



*Customer Success Is Our Mission*

# Transforming Space Through Predictability

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# Recent Aerospace History

- Cost was #1, not mission success
- Undisciplined system requirements
- Unpredictable results (or just predictably bad)
- Industry was its own worst enemy

*Unit cost reporting is required by 10 USC §2433. A "Nunn-McCurdy" unit cost breach occurs when a Major Defense Acquisition Program (MDAP) experiences an increase of at least 15% in Program Acquisition Unit Cost (PAUC) or Average Procurement Unit Cost (APUC) above the unit costs in the Acquisition Program Baseline.*

**Unrealistic Estimates = Unrealistic Budgets = Unexecutable Programs**

## Why is Predictability Important?

- In commercial sector, predictability establishes trust
- Trust attracts investors, who demand it
- In the future Congress won't fund programs without it
- **We're working to transform RTN through predictability**
  - Investors like us because over past several years, we've been able to deliver steady, predictable financial results
  - Our CEO wants us to be a predictable, boring company
    - Why? Because investors hate surprises

**Our Customers Demand Predictability ...  
and For Good Reason**

## Turning the Corner

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- **We see sun rising, not setting**
- **Acquisition reform era is behind us**
- **Encouraged by our recent performance**
- **We are starting to turn around our program performance**
- **Increasing capability and capacity by five times or more**
- **The most important indicator is meeting our milestones, delivering on our handshake**

# Turning the Corner

## Management By Fact

- Program scorecards
- Critical Chain Program Management
- SAS Dashboard and integrated metrics
  - Cost and Program Execution
  - On-time delivery
  - Staffing quality
  - Parts and suppliers
  - Lab and equipment readiness
  - Technical performance
  - Customer feedback
- Independent program assessments
- Weekly review and proactive oversight of critical staffing
- Lessons applied from recent programs

- Listen to customers, act accordingly
- Recruit & retain technologists, managers & leaders who understand Mission Assurance
- Return to basics of solid program management and systems engineering
- Metrics for improvement

- Meeting milestones for delivery and internal development on schedule
- Better control of program and requirements baselines
- More disciplined management of technical risks & closure of design issues
- Aggressive risk & opportunity management, early action to reduce threats
- Collaborative vs. combative resolution of technical & contractual issues
- Delivery of responsive space instruments at fraction of traditional cost & schedule expectations

## Preparing for the Future

- As an industry we're concerned about declining numbers of graduating engineering students
- Kids would rather do anything but math homework
- Raytheon launches *Math Moves U* program in 2005
- Goal of MathMovesU is to help turn around image of math for America's middle school students
- Program will communicate with today's pre-teenagers on their terms, via the Internet, and through celebrities



See [www.mathmovesu.com](http://www.mathmovesu.com)

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