



PRODUCT SUPPORT EXECUTIVE COUNCIL (PSEC) NEWSLETTER

PRODUCT SUPPORT PROGRESS

VOLUME I, ISSUE II 17 JUNE 2010

FRONTLINE: GILBERT DIAZ- PRODUCT SUPPORT COMMITTEE AEROSPACE INDUSTRIES ASSOCIATION (AIA)

On behalf of the AIA Product Support Committee (PSC), I applaud the Weapon System Acquisition Reform – Product Support Assessment (WSAR-PSA) implementation progress and reaffirm our commitment to this plan for improving weapon system readiness and reducing total ownership cost. I think our recent PSC Spring Conference in Clearwater, FL clearly demonstrated our commitment to this effort. Our three-day conference was organized around the principle WSAR topic areas with each topic covered by either a guest speaker or a discussion panel comprised of subject matter experts. The speakers and panelists provided IPT updates, honest assessments of the challenges, and thoughts for future actions. As always, the discussions were thought provoking and, at the end of the day, we all better understood the goals of and obstacles faced by the WSAR-PSA IPTs.

From an industry perspective we are especially interested in: the criteria and tools decision makers use to make best value decisions; and strengthening the Industrial Base through a better integration of the public and private sectors. This includes making sure the business case analysis process is consistent and thorough so that the Warfighter and the taxpayer know exactly what they are buying and the associated risk. Our approach and behavior are driven by the requirements, evaluation criteria, and incentives that our customers dictate. While this may seem intuitive, it is sometimes overlooked or forgotten when building and executing acquisition strategies. Therefore, we have an obligation to share appropriate information that ensures informed enterprise-wide decisions. Our PSC members are already working with the CAPE to identify more useful O&S cost information to aid in these decisions. However, our information sharing must go beyond shared financial data and expand to highlight the potential negative impact of unintended consequences caused by well intended but inadequately analyzed acquisition and product support decisions. Finally, factors surrounding the topic of Industrial Base integration have been less clearly enunciated, but rest assured that our PSC industry representatives will continue to work side-by-side with the government to implement the WSAR-PSA Industrial Base recommendations.

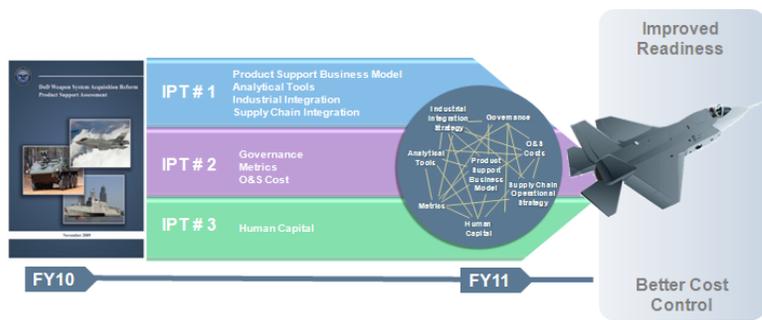
I personally have been on this product support journey for a long time. While we have made significant progress, we have also suffered some setbacks. There is no doubt in my mind that outcome-based product support decisions provide significant value to the Warfighter. Like anything that’s new, there are challenges and lessons learned and we must capitalize on them. The WSAR-PSA efforts are leading us in the right direction and the PSC is committed to making sure we all achieve the desired results. If you’re sailing home and the wind changes you adjust your sails, not your destination.

