

Headquarters U.S. Air Force

Integrity - Service - Excellence



***Leading a Program...Some
Call It Program Management***

U.S. AIR FORCE



Ms Judy Stokley

***Air Force Program Executive Officer
for Weapons***



■ A Program's Journey

“The man pulling radishes pointed the way with a radish.”

ISSA

■ The Inner Voice of Leadership



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Advanced Medium Range Air-to-Air Missile (AMRAAM)



“THE AMRAAM JOURNEY”





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The AMRAAM Journey

- **Background**
- **How Did We Change?**
- **Where Are We Today?**
- **Lessons Learned**
- **Summary**



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Advanced Medium Range Air-to-Air Missile (AMRAAM)

Program Description

- **Medium Range Air-to-Air Missile (AIM-120)**
 - **Radar-Guided, All Weather, Beyond Visual Range**
- **Total Planned Procurement: 2,419 Navy/8,498 Air Force/ 3,754 Foreign Sales**
- **Prime Contractor: Raytheon Company**
- **Contract Awards: Jan 01 CATM Production
Jan 01 Annual Sustainment
Apr 01 Production Lot 15 of 22**
- **Combat Proven**



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Background

In 1997, AMRAAM Program Faced:

- **Extended Production Run**
 - **Small Annual US Procurements**
- **Costly Infrastructure**
 - **At Low Quantities, Only 50% of Dollars Bought Missiles**
- **Significant Mandated Manpower Reductions by FY00**
 - **No Plan in Place**
- **Loss of Competition From AMRAAM Producers**
 - **Raytheon Petitioned Government to Purchase Hughes Aircraft Company**



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HOW CAN WE IMPROVE AMRAAM?

- **Reduce Average Unit Procurement Cost (AUPC)**
- **Attain Go-Ahead Decision and Funding for P³I Phase III**
- **Accelerate JSPO Manpower Drawdown Plan**



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Program Response

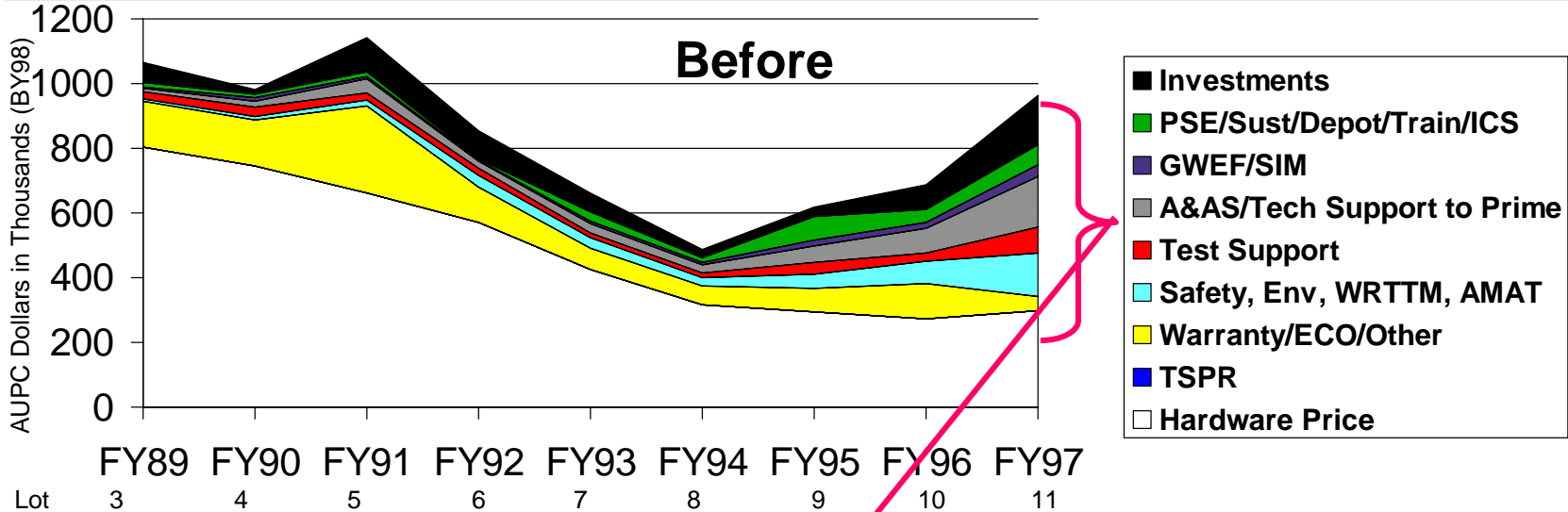
In 1998, AMRAAM Program:

