


**The Critical Role of
Measurement in Defense
Decision Making**

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Outline

- Key Themes
- The Enduring Questions in Defense
- The Policy Trends
- Decision Environment
- Challenges for Mid-21st Century
- A Few Take-Aways

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Key Themes—1

- Key defense decision processes are data-centric
 - National Security Strategy (Defense Guidance)
 - Resource Planning - Programming – Allocation
 - Budget and Execution
 - Acquisition and Logistics
- Measurement vital, but not always sufficient
- PSM Community contribution — institutionally significant
- Rise of governance as critical pathway (governance = making decisions; management = execution)
- Environment of escalating decision complexity/governance



Key Themes—2

- Influencing governance decisions about number-crunching; more about:
 - Understand and use strategies to deal with the belief systems and patterns of behavior of governance structures
 - Communicating timely, meaningful measurement intelligence; dialogue with complex governance structures and members imperative
 - Demands of mid-21st century decision environment to rapidly advance measurement knowledge, processes, and tools beyond PM and project management focus
 - Reframing measurement as more than a process
 - Creating Measurement Systems – design to address governance needs, implementation, and continuous evaluation



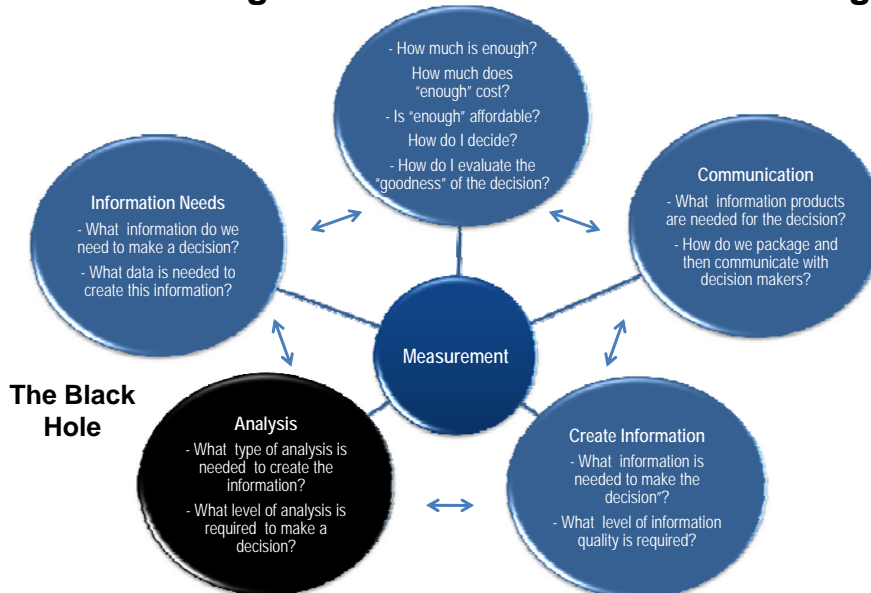
The Enduring Questions



- How much is enough?
- How much does “enough” cost?
- Is “enough” affordable?
- How do I decide?
- How do I evaluate the “goodness” of the decision?



The Enduring Questions Drive Decision Making



Execution of Federal Performance Policy Dependent on Measurement Systems

CIRCULAR NO. A-11

PART 6

PREPARATION AND SUBMISSION OF
STRATEGIC PLANS, ANNUAL
PERFORMANCE PLANS, AND ANNUAL
PROGRAM PERFORMANCE REPORTS



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JUNE 2008

OMB's Program Assessment Rating Tool (PART)

What is the PART?

In July of 2002, the Director of the Office of Management and Budget announced development of a tool for formally evaluating the effectiveness of federal programs, called the Program Assessment Rating Tool (PART). He described the PART's purposes as follows:

"The program assessment effort presents an opportunity to inform and improve agency *GPRA* plans and reports, and establish a meaningful systematic link between GPRA and the budget process."