SPECIAL POINTS OF INTEREST:

- Business Case Analysis (BCA) Template and Creation Guide are on track for completion in July
- Product Support Manager (PSM) Guidebook will be available for comment in August 2010
- Human Capital finalized Product Support Competencies and are focusing on criteria for DAU’s Continuous Learning (CL) Modules

FOCUS ISSUES:

- IPT # 1 Analytical Tools: BCA Template and Creation Guide
- IPT # 2 Governance: Independent Logistics Assessment (ILA) Guidebook
- IPT # 3 Human Capital: Product support competencies and establishing effective DAU course criteria



DoD spends \$132B on product support per year

All IPT Meeting
 15 July, 0800-1600
 DLA HQ McNamara Auditorium

IPT 1– Product Support Business Model

FOCUS: BCA Template and Creation Guide

Business Case Analysis (BCA) Template

Audience/Primary User: Product Support Manager (PSM) (and other stakeholders)

Purpose: Provide a standardized template and guidance for the PSM to use to evaluate Weapon System support strategies

Objectives: 1. Provide minimum acceptable standards for a BCA; 2. Provide a DoD BCA Template; 3. Provide guidance (Creation Guide) on how to use the Template

BCA Creation Guide

Audience/Primary User: PSM; Decision Makers (and other stakeholders)

Purpose: Provide an acceptable process and standardized methodology for writing, conducting and aiding decision making for a BCA

Objectives: 1. Provide guidance on the owner, functions, and roles and responsibilities of those involved in creating a BCA; 2. Provide guidance on the process of the BCA including how to prepare, conduct, and close out a BCA; 3. Provide guidance on the systems, tools, and data sources that support a BCA

Product Support Manager website established
<https://acc.dau.mil/psm>

DoD BCA Template

Executive Summary

I. Introduction

- a. Problem Statement
- b. Background

II. Outcomes and Requirements

- I. Outcomes
- ii. Requirements

III. Methods and Assumptions

- a. Previous BCA Results
- b. Ground Rules, Assumptions, and Scope
- c. Analysis Methods, Tools and Rationale
- d. Evaluation Criteria

IV. Alternatives

- a. Current Baseline
- b. Alternatives

V. Mission and Business Impacts

- a. Cost and Financial Analysis
- b. Benefits and Non-Financial Analysis

VI. Risk Analysis

- a. Risk Assessment and Mitigation Plans

VII. Sensitivity Analysis

- a. Sensitivity Analysis

VIII. Conclusion

- a. Comparison of Alternatives
- b. Conclusion and Results of Analysis

IX. Recommendations

- a. Specific Actions Based on Business Objectives
- b. POA&M for Implementation

DoD BCA Template Creation Guide

A. People

- i. Sponsor
- ii. Owner
- iii. Relevant Parties and Functions
- iv. Roles and Responsibilities

B. Process

- i. Content [see BCA template]
- ii. Approval, Governance, and Validation
- iii. Timeline and Lifecycle
- iv. Execution and Program Success
- v. Lessons Learned and Best Practices

C. Systems

- i. Analytical Tools [see Analytical Tools]
- ii. Recommended Authoritative Data Sources
- iii. Data Rights Management
- iv. Access

Other Ongoing IPT 1 Efforts:

- *PSM Guidebook:* We are writing the first draft of the PSM Guidebook. This guidebook focuses on the role of the PSM and his or her responsibilities in the development and implementation of the Life Cycle Support Plan. The team's efforts in creating this document include integrating the output from the other IPTs into a ready-reference "how-to" manual that is organized by life cycle phase for major PSM program management tasks. The guidebook will be available for comment in August 2010.
- *Industrial Integration:* We are determining mechanisms to better enable outcome-based partnering for each of the Product Support Elements (PSE). Tying into this are efforts from the Joint Supply Chain Architecture (JSCA) initiative's Joint Approach to Industry work-stream, the ongoing efforts of the PBL survey sponsored by OSD and University of Tennessee, and the Services' various partnering initiatives. The sub-IPT will be releasing a targeted data call to the Services and Agencies that is designed to identify partnering strategies and enablers across the PSEs as well as quantitative and qualitative measures of effectiveness.
- *Joint Supply Chain Architecture:* The JSCA team's standardized supply chain metrics are currently out for comment by the DoD Components. Also, weapon system diagnostics using the JSCA continue on the C-130, Close-In Weapon System (CIWS), and Hellfire launcher. Final metrics and results of these diagnostics will be presented to the Executive Advisory Committee (EAC) at their next meeting.

