group (CAIWG)

- Purpose, Goals, Process and Request for Help

- Some suggested concrete ideas for the group

- Next Steps and Next Meeting

- A Case Study:  What the FAA Learned from our experience getting on and off the GAO High Risk List

- Q&A

# Why We are Reviving the Civilian Agency Industry Working Group (CAIWG)

- Government: Agencies are all under intense pressure to produce within budget and cost and must show that they are good stewards of the Federal dollar

- Industry: This is a win-win or lose-lose:  Good government is good business and those contractors that can help their agencies succeed at project management will share in the increased dollars that are allocated; and vice versa!

- All of Us:  Our country's fiscal crisis is real and real change to increase productivity is our responsibility.

# Purpose, Goals, Process and a Request for Help

- Purpose: Promote best practices, sharing and common efforts that demonstrate real (measurable) value to the Civilian Agencies and Industry

- Goals: Pick concrete proposals and ideas, implement them and measure the value, and promote them widely

- Process: Reach out widely to all segments of project management, acquisition, and best practice community, share information and socialize results

- How can you help: Join us; submit ideas and suggestions, offer to pilot; assist in publicizing efforts, socialize our results.  We see this as a low effort, high return project.

# Some suggested concrete ideas
## (and estimated cost savings)

1.  Recognize each others EVMS certifications and perhaps other certifications ($$$)

2.  Share best practices, dashboards, metrics, policies and procedures ($$)

3.  Share commercial best practices (Peer Reviews, Program Start-Up Reviews, Program Independent Assessments).  Work toward common standards and practices ($$)

4.  Encourage risk-based audits and other high value audit functions ($)

# Next Steps and Next Meeting

- This week:  Indicate interest in joining or suggest others who might want to join

- By February 28:  Provide feedback on ideas proposed, on  new ideas, etc.

- By April 15th:  We will provide an updated list to the members, and draft an agenda for the next meeting

- April – May:  Members share ideas among the community and solicit feedback and support

- May:  We will review results and ideas at the next meeting and work with members to plan the way forward

# A Case Study: What the FAA Learned from our experience getting on and off the GAO High Risk List

- How we got on the High Risk List in 1995: The FAA's Capital Investment Plan, The Advanced Automation System debacle, What we learned about Fantasy Factors, Budget Games and "Getting the Agency Pregnant". The Consequences for the agency and its contractors

- What Steps We Took 1996-2004: FAA's New Acquisition Management System; The Fantasy Factor Report and changes in cost estimation; Creation of Investment Analysis Teams; Collaborative efforts with GAO and the Inspector General; The Problem with Capital Planning (Exhibit 300s) and our Efforts to remediate

- What Steps We Took 2005-2008: The Commitment to institutionalize Best Practices in Project Management; Contractor Involvement; GAO Audits in FY 2008; The CIO takes charge, a Plan emerges and is shared with GAO; The Six Focus areas and a critical Seventh area; The final meeting with GAO and statements from the Administrator; GAO Decides

# Specific Steps We Took

- Best Practices expanded and strengthened

- Cost Estimates improved and used

- Enterprise Architecture made real

- Effective Management of IT Portfolio begun

- Clean Audit achieved

- Program Management Best Practices  milestones met

- Progress towards Acquisition Human Resource Management

- Deployment targets met and documented

# What factors GAO considers

- A demonstrated strong commitment and top leadership support to address the risks

- Capacity to address risks

- A Corrective Action Plan that addresses root causes, and that addresses the issues GAO raises and implements solutions

- A program to monitor and independently validate the effectiveness of the corrective measures

- The ability to demonstrate progress

# How EVM Helped

- EVM was part of moving the FAA ATC modernization program off the GAO High Risk List – only program removed during 2009-11 cycle

- OMB Budget Passback and President's Budget have supported FAA programs since 2006 (worth about 100 million dollars)

- Program Managers using EVM have faced fewer audits and none have been "painful"

- FAA's leadership position has helped attract positive attention and good people have come our way.

- Industry sees us as their partner and shares best practices with us more and more.

# Keys to FAA EVM Success

- We obtained and have kept Executive Management Support
  - EVM protects FAA's Capital Investment funding
  - EVM helped remove FAA from the GAO high risk list
  - Our EVM Leadership position helps convince our vendors, aviation partners and stakeholders that FAA is a good steward of the taxpayers and airline user fees money
- We obtained and have Project Management Support
  - We tailored EVM implementation based on type of contract and scope and avoided legacy EVM Problem areas
  - We provided clear, and concise ANSI/EIA 748 criteria
  - We adapted the NDIA EVM Intent Guide using FAA terms, processes, and documents
  - We reached out to our major PMs and our prime contractors

# Keys to FAA EVM Success

- We kept our stakeholders and the industry fully engaged.
  - Contractors and Program Managers see this as a win-win.
  - We did constant socialization with GAO, OMB, the Department of Transportation and other agencies.
  - We provided our materials – policies, guidelines, best practices, training materials, guidebooks and analyses – to everyone.
- We focused on improving project performance rather than EVM. It was the transformation caused by EVM, not EVM itself.
- We focused on fixing the problems with our projects, not fixing the blame, and on continuous improvement.
- We involved everyone, both inside and outside the agency.
- We never declared victory, but we always demonstrated concrete progress.
- We were not afraid to show our costs and to be transparent about what our problems and challenges were and are.

# EVM Transformation
# – Lessons Learned and the Way Forward

- The proper balance between oversight and engagement is critical

- The involvement of staff and contractors with program management experience and empathy is key

- Constant pressure is needed to make change.

- EVM must evolve to broader program management excellence

- Constant education for and use by senior managers is required

- Program teams must be encouraged or forced to employ the right folks

- Standard tools/data/methods are critical and usually more acceptable to program teams.

- Deciding when to do it for them vs teaching them to do it for themselves is an art form.

- Metrics and measurement and transparency is critical

- The external reviewers can be your best friends

- You are never done.

***We will share any and all of our documents and lessons learned.***

# Lessons Learned

- Pay attention to the reasons given and actions recommended
- Make real changes, then justify them to yourself first
- Be prepared for denial, anger, bargaining and depression as well as skepticism
- Agencies need three champions at three levels
- It is not necessary to be green – variances are good
- Its not Program Management but the Program Management Transformation
- Establish a collaborative relationship with your critics
- Industry is a partner and both stand to win.
- Socialization among Agencies, Industry and the Audit and Oversight Community is vital