694 ARSS
Technical Support Lean Event
12 – 14 Dec 2006

Overview

- Where and When: University of Florida REEF, 12 – 14 Dec 2006
- Who: Team
- Team Charter
- Lean Process
- Current State ("Cradle" to "Grave")
    - Requirements Generation
    - Request for Proposal & Contractor Proposal
    - Purchase Request
    - On Contract
    - Execution of Task(s)
    - Initial Deobligation of Funds
- Findings, Projected Results and Summary
- Future State (What we visualize)
- Finding in this Lean Event
- Questions

694 ARSS Technical Support Lean Team

Front Row L to R: De Fischer (Finance), Gabe Chedister (Engineering and Team Lead), Chris Pfledderer (Lead Engineer).

Back Row L to R: Keith Johnson (Facilitator), Mike Neil (Engineering), Dwight Westfall (Contracts), Ron Moore (Program Management), John Porche (Lead SAPM)

Team Charter

- Team Goals (Scope):
  - 1) Reduce frustration and 50% reduction in total schedule cycle time.
  - 2) Reduce redundancy and rework (execution) by 75%.
  - 3) Reduce Contract Modifications by 50%.
  - 4) Annual Review to De-obligation of residual Funds.
  - 5) Reduce De-obligation time by 50%.
- Level of Authority:
  - 1) 694th ARSS.
  - 2) 694th Contracting.
  - 3) Raytheon (involved day-by-day; however, not part of this Lean event).
- Constraints:
  - 1) Annual Contract (12 Month Period of Performance).
  - 2) Disclosure policy (DDL).
  - 3) Raytheon manpower (limited instructors – Capabilities/ARS briefings).
- Expected Activities:
  - 1) Develop a current state value stream, analyze the current state and develop a future state value stream.
  - 2) More accurately define requirements.
- Resources Available:
  - 1) Government: 694th ARSS: Lead SAPM, Lead Engineer, Support Engineer, Contracts and Financial Management Support; and Technical Support Program Management Support.
  - 2) Raytheon: Lead Country Manager, Individual Country Managers, Contracts, and Technical Support Program and Financial Management.
- Expected Results
  - 1) Implement Future State that eliminates redundancies and rework – Standardized process for the entire FMS Technical Support value stream.
  - 2) Accurately and clearly define requirements.
  - 3) Reduce de-obligation cycle time.

Lean Process

- Develop a CURRENT STATE value stream.

- Analyze each value stream event as to Value Added, No Value Added or No Value Added But Necessary.

- Analyze time periods for each and between each event.

- Brainstorm clean slate/ideal slate (If I could change "anything").

- Develop a FUTURE STATE value stream.

- Develop action plans to implement the FUTURE STATE.