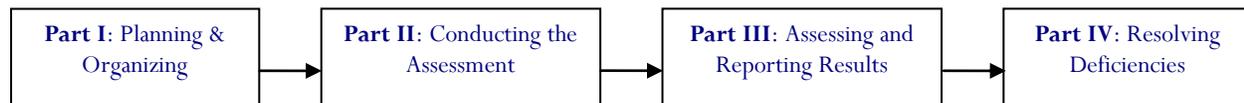
IPT 2– Governance

FOCUS: ILA Guidebook

ILAs of a program, conducted at major milestones and decision points, provide senior leadership with information needed to make informed decisions on the readiness of a program to proceed to the next milestone or phase. In addition, supportability readiness reviews conducted at Initial Operational Capability and periodically thereafter provide the Warfighter the ability to compare actual versus expected performance. Under WSAR-PSA, IPT 2 has been chartered to develop a process and criteria for conducting ILAs for all ACAT I and II programs. This effort will provide:

- The process for conducting an ILA
- Criteria for assessing a program during the acquisition phase
- Criteria for assessing a program during sustainment or post-IOC
- Criteria for rating and certifying a program logistically
- Reporting requirements

Each Service should develop its own implementing processes and guidance to meet its unique requirements within the boundaries of the handbook. The handbook is currently divided into four parts and appendices, with the objective of each identified below. These will provide detailed guidance to the program and ILA team on conducting, assessing, reporting, and closing the ILA. The IPT will deliver the final draft Handbook in September 2010, with issuance expected in October 2010.



Objectives:

Part I: Planning and Organizing: provides information on the preparation required to conduct an ILA.

Part II: Conducting the Assessment: identifies the basic methodology for conducting a successful ILA and provides the methodology for using the assessment criteria to conduct an ILA. These criteria are standard assessment criteria applicable to all the Service's systems. They should be further defined in the respective Services' guides to identify Service specific or platform unique requirements.

Part III: Assessing and Reporting the Results: addresses the preparation of the ILA report, coordination with the program office and submission of the report through the chain of command, as well as the rating and certification criteria.

Part IV: Resolving Deficiencies: identifies the process to ensure the deficiencies identified in the assessment report are adequately resolved. This includes reporting of corrective actions by the program office to the team leader for closure.

Other Ongoing IPT 2 Efforts:

- *Post-IOC:* We hosted a Post-IOC workshop with high-level decision maker representatives from each of the Services. We used the Navy Gate 6 review process as a starting template to establish a standardized method of conducting Post-IOC reviews. Once a draft template for a Post-IOC review is established, we will conduct pilot reviews to continue to improve the process.
- *O&S Costs:* Director, CAPE has approved the WSARA-directed report on systems and methods for tracking and assessing O&S costs for MDAPs. The report is in final coordination prior to delivery to the Secretary. The report must be provided to the congressional oversight committees by 22 June 2010. We are reviewing the final draft of the GAO's WSARA-directed review of the factors contributing to O&S cost growth, and we continue to work with the Operational Test Agencies to make their reports more immediately available to cost analysts.

IPT 3– Human Capital

FOCUS: Competencies

1. Life Cycle Management

1.1 Integration of Acquisition and Life Cycle Sustainment Policies: The strategy and direction to manage and reinforce the implementation of mandatory life cycle sustainment metrics, align resources to achieve readiness levels, track performance throughout the life cycle, and implement performance-based life cycle product support strategies.

2. Design Influence / Supportability

2.1 Design for Optimized Product Support & Sustainment: The collaborative technical and management activities between life cycle logisticians and engineers conducted to ensure supportability performance capabilities are considered early and throughout the acquisition process.

This is done to optimize support costs while providing the user with the resources to support and sustain the system. In addition, it ensures the equitable and concurrent incorporation of specified supportability related performance, capability, design, and development criteria associated with systems design (both initial and modernization) of defense system programs.

2.2 Reliability, Availability & Maintainability (RAM) Analysis: A process used to determine an item or system's failure modes and frequencies, wear characteristics, maintenance methods, etc. This information becomes a major input to the logistics processes to build the logistics support system that will ensure that an item/system will be available for its intended purpose.