- **Supported Raytheon/Hughes Merger**
 - **Attained \$50K Reduction in Hardware Unit Price as a Condition**
 - **Consolidated Development, Production, and Repair at Tucson, AZ**
- **Teamed with Raytheon to Implement Commercial Business Practices**
 - **Saved 28% (\$590M) of Procurement Funds**
 - **Reduced AF Manpower by 66% 2 Years Early**
 - **Over 80% of Dollars Now Buy Missiles With Phased Improvements**
- **Established 10-Year Cost Control Strategy**
 - **Long-term Production Price Commitments From Raytheon**

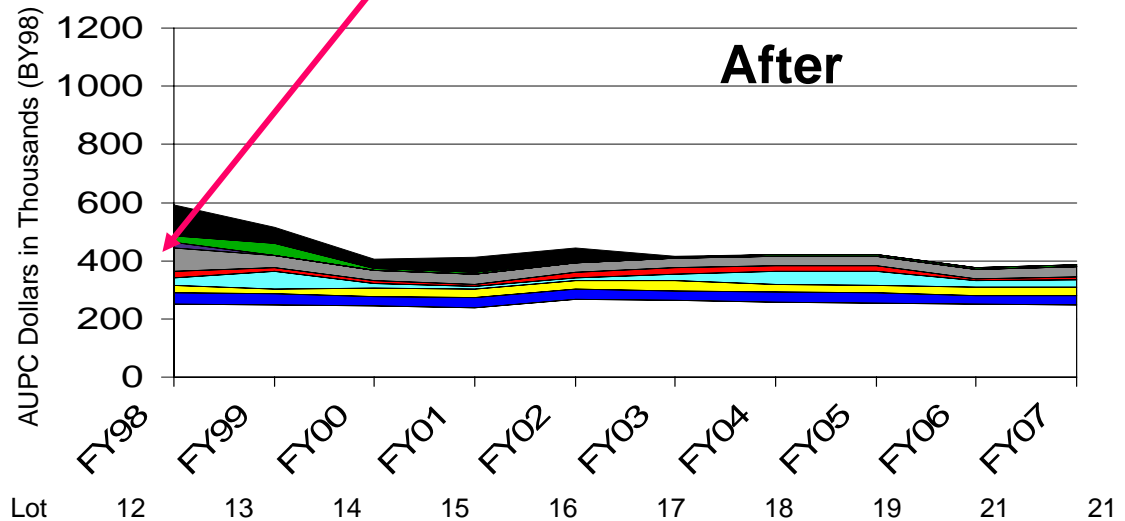


AMRAAM Cost Projections

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*Improved Missiles
at Reduced Prices*

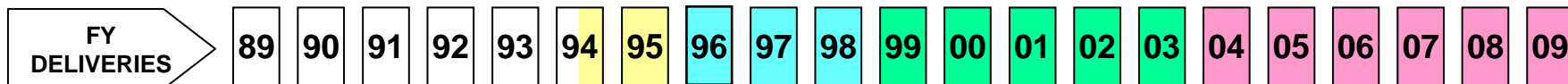


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Evolution Of AMRAAM

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P³I Phase 3



Guidance Section

AIM-120C-7 (Lots 16-21)
 Improved EA, Lethality
 AF Planned Buy - 1,352

P³I Phase 2



Warhead, Fuze, +5 Rocket Motor

AIM-120C-4/5/6 (Lots 11-15)
 Improved EA, Kinematics, Lethality
 AF Planned Buy - 903

