

## **NDIA PMSC Industry Day**

August 9, 2011

### **Introduction, call to meeting – Joe Kusick**

#### **Susan Cote – VP Corporate Contracts, Pricing and Supply Chain, NG Presentation**

Creating “Win-Win” Outcomes. See presentation materials.

Q&A:

NGC does use EVM principals on all programs over \$5M. Fundamentals for EV are important for all programs. It was noted later during the day by NGC employees that the company uses full EVMS on programs larger than \$25M.

What metrics are used to measure EVMS health? Common problem: integrated schedules; so using schedule integrity checks as part of the internal independent reviews. System enhancements include an integrated management operative module – specific application provides means to predict outcomes (risk areas) and how risks may manifest themselves. Provide means to predict performance. Also looking at the overall system integrity.

CAM incentive compensation used? Use executive dashboard to measure a broad range of program performance measures – tied to key positions. Do more at enterprise level for performance incentives (broader focus) versus program specific; focus is on building strong functional disciplines.

EVM Council structure. Leaders identified from each sector. Includes corporate directors and other lead managers. Strive to meet three times per year for a day and a half plus monthly telecons.

Moving EVMS toolsets to cloud computing? Yes, in process (in general overall broad IT architecture) led by CIO.

Set of toolsets. Common or other? Working on building a standard set of toolsets. MPM is common toolset used on projects, but others are used based on contract requirements. Would prefer to have a standard toolset. Want to use proven toolsets. Do use SAP.

#### **NDIA PMSC Update – Joe Kusick and Dan Butler**

See presentation materials.

2011 Top Issues. Emphasis on reducing regulatory costs and improving processes to reduce costs, best practices. NDIA provides a voice for industry to counter regulatory impacts.

2011 Focus Areas. Working on providing a common message back to PARCA and DCMA. Emphasize that EVMS is a program management tool, not a reporting tool.

Current Government Procurement Environment. Ensure management systems are providing useful information for manage programs effectively. Reemphasis on meeting what you committed to. Impact of constant reorganization with DCAA and DCMA. NDIA will be hosting a program partnering workshop in October to help in the process to effectively work together.

Industry EVM Challenges. Have lots of guides, but still haven't effectively dealt with interpretation. Impact of declining resources. Have a list of topics that will be covered tomorrow.

PARCA Update. First meeting with new management team as they finally are funded and are staffing up. Important player as they set policy. Currently working three topics with industry; the industry working groups results have been given to PARCA; PARCA is now beginning to implement. Gordon Kranz is now PARCA EVMS Policy Focal Point. Also working on the transition to the EVM Central Repository (the database for DAES report and senior reviews).

DCMA Changes. Reorganization will be discussion further tomorrow. Marie Greening is a key player for us as well as Joe Sweeny, the new portfolio manager. Surveillance is moving under Marie Greening. Moving back to regional focus.

Review of DCMA Training package regarding the DFAR Business Systems Rule. Will not be presented tomorrow – provides background information for tomorrow. Note: NDIA has provided a number of comments to DoD regarding the DFAR Business Rule; some were accepted, others not. Intent of the rule is to improve the effectiveness of oversight activity. Looking for evidence of systematic problems. Note there is also an edit to 7000.2 was what done aside from the DFAR Business System Rule that spoke to compliance and non-compliance. Training lists the high risk guidelines that are cited in the business systems rule. Training discusses scenarios whether a deficiency is significant or not. Discusses steps for disapproved systems and initiating contract withholds; timing details are not included, however. Discussed how the new rule is applied – requires a change to contract. Interpretation is evolving; we will need to work closely with DCMA regarding materiality. Do not know if there is an impact to a company that does not yet have a validation.

PASEG has been published and is posted on the NDIA ICPM web site. Describes best practices for industry. Comment form is also available; reminder to send in comments for update process.

Civilian Agency Working Group – quick review of their purpose and scope.

Guide Update Review. Updated documents are available on NDIA PMSC web site. Only outstanding document for update is the Acceptance Guide (November 2011 target complete date).

**Ruth Franklin provided a reminder about the annual International IPM Conference.** Dates are November 7 through 9, 2011 in Bethesda, MD.