OMB's guidance contains this description of the PART:

"The Program Assessment Rating Tool (PART) is a diagnostic tool used to assess the performance of Federal programs and to drive improvements in program performance. Once completed, PART reviews help inform budget decisions and identify actions to improve results. Agencies are held accountable for implementing PART follow-up actions, also known as improvement plans, for each of their programs. The PART is designed to provide a consistent approach to assessing and rating programs across the Federal government. PART assessments review overall program effectiveness, from how well a program is designed to how well it is implemented and what results it achieves."

The [PART questionnaire](#) is divided into four sections: 1. Program Purpose & Design, 2. Strategic Planning, 3. Program Management, and 4. Program Results. Points are awarded to a program based on the answer to each question, and an overall rating of effectiveness is then assigned. There are five categories of possible ratings: Effective, Moderately Effective, Adequate, Ineffective, and Results Not Demonstrated.



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Defense Policy Trends Place Increasing Emphasis on Measurement Systems (Examples)

- 2009 Weapon System Acquisition Reform Act
 - Office of Capability Assessment and Program Evaluation (CAPE)
 - Office of Performance and Root Cause Analysis (PARCA)
 - Office of Developmental Test & Evaluation
- DoD 2010 Performance Goals
- OSD and Services Program Health (POPS) Initiatives
- Advanced Development Planning and Sustainment
- Major Reliability Policy Initiative
- Major Program Support Reviews
- 2010 Secretary Gate's Efficiency Initiative



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Measurement Initiatives to Facilitate Improved Acquisition Program Reviews

Initiative Focus Areas	Approach
<ul style="list-style-type: none"> • Software • Manufacturing • Reliability • Integration 	<ul style="list-style-type: none"> • Set goals and objectives • Leverage current data • Create framework responsive to senior leadership (fast, agile) • Set strategic design for measurement system to serve institutional needs



Current Policy Thrust (Example)—Efficiency

[Gates Taps Carter to Lead Procurement, Services Efficiency Effort ...](#)

Jun 28, 2010 ... Defense Secretary Robert Gates has tapped Pentagon acquisition executive ... The efficiency effort is the latest step in Gates' initiative ... [www.defensenews.com/story.php?i=4689341 - Cached](#)

[Efficiency Experts Take on the Pentagon - Washington Wire - WSJ](#)

Jul 22, 2010 ... Last month, Secretary of Robert Gates launched a sweeping initiative to streamline business within the Pentagon. The idea was to reduce ... [blogs.wsj.com/washwire/2010/07/.../efficiency-experts-take-on-the-pentagon/](#)

[USD\(AT&L\) Memo Details DOD Efficiencies Initiative Under Secretary ...](#)

File Format: PDF/Adobe Acrobat - [View as HTML](#)

Jun 28, 2010 ... Realizing the objective of this initiative will be a formidable endeavor. But it is imperative. Secretary. Gates, Deputy Secretary Lynn, ... [asc.army.mil/.../USD_AT&L_%20Memo_Details_DOD_Efficiencies_Initiative_Spotlight_071210.pdf](#)

[Gates Tells Defense Contractors To Increase Efficiency, Cut Costs ...](#)

14 posts - 1 author - Last post: Jun 29

Gates Tells Defense Contractors To Increase Efficiency, Cut Costs ... part of an initiative announced by Defense Secretary Robert Gates last [crooksandliars.com/susie.../gates-tells-defense-contractors-incre -](#)

[Pentagon Launches Efficiency Initiative | AVIATION WEEK](#)

Jun 29, 2010 ... Pentagon Launches Efficiency Initiative. Jun 29, 2010 ... Defense Secretary Robert Gates on June 28 introduced a sweeping overhaul of the ... [www.aviationweek.com/aw/generic/story_generic.jsp?...id... - Cached](#)

[Efficiency Experts Take on the Pentagon | wtx.com | SEC](#)

Last month, Secretary of Robert Gates launched a sweeping initiative to streamline ... I want to share "Efficiency Experts Take on the Pentagon | wtx.com ... [sec.wtx.com/article/0fdJ9X3gyndOz](#)

[Carter to meet defense industry leaders on DoD efficiency ...](#)