P³I Phase 1



Compressed Carriage

AIM-120C (Lots 8-10)
 Improved EA, Increased F-22 Loadout
 AF Quantity - 1,722

APREP



EEPROM

AIM-120B (Lots 6-7)
 Reprogrammable, Improved EA
 AF Quantity - 1,255



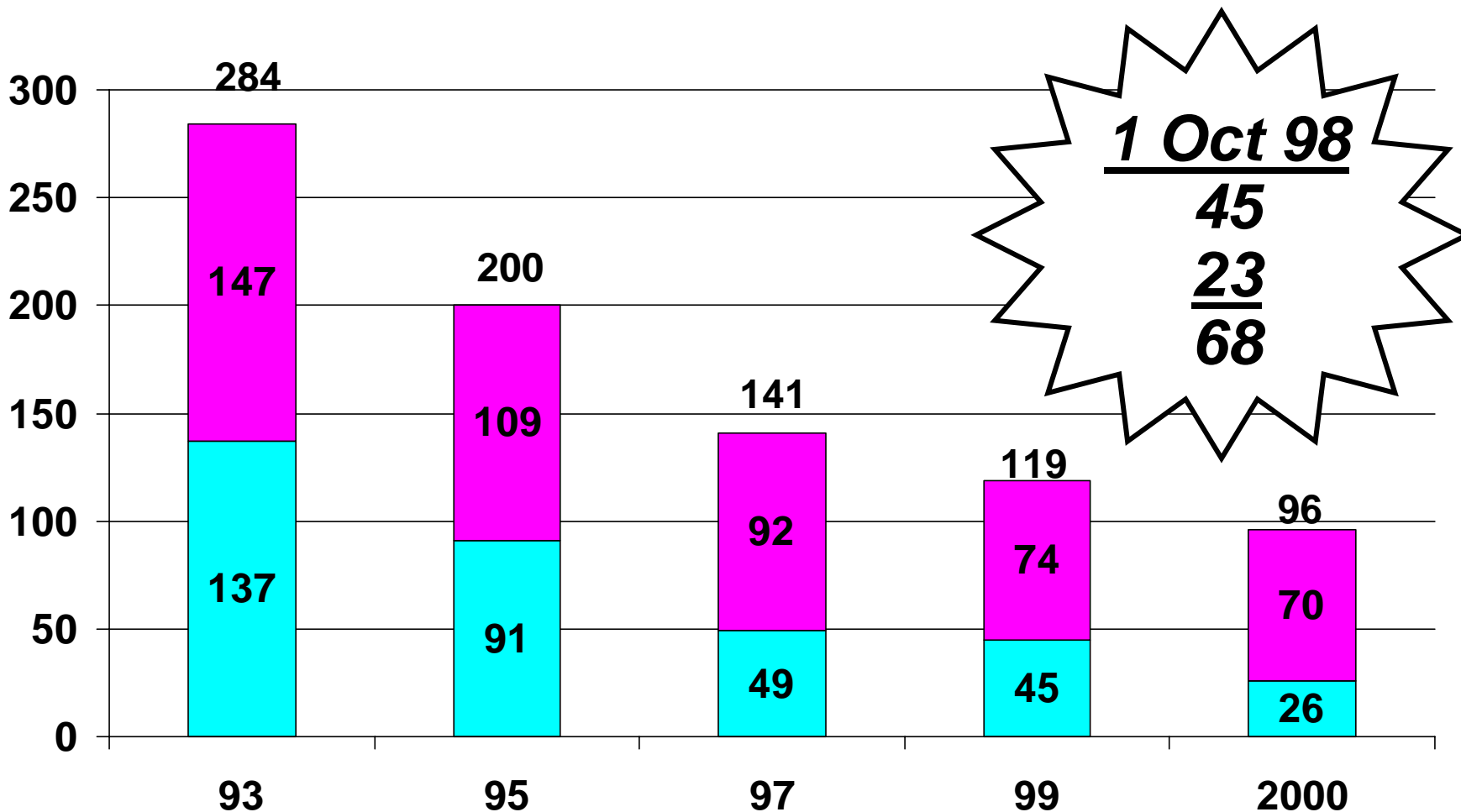
Baseline

AIM-120A (Lots 1-6):
 Beyond Visual Range (BVR), All Weather, Look-Down/Shoot-Down, Multi/Cluster Targets,
 Air Force Production - 3,266