Current State Value Stream

Determine Technical Support Requirements

Initial De-Obligation of Residual Dollars

Total Cycle Time = 508 days

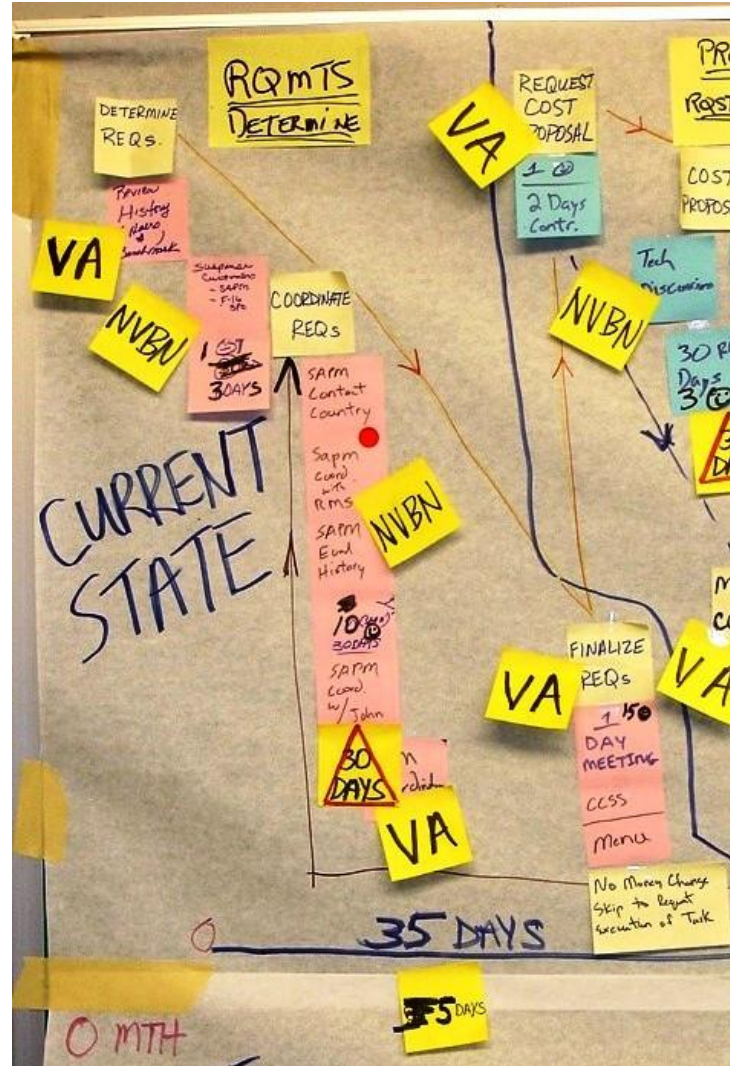# Value Stream Analysis

Current State Evaluation

- Requirements Generation
- Request for Proposal & Contractor Proposal
- Purchase Request
- On Contract
- Execution of Task(s)
- Initial Deobligation of Funds

Discuss
1) Future State Modifications
2) Action Plan
3) Impacts

Requirements Generation

Requirements Generation

Future State Modifications:

- 30 Day time required for the coordination of customer country tech support requirements will be reduced to 5 days.

- A standardized and more effective process will be implemented to identify the tech support requirements.

Action Plan:

- Lead SAPM and Engineer develop a standard process for the identification of customer tech support requirements to be accomplished throughout the year.
    - Process will insert requirements planning in all customer meetings.
    - Process will continue to use a standard requirements menu, matrix and RDC sheets.
    - Process will continue to use Cost Content Summary Sheets (CCSS) for "beyond" menu/matrix requirements.
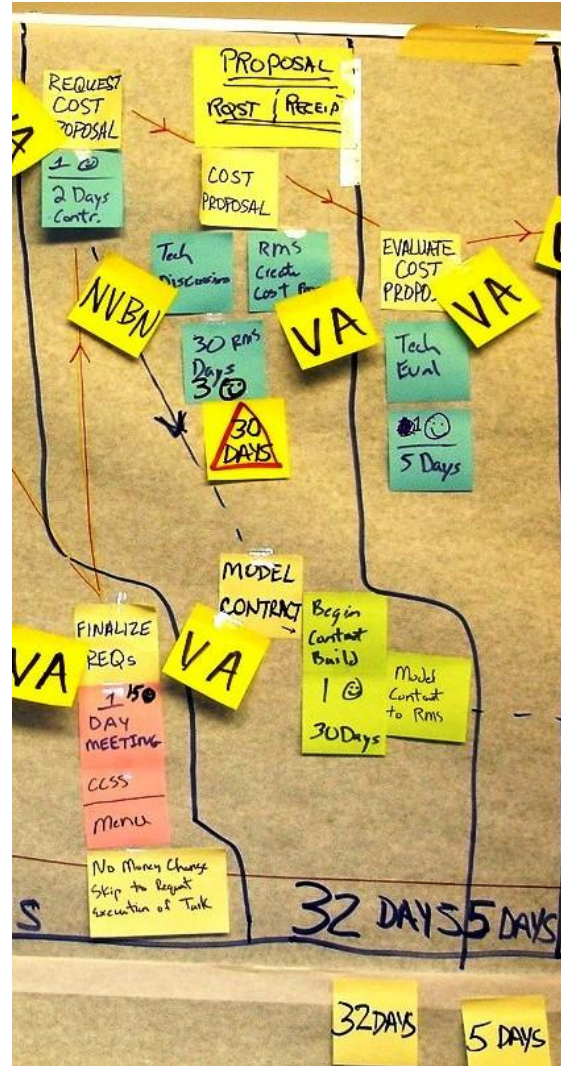
Requirements Generation

Impacts:

- Reduced contract modifications (new requirements and changes).

- Reduced excess case obligation funds on contract.

- Standardized process provides customers with a better. understanding of requirements and costs.

- Better defined requirements for follow-on contracts.