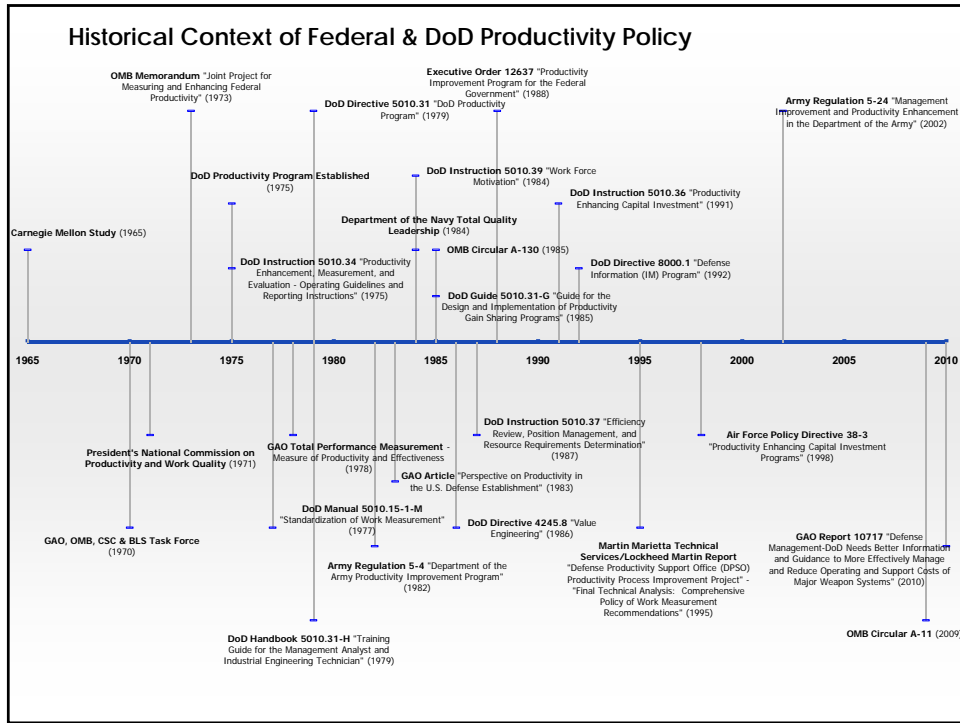
Jun 26, 2010 ... Carter to meet defense industry leaders on DoD efficiency ... follow-on to Defense Secretary Robert Gates' initiative to trim \$101.9 billion ... [www.federaltimes.com/article/20100626/.../6260301 - Cached](#)

[Carter Briefing On Acquisition Efficiency June 28, 2010](#)

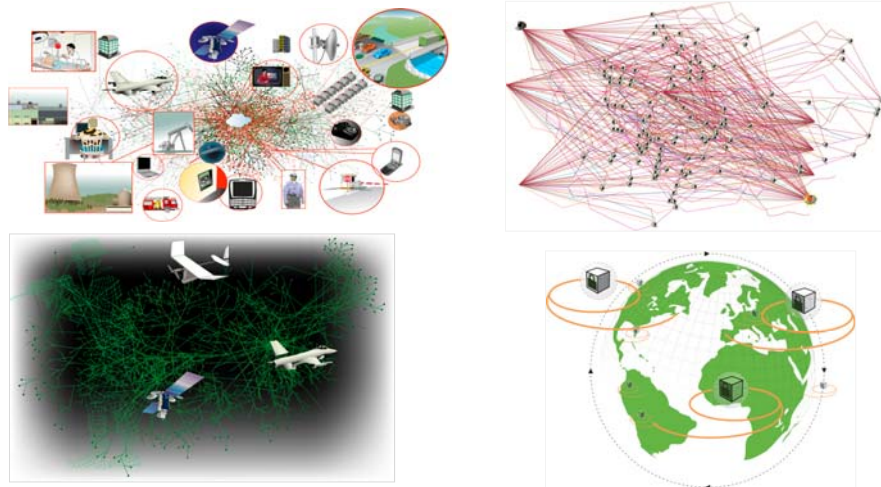
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Jun 28, 2010 ... What I'm going to describe is part of the efficiency initiative that. Secretary Gates launched at his Abilene Eisenhower Library speech some ... [https://dap.dau.mil/policy/Documents/Policy/Carter%20Briefing.pdf](#)