Acquisition Workforce

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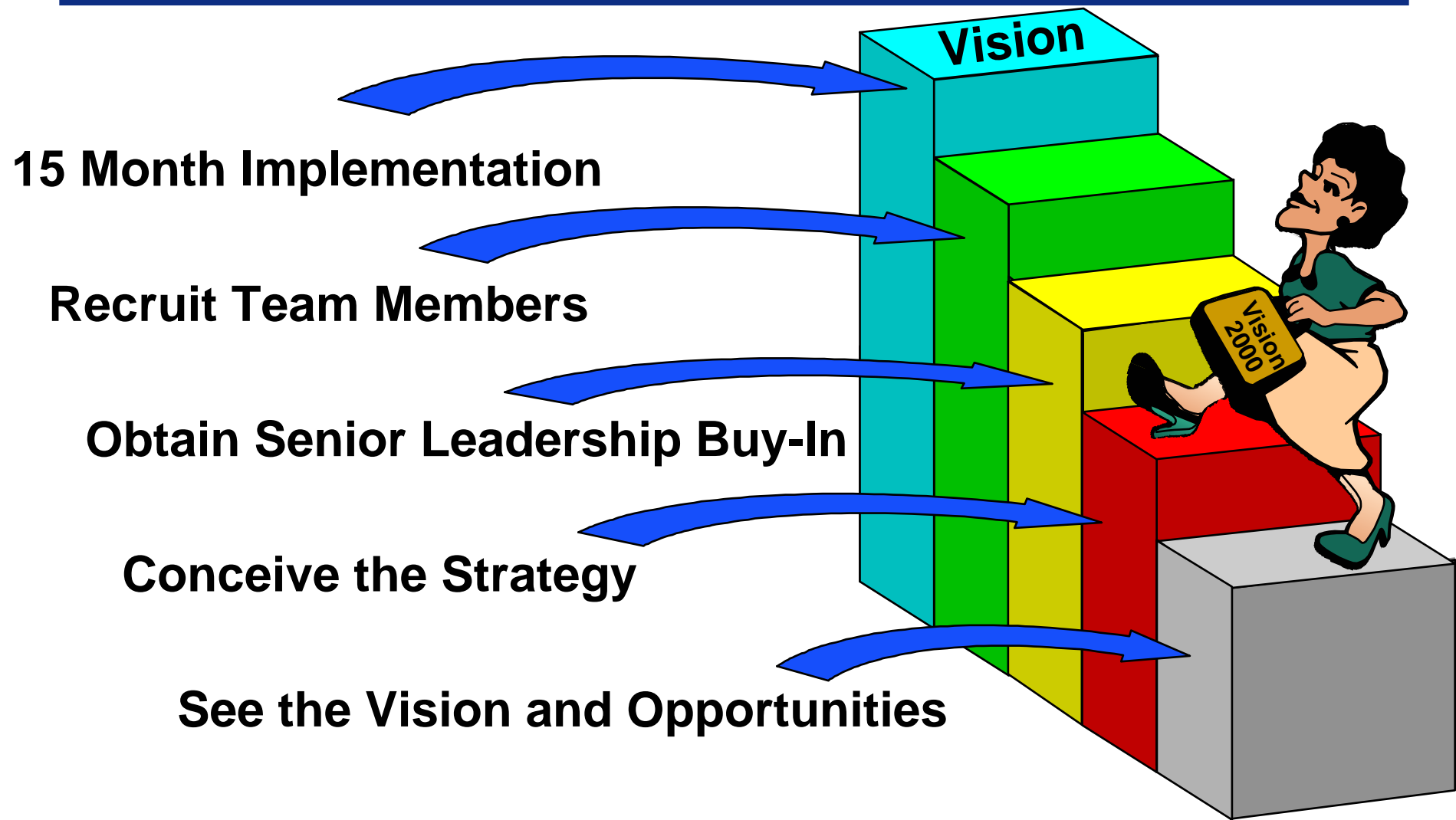


? *How* ?



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AMRAAM Vision Implementation Steps





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AMRAAM Vision

*Lean government team **partnered** with industry to meet our commitments to develop, deliver, warrant, and support affordable, combat ready products and services.*



***Win-Win
Strategies in an
Atmosphere of
Teamwork and
Trust***



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AMRAAM Vision

*Lean government team partnered with industry to meet our **commitments** to develop, deliver, warrant, and support affordable, combat ready products and services.*

Promises Made, Promises Kept

Cost

Schedule

Performance



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AMRAAM Vision

*Lean government team partnered with industry to meet our commitments to develop, deliver, warrant, and support affordable, **combat ready** products and services.*



