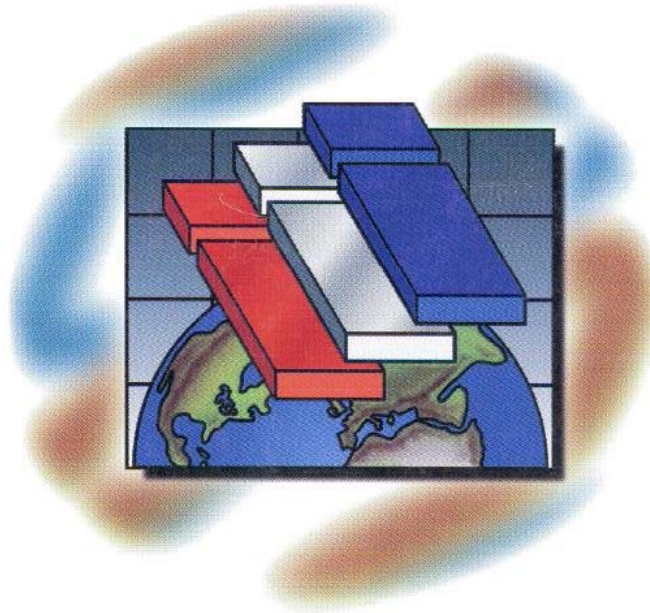


# **1997 ACQUISITION RESEARCH SYMPOSIUM**



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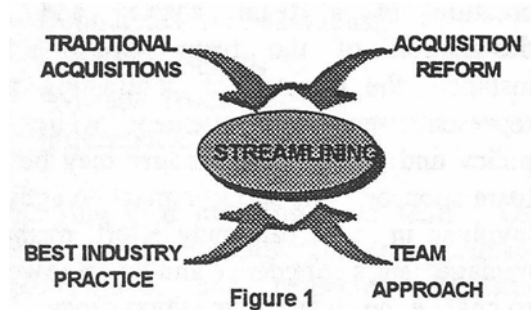
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## MANAGING CHANGE IN ACQUISITION STREAMLINING

Ed Rinkavage

Vice President Al Gore began his "re-inventing government" project in 1993 by setting the ambitious goal of overhauling the government's budgetary, personnel and procurement systems. Now, his goal is to convert as many federal agencies as possible into "performance based organizations" (PBOs).

Numerous federal agencies have been successful with acquisition streamlining as a way to become more performance oriented. However, implementing a life-cycle and team approach is a key factor in optimizing an agency's success.

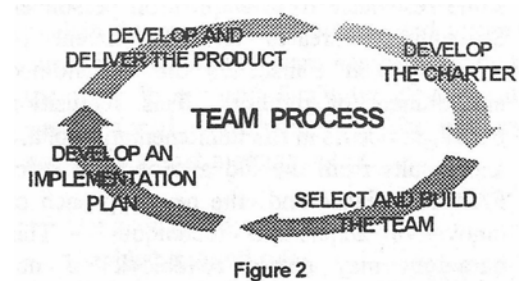


Acquisition streamlining combines traditional acquisition techniques with best industry practices and acquisition reform initiatives (Figure 1). Project managers and contracting officers can most successfully implement streamlining efforts by using a well-defined process and team approach.

The team approach focuses on the key elements of project and change management:

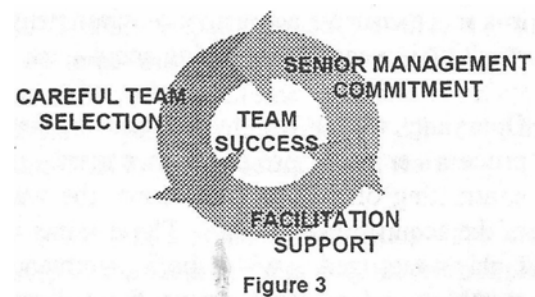
- Management commitment;
- Strategic focus;
- Organizational structure;
- Systems;
- Technology;
- Communications;
- Culture; and
- People.

The project managers and contracting officers who effectively implement significant changes in major business processes do so by successfully integrating all of these components using a team process similar to that shown in Figure 2.



Why is a team approach better for acquisition streamlining? There are seven reasons why a team approach works best:

- Teams increase the talent and expertise in addressing a problem. Proper selection of team members yields a group which has the sum of all members' organizational wisdom and knowledge;
- Teams provide different perspectives in solving complex problems;
- Teams create synergy;



- Teams increase the buy-in from different functions to a proposed solution or course of action;
- Teams involve customers and suppliers in the solution of common

- problems;
- Teams involve the employees who actually do the work; and
- Teams provide a common sense of purpose and enhance interdepartmental teamwork.<sup>i</sup>

However, as soon as an acquisition streamlining team is assembled, there will be some resistance from acquisition personnel. Streamlining creates an environment of creativity that transcends the accustomed environment of rigidity. This acquisition paradigm occurs in the implementation phase and results from the old approach of strict FAR compliance and the new approach of innovative acquisition techniques. This paradigm may create roadblocks if not managed properly.