Complexity and How We Interpret it is Key Driver in Decision Environment and Measurement

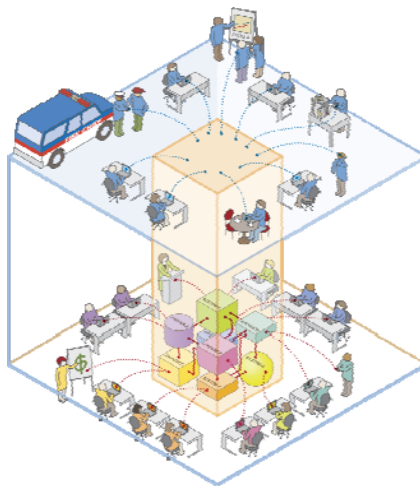


Future Consequences of Present Day Decisions Means We Are Already in the Mid-21st Century Decision-Making Environment...

Technology	Warfare	Infrastructure
<ul style="list-style-type: none"> • Systems of Systems • Service Oriented Architecture • System of Independent Systems • Ultra Large Scale Systems • Autonomous Systems • System Assurance • Cyber Environment 	<ul style="list-style-type: none"> • Force Structure • Net Centric Warfare • Unmanned, man controlled • Unmanned, autonomous • Cyber Warfare • C3I • Space 	<ul style="list-style-type: none"> • Organizations • Governance • Business & Services • Workforce • Economic trends • Body of knowledge • Efficiency, effectiveness, & productivity imperatives

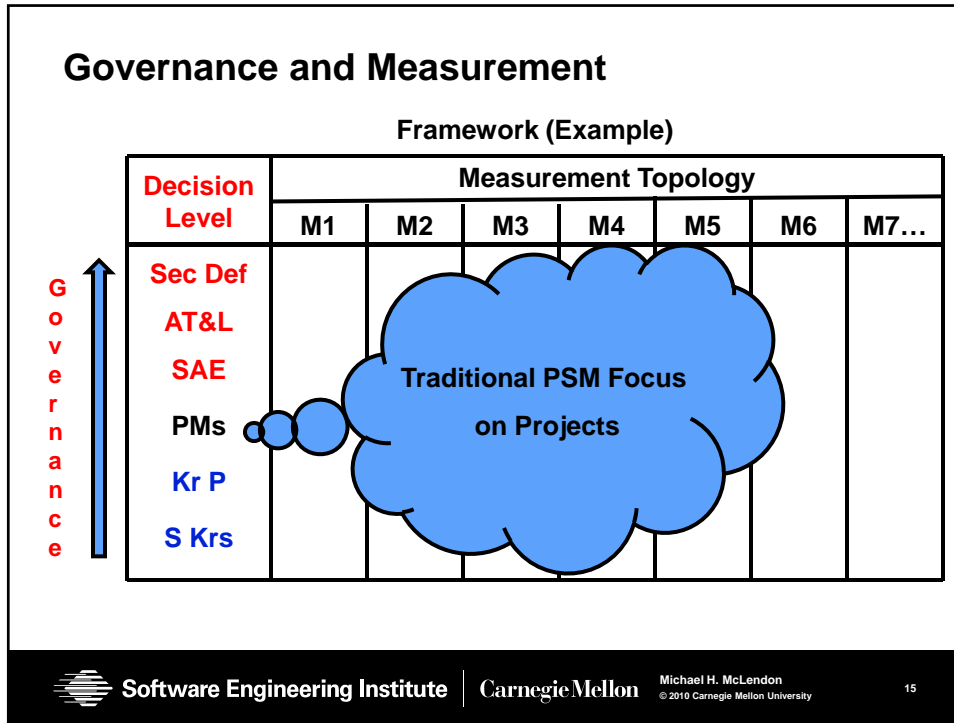


Governance: Like a System of Systems—A Network of Complex Relationships



- Number, type, and roles of participants increasingly diverse
- Differing vested interests and sovereign boundaries
- **Single decision authority increasingly ineffective**
- **Business case and value proposition significant considerations**
- **Understanding qualitative factors of culture and behavior on critical path to identifying information needs & effective communication**