***Warfighters' Lives
Depend on us
Meeting Our
Commitments***



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Takeaways

Partnerships

Commitments

Warfighters



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AMRAAM Vision Philosophy

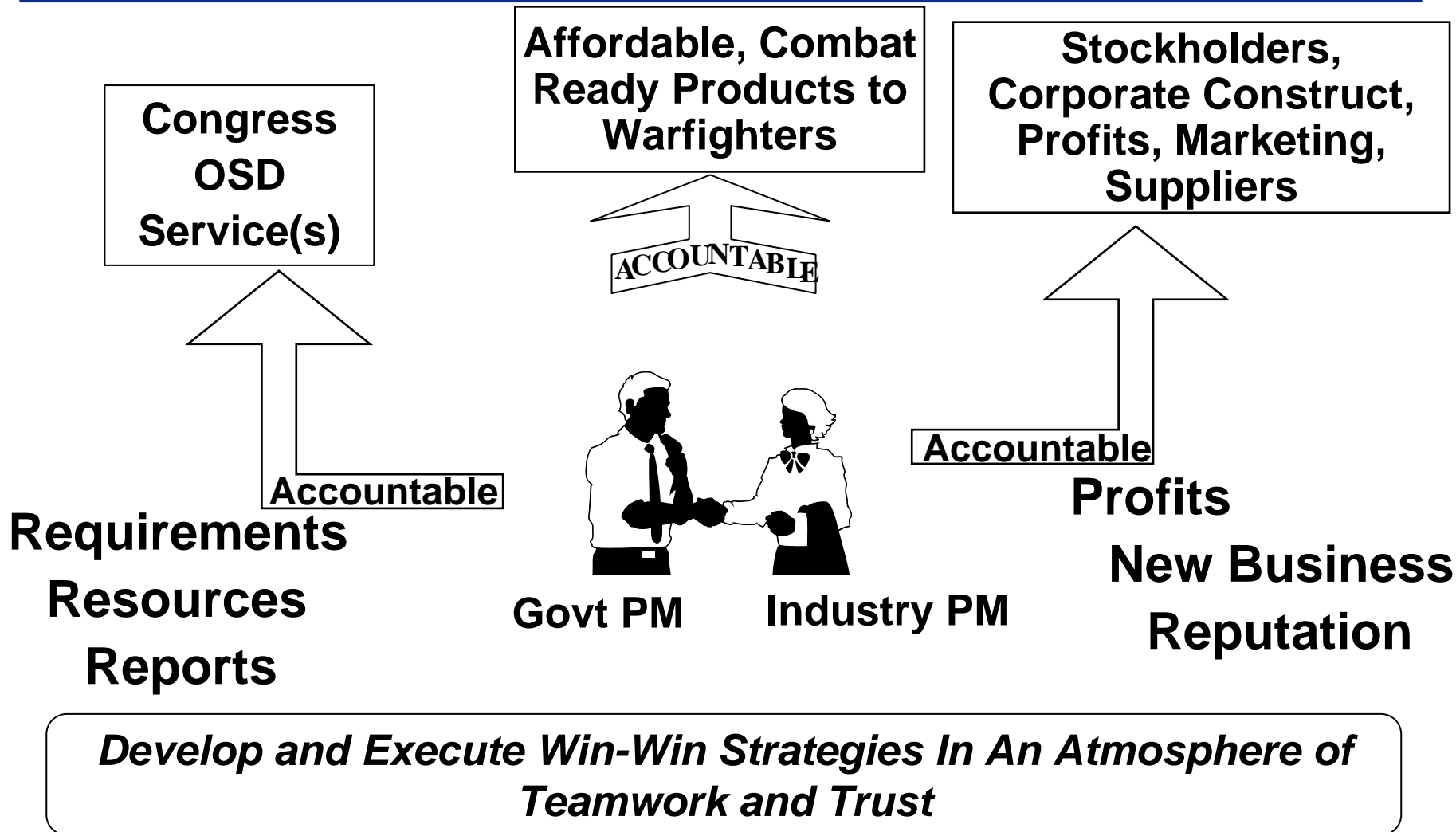
- **The Contractor shall perform the tasks that he deems necessary and sufficient to develop, deliver, warrant, and support affordable combat capable and readily available weapons systems.**
- **The Government shall commit to a reasonably stable production program, establish contractor control and accountability, support a long term pricing strategy, and strive to enable contractor success.**

Cultural Jolt



Win-Win Business Arrangement

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Vision Implementation Team

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- **Impassioned Change Agents From The Air Force, Navy and Raytheon**
 - **Functional Skills**
 - **Demonstrated Job Knowledge and Performance**
 - **Enthusiasm and Personal Courage**

Team Charter: Implement AMRAAM Vision



AMRAAM Vision Key Elements

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Status

- Contractor Control and Verification of Product
 - System Performance Specification Complete Mar 98
 - Task Destinations Complete Aug 97
- Revolutionize Business Practices
 - Production Efficiencies of One Producer Complete Jul 98
 - Long Term Pricing Agreement Awarded 13 Apr 98
 - CAIV for P³I Phase III Awarded 29 Oct 98
- Incentives for Contractor
 - Direct Commercial Sales Case-by-Case Review
 - Source of Repair Complete Jun 97
 - Self-Oversight Complete w/Lot 12 Contract Award 13 Apr 98
 - Support Infrastructure Mar 98/99



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AMRAAM Vision Government Roles

- **Understand, Interpret, and Iterate Operational User Requirements**
- **Support the Planning, Programming, and Budgeting of Program Resources**
- **Establish and Execute Technical and Business Relationships With The Prime Contractor**
- **Enable the Contractor and Other Government Agencies to Achieve AMRAAM Program Goals**
- **Keep the Warfighters, the PEOs, and the SAEs Informed of Program Status**



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AMRAAM Vision Raytheon Roles

- **Integrated Development, Production, Repair, and Sustainment**
- **Long Term Responsibility for Health of Systems**
- **Verification of Product Compliance and Design Life Bumper-to-Bumper Warranties**
- **Accountability for all Field Performance and Support Functions**
- **Proactive, Astute Business Leadership and Synergy Across Entire Product Line**



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Where Are We Today?

- **All Contract Awards Made Within Budgets (FY98-01)**
- **Execution All Green for Four Years - Unprecedented!**
- **Warfighters Got Key Performance Improvements**
- **Team Embraced Vision and Annual Goal Setting**
- **Recognized the Workforce with Promotions and Awards**
- **Phase III is On Track Within Original Baseline!**
- **Next Award is Mar 02 - Price Based Acquisition**

Partnership Is Flourishing!!