2.3 Supportability Analysis: A process used to determine an item or system's support needs and preferred support methods. The process uses the reliability and maintainability, operational requirements, existing support systems and Integrated Logistics Support objectives as inputs. The outputs are an integrated support plan for the item or system's life cycle.

3. Product Support Planning

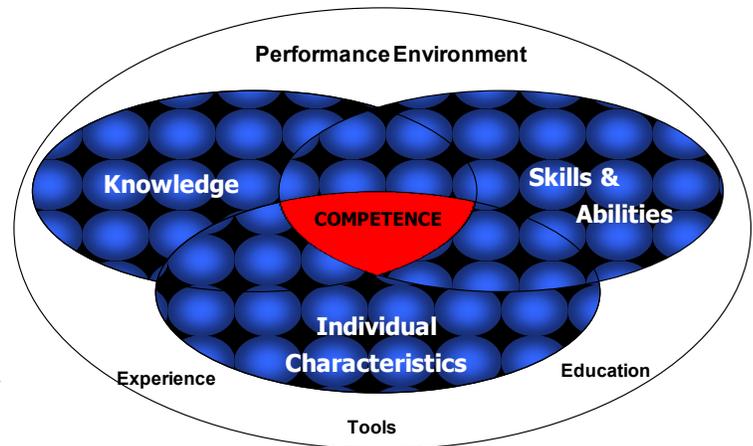
3.1 Product Support Planning: Defined as the technical and management activities conducted to develop and deliver required system support to ensure achievement of Warfighter required performance capabilities, while minimizing support costs, logistics footprint, and providing the user with the resources to sustain the system in the field.

4. Product Support / Performance-Based Sustainment

4.1 Product Support and Sustainment: Defined as the total life cycle systems management of program support and sustainment activities to translate force provider-specified performance criteria and associated outcome metrics for defense system operational availability and readiness into affordable, total system/total life cycle support performance capabilities. Oversight of defense system logistics support planning and execution extends business case analyses to cross-program, logistics infrastructure considerations.

4.2 Technical/Product Data Management: Integrates and controls various forms of life cycle technical/product data. Technical/product data range from requirements and specifications used in design and procurement to maintenance manuals and parts lists used in sustainment. All aspects of defense systems incorporate technical/product data and require technical/product data management.

4.3 Configuration Management: "A management process for establishing and maintaining consistency of a product's performance, functional, and physical attributes with its requirements, design and operational information throughout its life." (Source: ANSI/EIA-649). Changes to configuration may have an effect on reliability, maintainability, supportability, performance, and operational needs. This consequently will have an effect on the logistics needs of an item/system.



Calendar of Upcoming Events

June 2010						
SUN	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT
		1 IPT 3 Human Capital	2 IPT 2 Post-IOC Workshop IPT 1 Industrial Integration Workshop	3 IPT 1 PSM GB IPT 2 ILA Workshop	4	5
6	7 All IPT Leader Mtg	8	9	10	11	12
13	14 All IPT Leader Mtg	15 IPT 3 Human Capital	16	17 IPT 1 PSM GB Workshop IPT 2 Governance	18 *PSEC News-letter	19
20	21 All IPT Leader Mtg	22	23	24 IPT 1 Industrial Integration (II)	25	26
27	28 All IPT Leader Mtg	29 IPT 3 Human Capital	30			

July 2010						
SUN	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT
				1 IPT 2 Governance	2	3
4	5 All IPT Leader Mtg	6	7	8 IPT 1 Industrial Integration (II)	9	10
11	12 All IPT Leader Mtg	13 IPT 3 Human Capital	14	15 *All IPT Mtg	16	17
18	19 All IPT Leader Mtg	20	21	22 IPT 1 Industrial Integration (II)	23	24
25	26 All IPT Leader Mtg	27 IPT 3 Human Capital	28	29 IPT 1 PSM GB IPT 2 Governance	30	31