Observations on this Environment

- Certain characteristics arise because of scale:
 - Decentralization
 - Inherently conflicting, unknowable, and diverse requirements
 - Continuous evolution and deployment
 - Heterogeneous, inconsistent, and changing elements
 - Erosion of the people/system boundary
 - Disappearance of relevance of organizational lines and structures
 - The Enterprise as groupings of interdependent organizations/domains
 - New measurement constructs
 - New paradigms for acquisition and policy
- Some of these characteristics may appear in today's systems
- As we approach ultra-large-scale systems, they dominate
- ***These characteristics undermine the assumptions (and thinking) that underlie today's approaches in many areas***

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Characteristics for Mid-21st Century Measurement System—1

- Agile and fast... *anticipate* and *rapidly adapt* to dynamic governance structures and their emergent behavior
- Vertical measurement system interoperability and integration
- Demonstrate the meaning of the measure to the business case and value proposition
- Advance, evaluate measurement body of knowledge, system designs, processes, and tools to address exponential complexity considerations (technology, policy, and governance)
- Recognize, benefit from blurring of enterprise domains, fields, and disciplines (health care, social sciences, private sector) arising from complex solutions



Characteristics for Mid-21st Century Measurement System—2

- Diverse governance stakeholder creates demand for simple, powerful measures, metrics, and indicators that communicate...to all
- Crisper and “eye popping” packaging (e.g., verbal, written, media) critical



A Few Take Aways—1

- Measurement community has made valuable contributions...no time to rest on past accomplishments
- Role of measurement in the defense decision process remains vital with increasing visibility and priority
- Perhaps at the outer limits of the word *complexity* to convey the appropriate meaning for what we are and will experience
 - Beyond the limits of scalability to answer the questions
 - Words and concepts we have relied on for decades have limits
 - Emergent behavior of systems and organizations not well appreciated



A Few Take-Aways—2

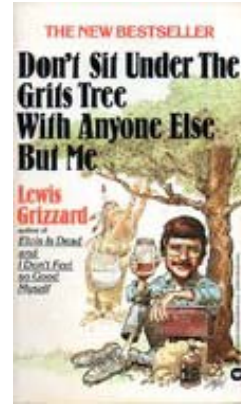
- Forward-leaning study/research agenda and outreach
 - Beyond historical measurement roots and thinking
 - Create measurement frameworks for mid-21st Century decision systems and processes
- In the noise of the bureaucracy, competition for “air time”...the imperatives are
 - Measures, metrics, and indicator; Crisp, clear, powerful measures
 - Information that communicates relevant meaning
 - Information that is then communicated so deciders understand it



Remember the Value of Facts

“Gathering facts is hard work, but facts will ruin a good story anytime.”

—Lewis Grizzard
“Don’t Sit Under the Grits Tree With Anyone Else But Me,” 1981



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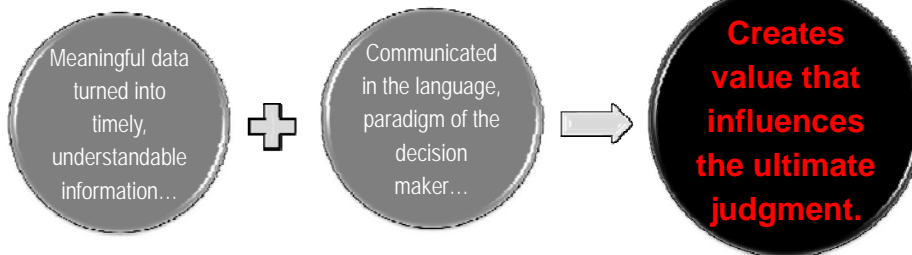
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Final Thoughts

- Data-free analysis leads to analysis-free decision making.
- Date-free decisions lead to consequence-free decisions.
- Consequence-free decisions lead to no one being accountable.
- When no one is accountable there is no need for data and information. M. McLendon, 1984

At the end of the day, data and analysis can inform the decision process, but ultimately the decision is based on judgment...but



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Questions



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