RFP & Contractor Proposal

RFP & Contractor Proposal

Future State Modifications:

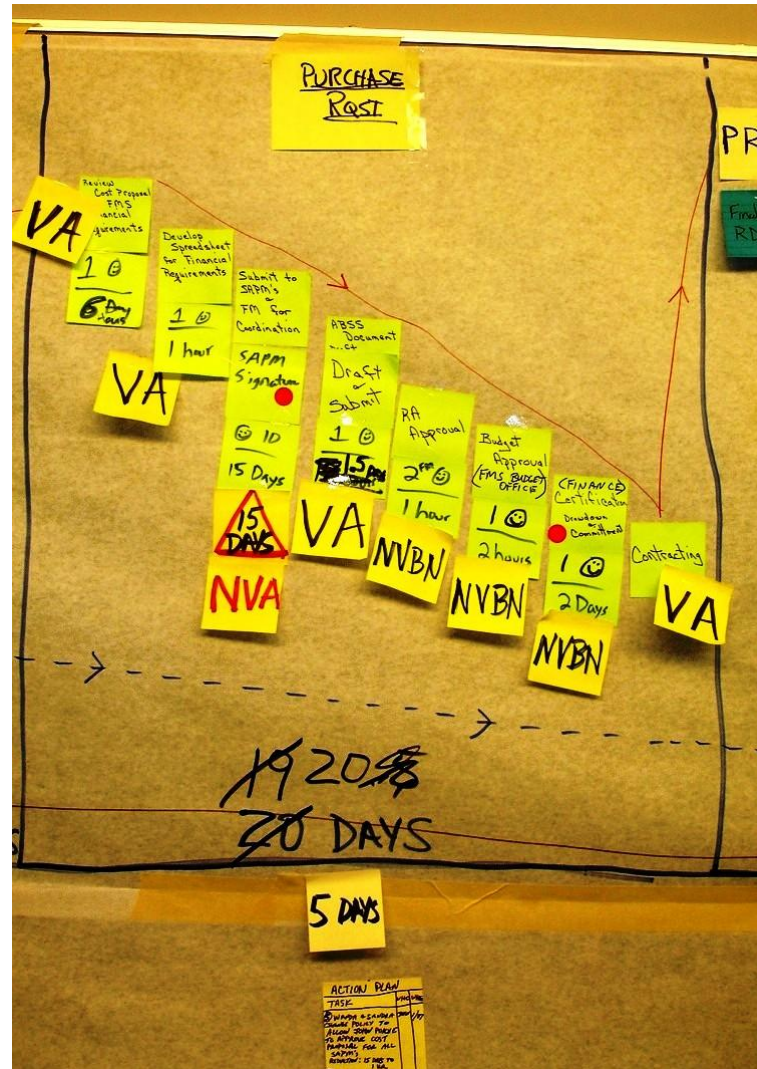- No changes were identified for this area.

Action Plan:

- Continue current Request for Proposal and Contractor Proposal process.

Impacts:

- "One" page RFP and contractor proposal are performing well.

- Requirements matrix and pre-negotiated burdened rates in use.

- Requirements matrix provides CLIN structure, descriptive data.

Purchase Request

Purchase Request

Future State Modifications:

- Shorten SAPM coordination / signature period from 15 days to 1 day.
- Remove single point of failure bottlenecks.

Action Plans:

- Implement standard approval process to initiate purchase requests that allows the lead SAPM to sign for all SAPMs.
- Cross train financial personnel in ABBS funding procedures.
- Develop a personnel backup matrix.

Impacts:

- Reduction in number of people required in coordination.
- Cross training and backups allow work flow to proceed when someone is out of the office.