Additionally, as contracting officers become team members, they appear to lose their decision-making authority and may feel threatened by the team concept. In actuality, however, rather than lose authority, contracting officers gain team support and insight into an acquisition through exposure to the entire process as a team member. Now that teams are empowered to make decisions once made by contracting officers, contracting officers must "share" authority with the team by ensuring FAR compliance in a more creative acquisition environment - resulting in a more challenging acquisition.

Operating within the team-based business process enables program managers and contracting officers to breakdown the walls of the acquisition paradigm. These teams are highly matrixed, with both permanent members and advisors drawn from diverse organizations. Within the federal government, this often includes advisors from industry to add objectivity, specialized skills, "fresh ideas," meeting management and facilitation support. In driving the streamlining initiatives, the program manager or contracting officer will focus on the need for strong management, analysis, evaluation, coordination, and planning.

Acquisition streamlining requires careful

planning, execution, and monitoring. A team's success or failure is determined by actions taken well before the team is formed. However, even if teams are trained and make the -bright decisions, they will not be successful unless there is senior management commitment, facilitation support and careful team selection (See Figure 3).

Senior management is instrumental in the creation of a team charter and the designation of the team sponsor. For instance, the director of contracting may represent senior management while the policy and procedures manager may be the team sponsor. The sponsor must be actively involved in the streamlining effort, maintain management's confidence and be empowered to change the current acquisition process.

The team's facilitator is responsible to the sponsor and manages the team's process. This authority ensures the team follows a rational, defined process in performing analysis and developing recommendations. Finally, team members must be respected by the organization and must be interested in participating in the team. Team members who are not respected by management will ultimately not have their recommendations respected and implemented. Every functional area should be represented to ensure a cross-flow of ideas.

After an acquisition team is created and senior management is ready to commission the project, the team process begins.

**Developing the charter.** The charter is a mission statement that enables the team to set boundaries, know what is and isn't within team jurisdiction, understand where the streamlining effort fits into the organization's overall strategic plan, and have a clear idea of where to begin with the streamlining movement. The charter should define the:

- Streamlining goals;

- Team products or outcomes;
- Relationship of the streamlining effort to key business objectives;
- Customer needs;
- Scope and direction;
- Roles of team members;
- Boundaries and limitations;
- Estimated budget;
- Available resources; and
- Implementation process.

**Selecting and building your team.** Only select the most motivated, knowledgeable, open-minded, and respected acquisition experts for the streamlining team. This is a very important initiative with many resources dedicated to the effort, so the team should be dedicated as well. Don't allow streamlining efforts to fall short by selecting team members who may disrupt the team's progress for other than acquisition streamlining reasons.

The team leader advises the sponsor about the technical expertise, disciplines, and skills the streamlining team must have. The sponsor then coordinates with other senior managers to recruit the appropriate mix of team members. The team should consist of contracting officers, program managers, end users and legal counsel.

As the team leader works with senior management to build the team, the team leader must also create linkages throughout the organization necessary to accomplish the objectives. This means that the team leader must identify and establish close working relationships with critical managers in planning, budgeting, procurement, personnel, and functional line units.

Once the team is selected, the team leader meets with each member individually to explain- the purpose of the team and answer questions. After the team has been briefed, the team leader and facilitator develop an agenda for the first meeting. The primary goals of the first meeting are to:

- Get acquainted;
- Establish ground rules;
- Educate the team to the process;
- Define roles and responsibilities;
- Work out decision-making issues;
- Review the charter;
- Define clarification points for senior management;
- Draft a plan for achieving team goals; and
- Develop an agenda for the next meeting.

Team building is one of the team leader's most critical responsibilities. Strong team building and leadership skills enable the team to mobilize all the resources necessary to be successful. Experience shows that a team chartered without proper team building fails to fully utilize internal skills and talents, thereby jeopardizing and/or delaying the outcome or end-product of the team.

**Developing a streamlining plan.** The next step in the team process is to develop a plan to execute the streamlining charter. This is the first real test of a team's preparation actions for streamlining.

The plan builds on the team's knowledge and experience defining and refining the:

- Goals of the streamlining effort;
- Customers;
- Performance measurements;
- Methods used to implement the change;
- Resources;
- Schedules; and
- Issues and risks.

As the plan develops, keep in mind the following critical elements of the plan. Please note that implementation plans will differ depending on the charter.

- An evaluation of current acquisition methods;
- A design of the streamlining solution incorporating improvement

- opportunities; and
- Implementation and evaluation of revised streamlined acquisition procedures.

**Executing the streamlining plan.** All of the previous actions lay the foundation for making the changes that will achieve the streamlining goals. The team assigns tasks and responsibilities, develops detailed action plans, oversees the implementation of the change, and conducts periodic reviews through performance measurements.

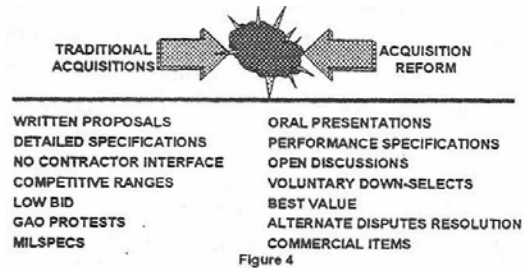
Caution must be shown when implementing and evaluating revised streamlined acquisition procedures because this environment serves as the basis for change. When evaluating the environment, identify the current process, collect accurate data, identify areas of improvement and map a "to be" process.

