Award Abstract Summary

The E-2/C-2 Airborne Tactical Data System Program Office (PMA-231) implemented and expanded its should cost based management to control costs throughout the lifecycle of the E-2D Advanced Hawkeye, E-2C Hawkeye, and C-2A Greyhound, incorporating the principles of Better Buying Power (BBP) into its acquisition processes throughout 2014 and 2015. The PMA-231 Should Cost Team implemented successful should cost management processes and tools, and leveraged these should cost strategies across Naval Air Systems Command to potentially improve affordability of multiple platforms. In 2014, the team developed a should cost management tool, a unique and cost-efficient software application, to record, manage and track should cost initiatives. Last year, PMA-231 documented more than $500 million in should cost savings with this tool. Through these cost savings, the PMA-231 Should Cost Team improved the buying power for the warfighter and taxpayer. By incorporating and designating the principles of BBP and should cost management to its acquisition management processes, PMA-231 continued to demonstrate its commitment to both the United States Navy and the American taxpayer.

Award Narrative

Better Buying Power (BBP) Focus Area: Control Costs throughout the Product Lifecycle

In response to Under Secretary of Defense for Acquisition, Technology, and Logistics, Frank Kendall's, Better Buying Power (BBP) 2.0 and 3.0 initiatives, the E-2/C-2 Airborne Tactical Data System Program Office (PMA-231) designated and implemented should cost management as a best practice for its acquisition policy to control costs throughout the lifecycle of the E-2D Advanced Hawkeye, E-2C Hawkeye and C-2A Greyhound. The PMA-231 Should Cost Team developed a should cost management implementation plan, should cost training guide, and a digital and cost-efficient software tool to track and manage cost reduction initiatives (CRI) in 2014. Last year, PMA-231 documented more than $500 million in should cost savings with this tool. PMA-231 leadership continued to expand it's should cost management culture and commitment by educating its personnel on its should cost toolsets and emphasizing the importance of should cost strategies.

PMA-231 Should Cost Team created a should cost management implementation plan and training guide in 2014. Based on thousands of hours of research, this plan specifically outlined processes and procedures for implementing should cost across the lifecycle of the E-2 and C-2 platforms. PMA-231 Program Manager CAPT John Lemmon officially instituted the plan in January 2015. The team also developed a comprehensive training guide to educate employees on should cost concepts and serve as an instructional manual to successfully implement should cost management within the program office. It defined should cost management, its objectives and methodologies (i.e. identifying top cost drivers) so all personnel could understand and recognize cost-saving opportunities. The manual demonstrated how to take should cost principles and apply them across the acquisition life cycle. Additionally, the Should Cost Team incorporated real-world PMA-231 examples in the guide.

In pursuit of making should cost a centerpiece of its acquisition philosophy and culture, PMA-231 developed– in conjunction with a comprehensive training manual and plan – a cost-efficient and innovative should cost management tool and dashboard. PMA-231 utilized SharePoint, a web application available to all program offices as a Naval Air Systems Command (NAVAIR) resource, to develop these toolsets, maximizing cost efficiency. The should cost tool enabled all PMA-231 personnel to identify, document, measure, and track CRIs and process inefficiencies. Over the last year, the PMA-231 members documented 35 should cost initiatives, including research, development, test and evaluation, production, and operation and sustainment (O&S) initiatives to control lifecycle costs of the E-2 and C-2 platforms. These cost initiatives generated more than $500 million in should cost savings. This tool enabled teammates within PMA-231 to take their cost-savings suggestions from concept to reality. The Should Cost Team also created a dashboard that was populated with information related to should cost, including initiatives, reference documents, links, and reports. PMA-231 continually updated the tool throughout the award criteria period.