On Contract
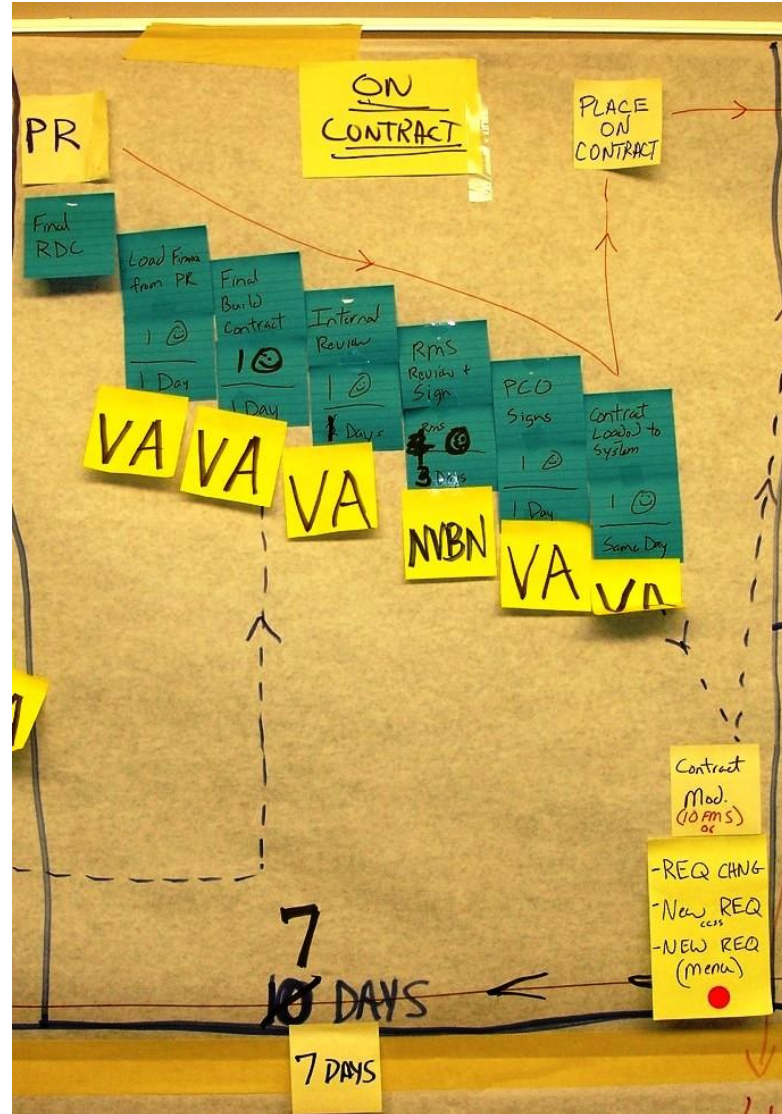
On Contract

Future State Modifications:

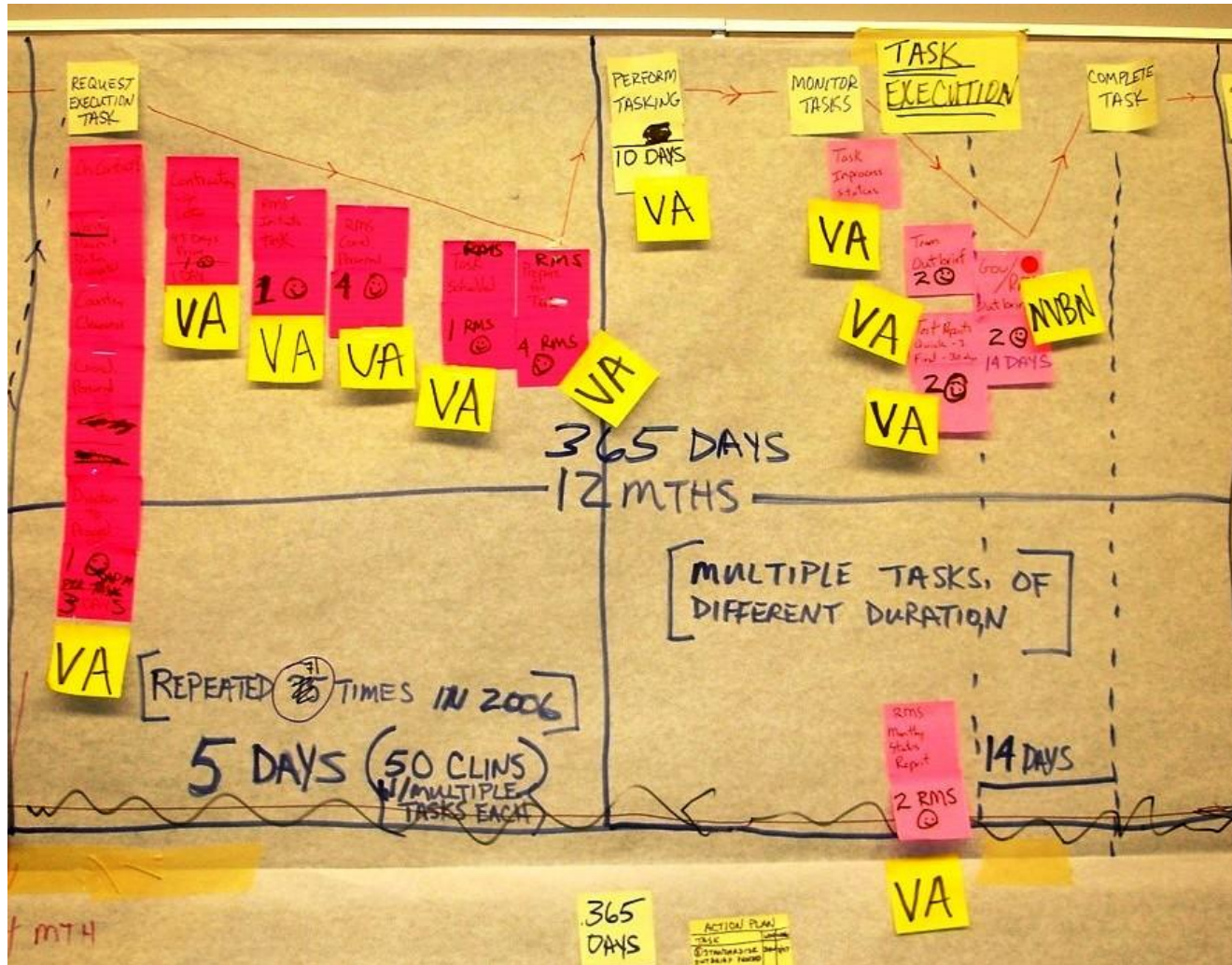- No changes were identified for this area.

