



2007 SMC Industry Days

**“Turning the Corner in Space
Acquisition”**

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Industry Panel



- Brian A. Arnold (Lt. Gen., USAF, Ret.)
Vice President and General Manager
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- Craig R. Cooning (Maj. Gen., USAF, Ret.)
Vice President and Deputy General Manager
Boeing Space and Intelligence Systems



- Jeffrey D. Grant
Vice President, Business Development
Northrop Grumman Space Technology



- Joanne M. Maguire
Executive Vice President
Lockheed Martin Space Systems Company

How Do We Know We Are Turning the Corner?

- **Effective programs that meet user demands with 100 percent mission success**
- **Efficient execution—meeting cost, schedule, and performance baselines**
- **Retirement of program risk as a function of time is measurable and visible**
- **Government and contractor teams meet their commitments**

Guiding Principles

- **Focus on mission success**
- **Strengthen and maintain a culture of accountability**
- **Formulate executable programs**

Focus on Mission Success

- **We need to cap risk at an appropriate level by adhering to validated processes and standards and ensuring effective and perceptive testing to verify system designs**
- **Industry has good processes that yield predictable results and incorporate many years of lessons learned, and industry needs to follow these processes**

Strengthen and Maintain a Culture of Accountability

- **Key roles of government:**
 - Define requirements
 - Set risk level and ensure responsible risk management
 - Ensure that proper practices are used
 - Incentivize contractor team and assess performance
- **Contractor balances holistic enterprise perspective and tailored program needs**
 - Line organizations are accountable for the product
 - Functional organizations are accountable for the processes
 - Prime takes accountability for the quality of output by subcontractors and vendors
- **Government-industry decision-making process is streamlined: In-plant representation**

Formulate Executable Programs

- **Recognize that best value is not necessarily lowest cost bid**
- **Government must place value on non-deliverables essential to mission success, for example, SE, MA, QA**
- **Then industry will value them**
 - **Robust test programs**
 - **Subcontract management**
- **Budget program to 80 percent confidence, including a management reserve sized by risk**
- **Redefine requirements process to allow trade space that uses rigorous systems analysis and business processes to link user needs, advanced technology, and system-design concepts**
- **Use block development approach to manage risk**