PMA-231 used the should cost management tool to manage and defend its cost savings initiatives. The tool tracked quantifiable initiatives-- tied to a specific engineering, process or business changes-- through their lifecycles for reporting purposes. It also served as a centralized repository for documenting supporting information such as financial data, risk/opportunity

assessments, and lessons learned. This effective solution met the Assistant Secretary of the Navy challenge to "… manage, report and track – as well as defend the validity of the specific initiatives identified that achieve savings against the Will-Cost estimate."

As one of the first NAVAIR programs to pioneer a software solution to identify and track should cost management data, PMA-231 assisted NAVAIR'S Business Process Team (AIR 1.1) in establishing similar management processes and tool sets, which may be leveraged across NAVAIR. Throughout 2014 and 2015, PMA-231 collaborated with AIR 1.1 to provide a version of this tool to multiple program offices to assist them in implementing should cost management.

PMA-231 established a Should Cost Review Board (SCRB) Charter to review, assess, and prioritize the should cost opportunities and CRIs submitted through the should cost management tool. The SCRB held its inaugural meeting in July 2014 and met quarterly, ensuring PMA-231 was doing its due diligence to routinely analyze all cost elements and reasonable measures to reduce them with cost-benefit based considerations of associated risks. This board included members from across the program office, including representatives from all IPT areas. The result of approved initiatives will lead to improved buying power for the warfighter.

The Should Cost Team, under the mantra "Warfighter affordability is a team sport," strove to establish and expand the should cost affordability culture by educating PMA-231 personnel on the program office's should cost strategies and toolsets. The team provided training sessions on its should cost training guide and should cost tool throughout the award criteria period. The Should Cost Team continued to build a culture within PMA-231 that prioritized should cost management by giving a brief titled, "Expanding the Should Cost Culture in PMA-231" in January 2015. The team scheduled future presentations for this material as well.

By incorporating the principles of BBP and should cost management to its acquisition management processes, PMA-231 demonstrated its commitment to both the U.S. Navy and the American taxpayer. PMA-231 established policies and processes through a should cost implementation plan; developed a tool accessible to all PMA-231 teammates to submit and track their should cost ideas; established a SCRB to review these CRIs; and trained its employees on its should cost strategies to solidify and perpetuate the should cost affordability culture. The PMA-231 Should Cost Team implemented successful should cost management processes and tools to identify and reduce lifecycle and O&S costs of the E-2D Advanced Hawkeye, E-2C Hawkeye, and C-2A Greyhound.

Should Cost and Innovation Award

Administrative Information

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Current Number of Employees: 4

Your organization, group, or team's mission statement: E-2/C-2 Airborne Tactical Data System Program Office (PMA-231) is responsible for providing the E-2C Hawkeye, E-2D Advanced Hawkeye, Hawkeye 2000, and the C-2A Greyhound fleet with acquisition strategy, logistics and sustainment solutions in support of the warfighter's mission. PMA-231 provides

this support to U.S. Navy and foreign military carrier based, forward deployed and land based Airborne Early Warning and Carrier-based Logistics squadrons, enabling dominant and continuous airborne network centric, interoperable command, control, and surveillance in the battle space from the sea.

Brief description of your organizational structure: CAPT John Lemmon is the program manager for PMA-231; Chris Frayser is the deputy program manager. PMA-231 is comprised of four primary teams: Advanced Systems, Development and Production, Modifications and Sustainment, and Foreign Military Sales. The Should Cost Team falls under the Development and Production Team.

Chain of command to whom your organization, group, or team reports: Karen Nelson-Gass and Michael Sarachene lead the Should Cost Team and report to CDR Hash and Steve Phares, PMA-231 deputy program managers. CAPT Lemmon is the program manager for PMA-231. PMA-231 reports to RADM Donald Gaddis, Program Executive Officer for Tactical Aircraft Programs (PEO(T)).

Names and position titles of individual(s) contributing to organization, group, or team: Karen Nelson-Gass, Production Integrated Product Team Lead, Michael Sarachene, Production Integrated Product Team Lead, Clint Osborne, Manufacturing and Quality Team Lead, and Stephen Munley, SharePoint Developer