Action Plan:

- Continue current "On Contract" process.

Impacts:

- Using model contract with same CLIN structure as requirements matrix.

- Standardized contract parallels previous contracts, provides familiarity, and allows for very limited re-work from year to year.

Execution of Task

Execution of Task

Future State Modifications:
- Reduction in number of contract modifications during 12 month period of performance.
- Standardized out-brief process.
- Better visualization method for period of performance.

Action Plans:
- Lead Engineer develop a schedule board or digital calendar that will better display the 12 month period of performance.
- Lead SAPM develop a standard out-brief process to better monitor task completion.

Impacts:
- Reduced number of contract modifications due to improved feedback process.
- Better scheduling coordination and reduced "surprises" due to better visualization of task scheduling.

Initial De-Obligation of Funds

Initial De-Obligation of Funds

<u>Future State Modifications</u>:

- Reduction of de-obligation time from 400 days to 180 days.

- Implement contractually binding close-out time periods.
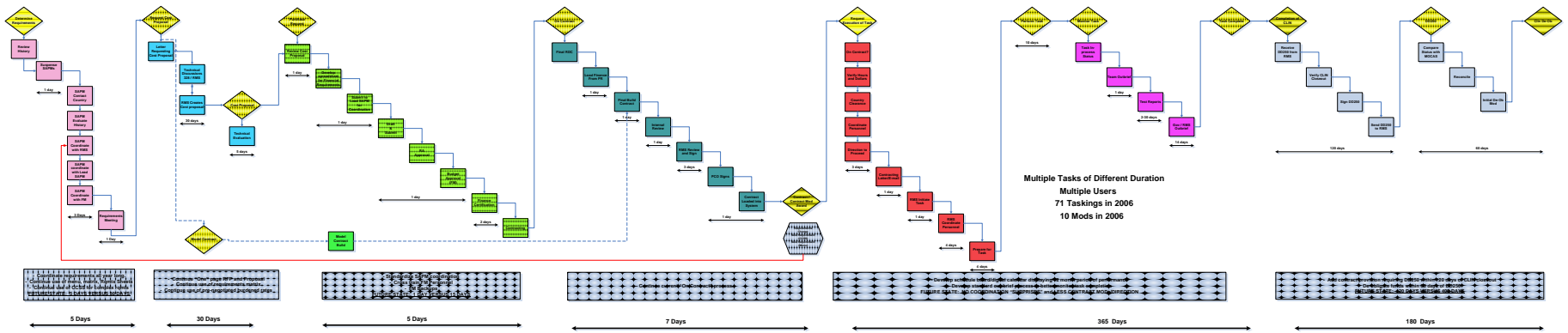
<u>Action Plans</u>:

- Technical Support Contracting Officer add contract provision to CY07 contract requiring contractor to submit DD250 within 120 days of CLIN closeout and initial de-obligation of funds within 60 days of DD250 submittal.