Using the collective expertise of the team, the streamlined process designs a solution considering new data, technological information, and feasibility analysis to determine the best solution for implementation. The team leader reviews the design with the sponsor and senior management to obtain their concurrence. The solution is then incorporated into the implementation plan as a further refinement of the requirement.

Once streamlining is in place, management has the continuing responsibility of reviewing the changes and deciding whether further improvements to the process are needed.

**The acquisition paradigm.** After successfully designing a streamlined organization, a roadblock program managers or contracting officers encounter is an acquisition paradigm. This paradigm is brought about by the very nature of acquisition streamlining. Program managers and contracting officers have been engulfed by audits, IG inspections, self-inspections, and micro-management. They have been

"raised" to dot their "Is" and cross their "Ts," often surprising creativity and business judgment. On the other hand, streamlining promotes creativity, business savvy, and team empowerment. Figure 4 identifies some of these paradigms.



Contracting officers are under intense pressure to streamline, yet must overcome significant cultural change. Contracting officers learned about ' the Federal Acquisition Regulation (FAR) as a rigid directive which ensured consistency and confidence in decision making. Conversely, under acquisition streamlining, contracting officers are now members of empowered teams who must display flair and innovation in order to make sound business decisions within the general framework of the FAR. And that is the paradigm shift - consistency and confidence versus flair and innovation!

In a less than customer-oriented world, contracting officers typically respond to customer requests by quoting the FAR. Contracting officers feel very comfortable quoting regulations to customers knowing the FAR inherently hinders more effective customer support. Acquisition streamlining, on the other hand, sparks creativity and good business judgment.

**Facilitation and Team Dynamics.** As noted earlier, facilitation is essential to team success. Facilitators take an objective view of the team and make it successful by breaking down common team barriers. The ten most common team barriers are:

- Floundering;
- Overbearing participants;

- Dominating participants;
- Reluctant participants;
- Unquestioned acceptance of opinions and facts;
- Rush to accomplishment;
- Attribution;
- Discounts and "plops";
- Wanderlust: digression and tangents;
- Feuding members.<sup>ii</sup>

One way to manage the barriers, particularly those arising from unspoken issues, is to talk about them. Most barriers, however, require a more structured solution.

When people work together on a project, more than the task occupies their energies. Frequently, mastery of "people issues" makes the difference between teams that reach fundamental improvements and those that break down before they get there.

Despite the drawbacks, teams are very dynamic. They combine diverse personalities. A successful team leader will channel these personalities into productive team energy that produces quality output.

Facilitation is crucial to team success and facilitating a team can be very rewarding yet offer many unique challenges. The facilitator is the focal point for criticism, subject to constant review, has ideas that may not be welcomed by a team who sees the facilitator as a threat, doesn't openly share in the team's success, and on occasion may be asked to leave the team's meetings.

Within a larger team, it is often appropriate to form a "super" team. This super team consists of the team leader and a select few advisors, such as a contracting officer and legal counsel. The super team makes last minute or on-the-spot decisions that would otherwise be impractical to make because of the inability to assemble the team at a moments notice. The super team is very effective, but its use must be kept to a minimum to avoid disruption of the team's

cohesiveness and effectiveness as a decision-maker.

**Final Thoughts.** Careful, up-front planning is critical to acquisition streamlining. A structured team approach is the cornerstone in organization streamlining.

Unfortunately, there is no single set of rules or solutions to follow when streamlining an organization. Each action requires separate and distinct solutions. There are, however, a few simple rules to help ensure successful change management in acquisition streamlining:

First, obtain *senior management commitment*. Senior management has the authority to charter and empower the team, as well as to provide the necessary resources and execute the team's recommendations for change.

Second, streamline using a *team approach*. Individuals rarely have enough knowledge and experience to understand an entire process. Teams combine knowledge, experience, talents and skills, producing far better results.

Third, ensure that *adequate resources* are available. Access to resources not only fosters team success by providing the necessary tools to perform, it also indicates management's commitment to the project.

Fourth, carefully *pilot recommendations and measure results*. Recommendations for change must be tested before being implemented. During the test, measure success by comparing the old process with the new process based on performance measurements established in the early stages of the life-cycle approach to change.

Lastly, there is *always a need for change*. A properly executed streamlining action constantly measures output and makes on-going recommendations for change based on an ever-changing and dynamic cultural environment.

Acquisition streamlining is here to stay, so  
be prepared. A team approach eases the

transition to new streamlining methods and  
ensures that an organization is well prepared  
for the future.

<sup>i</sup> Crouch, J. Michael, *An Ounce of Application is Worth a Ton of Abstraction*, San Diego: Pfeiffer and Company, 1992

<sup>ii</sup> Scholtes, Peter R. *The Team Handbook* Madison: Joiner Associates Inc., 1988