Tenets of AMRAAM Vision

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*Tenets are Guiding Principles That Do Not Change
With Time*

- **Teaming Relationship Between JSPO and Raytheon**
- Raytheon with **Total System Performance Responsibility**
- JSPO and Raytheon in a **Win-Win Business Relationship**
- AMRAAM With Continual **Warfighter Gains** in Capability



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Key Changes

New Way

- Program Leadership Group
- Business Control Board
- Govt: Missile Performance Spec
- Contractor Self-oversight
- Profit Posture Over Several Years
- Contractor Meets Spend Plan/
Expenditures - GREEN
- Service Life Prediction Program
- Contractor and Government Invest
in Improvements
- Contractor Owns Field Performance
- Contractor Maintains Availability for
Warfighters
- Enablers, VTCs, and EDI

Old Way

- Staff
- Budget Control Board
- Govt: 370+ Spec
- Government Quality Inspectors
- Head-to-Head Competition
- Government Chronically Behind in
Obligations/Expenditures
- Surveillance
- Government Only Invests in
Improvements
- Government Monitors and Directs
Contractor
- Government Mandates Repair
Turnaround Time
- Government Reviews and CDRLs



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Problem Solving

- **We Will Have Problems**
 - **Solve Them Together**
- **Fundamental First Question**
 - **What is the right thing to do?**
 - **Once You Know That, It's a Matter of Finding a Way to Do It**
- **Work Together to Establish Clear Understanding...Don't Count on the Contract**

“Lawyers are well aware that any contract, however well crafted, can be broken unless some smattering of ethics and goodwill remains on each side.”

Rushworth M. Kidder



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How Do We Work Day-to-Day

- **Make Commitments Together**
- **Succeed or Fail Together**
- **NO CLAIMS**



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Acquisition Excellence - Benchmark Organization

2001	Designated AF Pilot Program (1 of 3) for Price Based Acquisition
2000	SAF/AQ Lightning Bolt Award
1999 & 2001	AF Nominee for David Packard “Excellence in Acquisition Award”
1999	Defense Acquisition Executive Certificate of Achievement
1998	SAF/AQ Award for Customer Support
1998	DoD Life Cycle Cost Reduction Award
1998	Chief of Staff Team Excellence Award