<u>Impacts</u>:

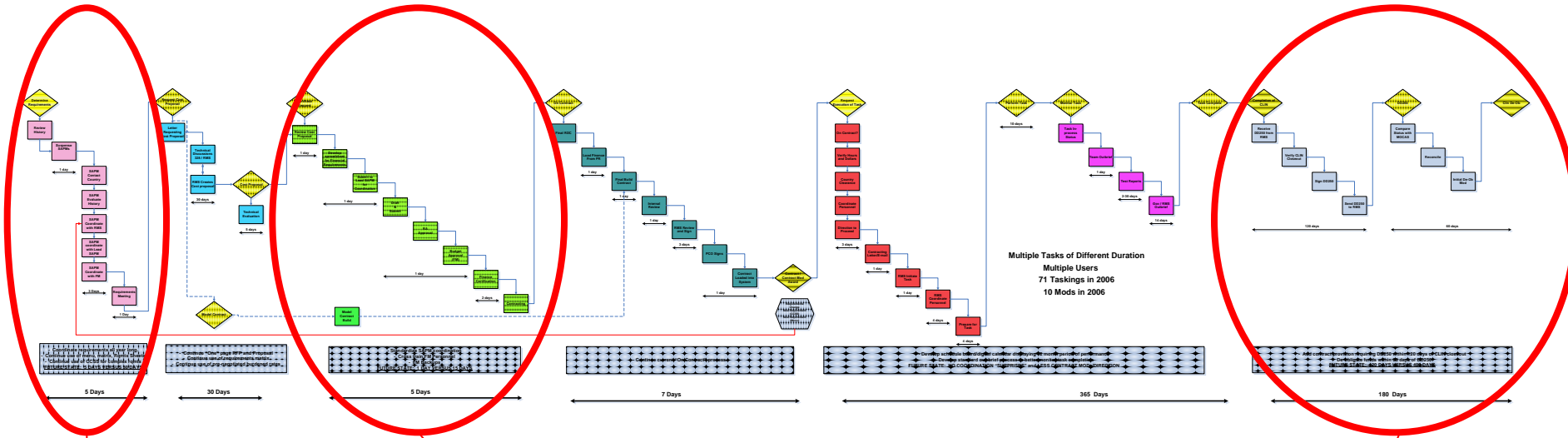- Quicker release of unexpended funds to allow for future use.