#### **PMSC Process Improvement and Path Forward – Joe Kusick**

See presentation materials.

Review of the Strategy and Operations Refresh; reviewed actions taken to date such as commenting on the DFARS rule. Did send survey out to industry participants, survey for government participants will be next. Survey results will be discussed in more detail later; working to keep improving the meeting content. Reinvention of the clearinghouse to help resolve issues is key.

#### **Clearinghouse Working Group revitalization – Joe Kusick and Joan Ugljesa**

See presentation materials for reference. Contracts and Clearinghouse will be meeting jointly this afternoon to kick things off. Joe discussed issues such as production environment CARs related to common stores and undefinitized contract actions that will be brought up in the clearinghouse.

#### **Nominating Committee Report – Gary Humphreys**

There are two candidates for Vice Chair as Mike Martin has retired. Candidates are Kim Herrington with Bell Helicopter and Tracie Thompson with ATK. Voting period will be before lunch to vote for Vice Chair. Candidates presented their background and their reasons for running for vice chair.

#### **NDIA Industrial Committee for Program Management (ICPM) Status Update – Pete Wynne**

See presentation materials for reference. Carol Boser attended the last meeting for Pete and Neil Albert (NDIA PMSC liaisons to the ICPM). More information about the ICPM is available on the NDIA web site. The PASEG is also posted on the ICPM web site. Committee has been meeting for almost four years. They meet about three times per year; four hour meeting. Includes high level acquisition services representatives and senior executives from industry.

The ICPM was the impetus behind the program start up process and development of the PASEG which is now in comment period. PASEG was presented at the spring conference and will be again at the fall conference. The PPSS will not go away – working on keeping it together, but need to replace people who have moved on. In general, more emphasis across the board (government and industry) on improving the planning and scheduling process.

Discussion about the training challenges in both industry and government.

#### **LinkedIn Group, Collaborative Environment Initiatives – Bill Altman**

See presentation materials. Actions are a result of PM Outreach Working Group discussions and suggestions.

Test pilot for LinkedIn. Purpose is to create a venue for discussion of appropriate topics. Managed group limited to corporate NDIA members as a starting point – content will not appear in search engine results. Pilot will be for nine months to gauge use and effectiveness – will report out in Spring 2012. Did set ground rules for use. Started with a couple of discussion threads to get the group going. Discussed next steps – will be sending out invitations to the PMSC membership. Note the LinkedIn site is for industry only.

Collaboration Sites (NDIA SharePoint sites). These are for the working groups only. Working group leads will need to collect names; will need this for the NDIA to establish access permissions. Note working groups will include industry and government people. Limited functionality (out of box sites, not tailored). Must have an NDIA account to be able to access (see Bill's presentation for details). Will need account email address to set up access. The working group leads are responsible for maintaining the access list for the working group. Contact Bill Altman for more information or for a demo.

**Voting activity conducted before lunch.**

### **Afternoon Session**

Election results announcement by Gary Humphreys. Tracie Thompson is the new Vice Chair. Election committee will stay in place for the next vice chair cycle and to fill open slots on the board.

### **Integrated Cost-Schedule Risk Analysis Using Risk Drivers and Prioritizing Risks – David Hulett**

See presentation materials. AACE International has also published a best practice on this topic for anyone interested in learning more.

### **Membership Survey Results – Wade Smith for Joe Houser**

See presentation materials.

Two step process for the survey. Will survey government participants next. Note the recommendations noted in the presentation materials are initial thoughts. These will be tempered based on what we learn from the government survey. Will need to keep working on the IPM definition – Joe Houser and Carol Boser will be working this.

### **The Role of Project Management Office in IT Project Success – Stan Emelander, Ph.D.**

Works at an Army project office (Picatinny Arsenal) as background information. See presentation materials – reflects research done on PMOs by Dr. Jacob Stewart (PhD dissertation, 2010). Primary research question: Does the existence of a PMO contribute to IT project success? Yes, if formal or informal dedicated resources. Secondary: What PMO functions support project success? Presentation material provides list (18 support factors). Provided list of recommendations from the study.

### **Wrap up for the day – Joe Kusick**

Summarized topics covered for the day.

Turned over to the working groups for the working sessions.