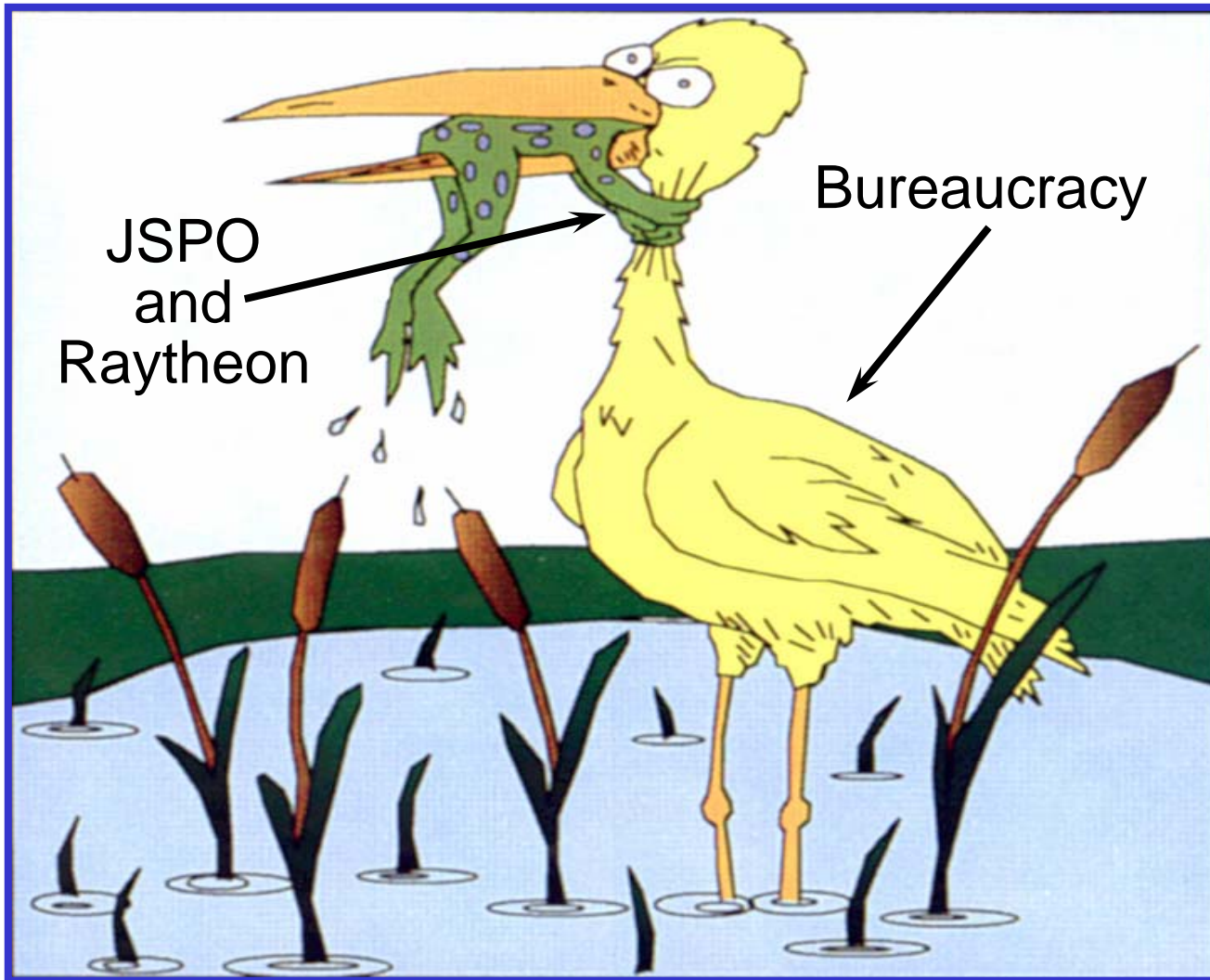


- **Nurture a Government/Industry Team**
 - **Common Vision and Goals**
 - **Win-Win Strategies**
- **Find Change Agents With Personal Courage**
- **Establish Consolidated, Integrated Contract Packages**
 - **Avoid Fragmented Work Projects**
- **Articulate Responsibilities and Accountabilities**
- **Stand Firm Against Attackers**
 - **Use Compelling Data and Comprehensive Strategies**
- **Learn to Look Steely-Eyed Into the Barrel of a Six Gun**
 - ***“THIS IS THE WAY WE ARE GOING”* and *“NO”* Are Powerful**



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Never Give Up!!



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***Warfighters And Taxpayers
Are Looking For Great
Leaders And Champions Of
Change***



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Sharing What I Have Learned About Leading an Organization

(Some Call It Program Management)



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Leading A Program

A Program Manager Does Many Things

**Provides Vision
Drives Results
Builds Teams
Manages Activities
Integrates Functionals & Components
Motivates People
Mentors People and Cares About People
Kick-Starts Initiatives
Finds Win-Win Solutions
Get and Keep Money**

**Communicates, Communicates, . . .
Nurtures Relationship
Sets Policies
Focuses Energy and Talent
Makes Hard Decisions
Mediates Disagreements
Does The Logic Check
Sets the Tone
Creates Structure for Change
Maintain Advocacy**

BUT DOES SHE LEAD?



“BEWARE of the Scribes...”

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8 STEPS TO SUCCESS

Virtual Office

Reengineering

Performance Specifications

Statistical Process Control

INSIGHT vs OVERSIGHT

Top Down

Process Transformations

10 Steps to Successful Change

Getting to the Top

Total Quality Management

ISO 9000

Bottoms up

Automated Executive Metrics

Price Based Acquisition

Competition in the Digital Age

Cost as An Independent Variable

Spiral Acquisition

Six Sigma

“Beware of the scribes, which love to go in long clothing, and love salutations in the market places,”

Mark 12:38



- Vision
- Integrity and Judgement
- Diligence - “Persevering, Painstaking Effort”
- Motivation

“...who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, at the best, knows in the end the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat”

Theodore Roosevelt



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Leadership – Your Vision

- **“Poetry has to emerge out of the wilderness of the self.” *Stanley Kunitz***
- **Defining leadership is as amorphous as the process of crafting a poem.**
- **Your vision must come from your core beliefs, else you can manage but not lead.**



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Integrity and Judgement

Integrity: Moral excellence, wholeness, soundness

**Judgment: Discernment; perceive clearly with the mind
or senses; make out with effort**

“...those who by reason of use have their senses exercised to discern both good and evil”

Hebrew 5:14



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Vision with Integrity and Judgement

**“Why should the lord of the country
flit about like a fool?
If you let yourself be blown to and fro,
you lose touch with your root.”**

Lao-Tzu

You Can't Stop the Waves, but You can Learn to Surf



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DILIGENCE – Reflect and Initiate

“We read in search of others, and we read in order to recognize the self.”