Future State Value Stream

Total Cycle Time = 234 days

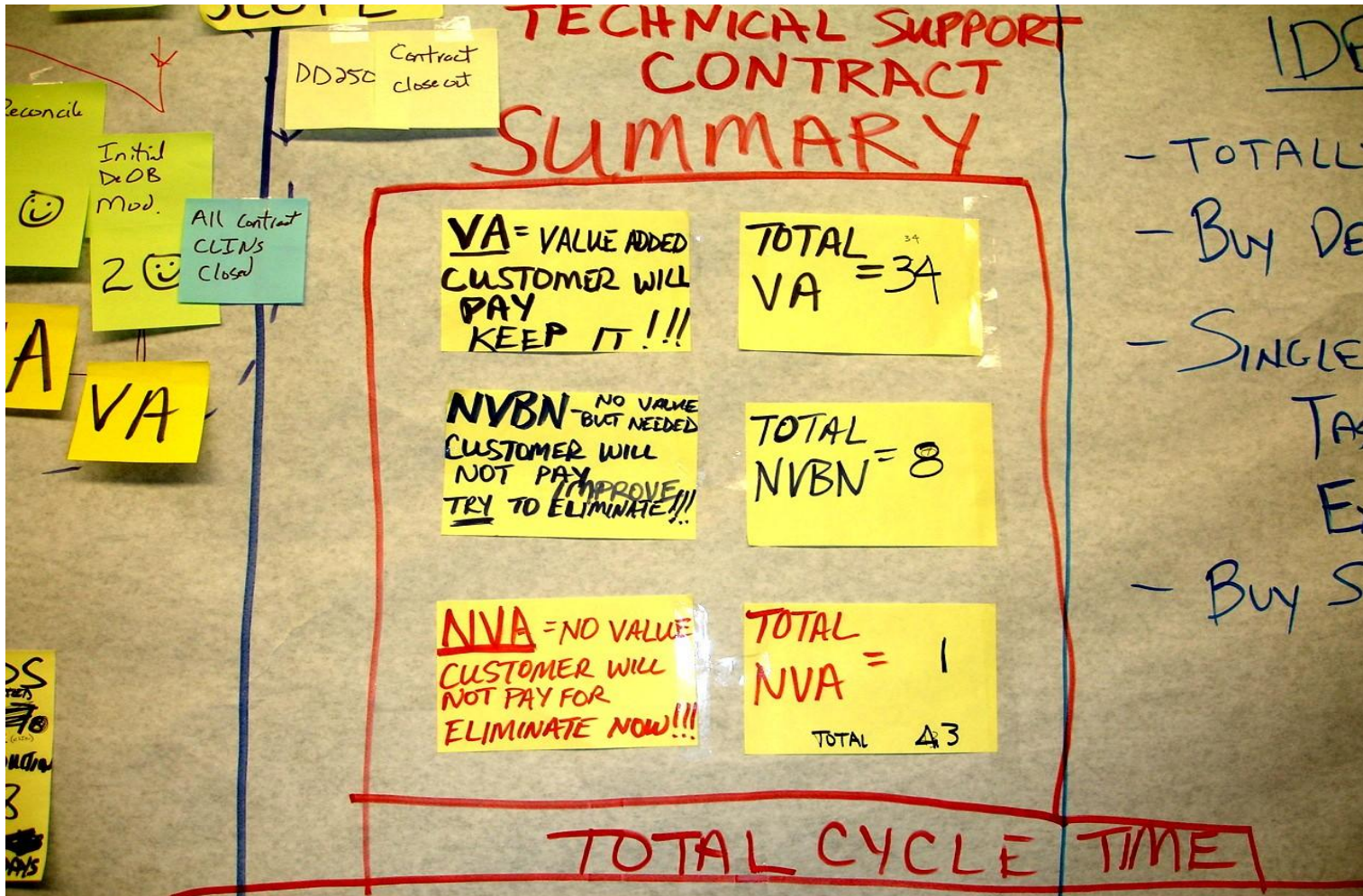# Future State Value Stream Improvements

30 days to 5 days

15 days to 1 day

400 days to 180 days
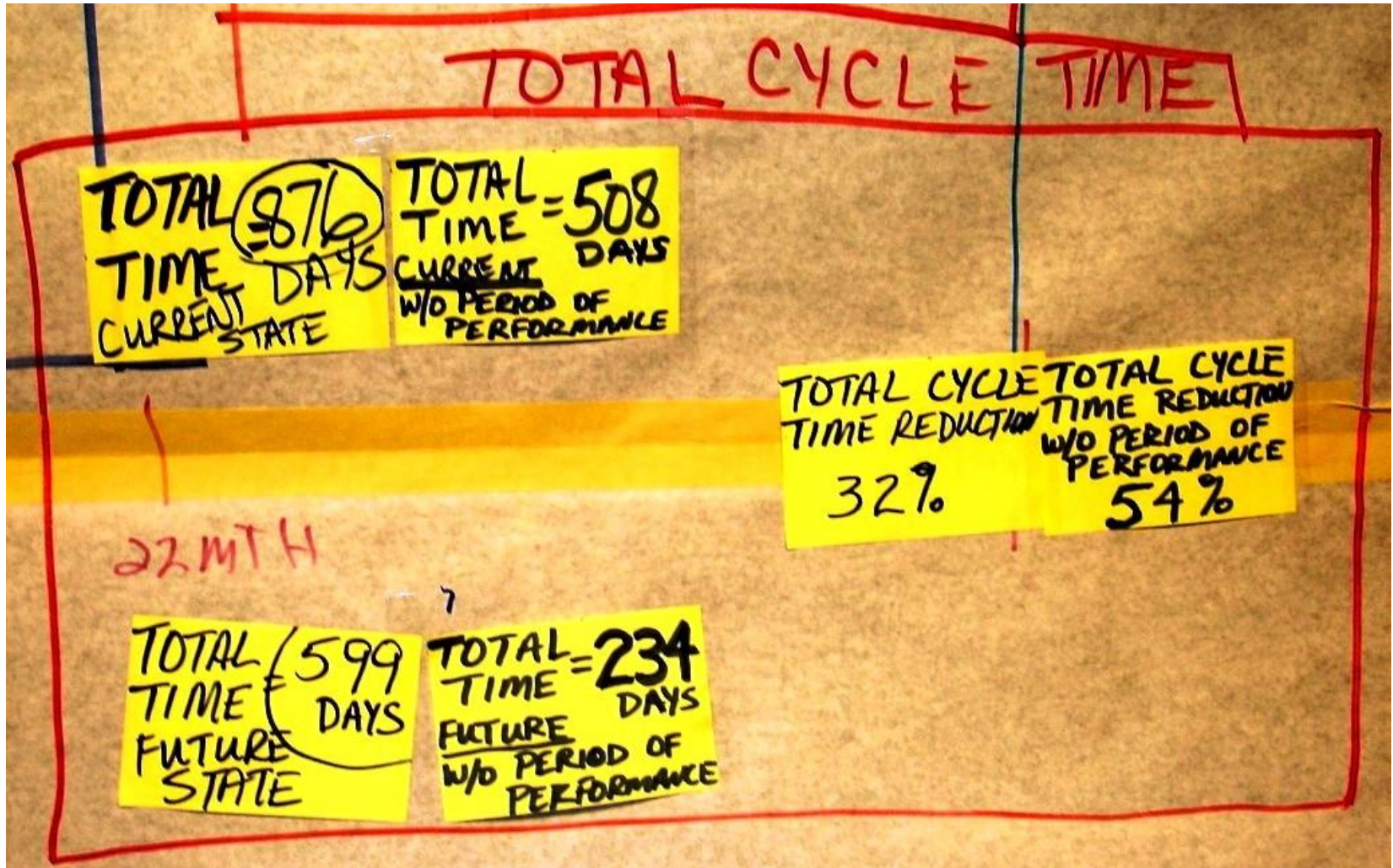
Improved Standardization, Coordination and Accuracy

Action Plans Summary

- ❑ Develop a standard process for the identification of customer tech support requirements to be accomplished throughout the year. (Lead SAPM & Engineer)

- ❑ Implement standard approval process to initiate purchase requests that allows the lead SAPM to sign for all SAPMs. (Lead SAPM)

- ❑ Cross train financial personnel in ABBS funding procedures. (Lead FM)

- ❑ Develop a personnel backup matrix. (Lead Engineer)

- ❑ Develop a standard out brief process to better monitor task completion. (Lead SAPM)

- ❑ Develop a schedule board or digital calendar that will better display the 12 month period of performance. (Lead Engineer)

- ❑ Add contract provision to CY07 contract requiring contractor to submit DD250 within 120 days of CLIN closeout and initial de-obligation of funds within 60 days of DD250 submittal. (Contracting Officer)

Summary

- Standardized process for customer requirement identification will reduce task time from **30 days to 5** and will result in fewer required contract modifications.

- Improved coordination procedures will cut signature time from **15 days to one.**

- Standardized task performance out-briefs will promote **better products** and enable more accurate scheduling of tasks.

- Improved Visualization of Master Support Schedule will allow better coordination of tasks.

- Formalized cross-training and backups will **reduce personnel bottlenecks.**

- Time required for de-obligation of funds will be reduced from **400 days to 180** allowing better utilization of customer money.

Findings – This Lean Event (Lessons Learned)

- **Lean Events Overall**
  - **Training:**
    - **Teach value stream (e.g., How to bake cookies).**
    - **Task team members to value stream their specific process.**
    - **Develop a "mock" value stream early the first day (tailor to service related, production related, as applicable).**
  - **Team Members:**
    - **Small dedicated team that know the overall process/specific portion of the process.**
  - **Location:**
    - **Off base – Away from the office (Travel doesn't equal results).**
    - **Dedicated time (no interruptions).**
- **694th ARSS Technical Support Lean Event**
  - **Started with a well defined and well understood value stream (included already developed requirements menu's and matrix, and CCSS).**
  - **Each team member had ownership.**
  - **Developed "story board" (e.g., photos of the value stream subsets) prior to starting the outbrief.**
  - **Very short breakouts (1 hr max) with focus on an assigned task.**
  - **Flexible.**
  - **Impartial experienced facilitator (keep on task, focus on objectives).**

Questions

Back up Slides

Clean Slate Thinking

- Handle all technical support directly between FMS country and RMS

  - All funding and contracting actions would move to DCS channel and eliminates this whole process

- Does not consider any restrictions or guidelines now in place (like current LOA directions)

Ideal State

- Under current restrictions, process improvement possible to:
  - Eliminate or significantly reduce bureaucratic actions
  - Increase ability to respond rapidly to the task with the right experts
  - Reduce cost to customer
- To address these improvements, 694th ARSS could be expanded to provide all routine technical support internally by adding:
  - USG personnel, or local contractors, or local RMS personnel, or establish a "pool" of full-time RMS support to draw from

Lean Objectives