Harold Gloom

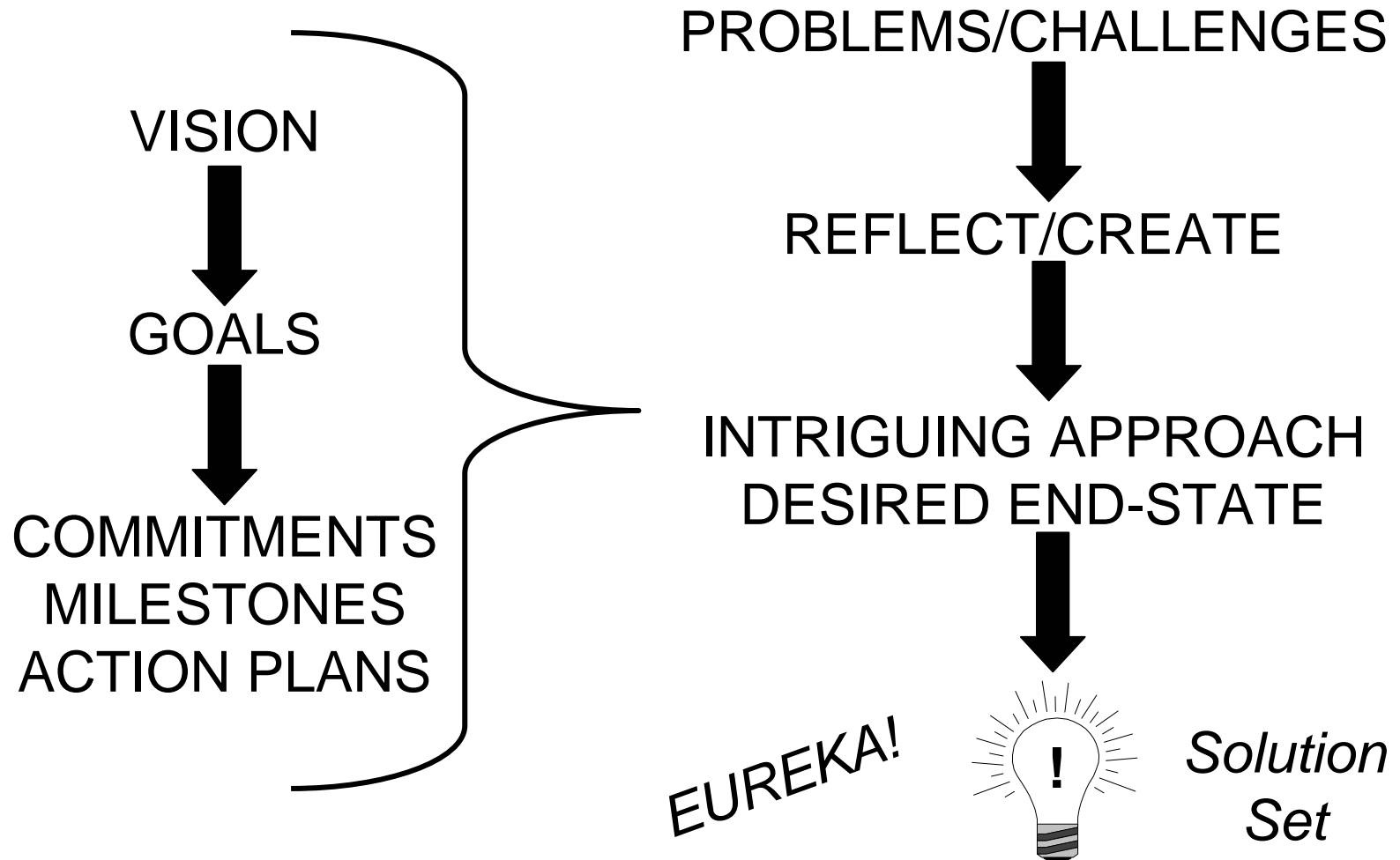
You don’t become a better leader by thinking about leading, you have to lead to learn.

“I leap off a...cliff and hope I don’t make a fool of myself.”

Dean Kountz



Kick-Starting Initiatives





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DILIGENCE VICE ARROGANCE

DILIGENCE: Persevering, painstaking attention and effort

- **DO Take Action**
- **DO Walk the Talk**
- **DO Persist Against Attackers**
- **DON'T Lose your Clothes**

WISDOM: COMMON SENSE AND DIVINE PERSPECTIVE

“How much better is it to get wisdom than gold!”

Proverbs 16:16



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MOTIVATION

Motivate: To stir to action or feeling

For as he thinketh in his heart, so is he; eat and drink, saith he to thee; but his heart is not with thee.

Proverbs 23:7

Enthusiasm: Passionate devotion to a cause; syn. ardor, fervor, fire, passion, zeal

Hint: If they aren't following , you aren't leading.

Time to ask: What is in your heart?

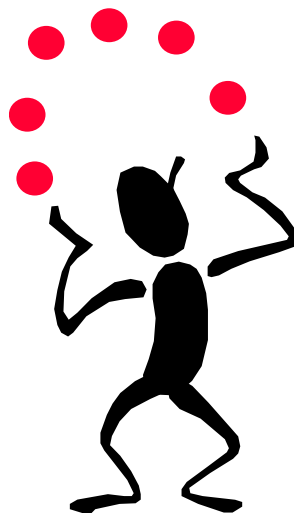


It's Your Life We are Talking About

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**Professional
Commitment**

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**Family
Friends
Community
Diet
Exercise
Hobbies
Personal Time**