




# Great Expectations

Building Stronger Government-  
Industry Relationships

*Col. Michael A. Micucci, USMC*



As we enter our eighth year in the war on terrorism and our sixth year in Iraq, our defense industry has proven it is up to the challenge of providing the best and most capable equipment the world has to offer. Where past acquisition programs have taken 10 to 15 years to produce,

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**Micucci** is the Marine Corps program manager for Light Armored Vehicles, Marine Corps Systems Command, located at Tank-Automotive and Armaments Command in Warren, Mich.

we have seen warfighting capabilities placed in the hands of military servicemembers in a matter of one to two years, or even less. We have also seen major, unprecedented advancements in armoring strategies, electronic countermeasures, and night-vision devices. Given these accomplishments, there is no question that industry is working to meet government expectations, but to what extent? Do your industry partners truly understand your expectations? Have you, as the program manager, discussed your intent with them?

I was recently asked by industry to speak about government expectations. As I began putting my brief together, my outline centered on expectations in meeting the terms of the contract: cost, schedule, and performance. But as I thought about it, I realized there was much more to the contract. Cost, schedule, and performance requirements are definitely important, and meeting them is key to program success; but they really represent the lowest common denominator in the professional partnership of defense acquisition professionals and industry members. The expectations for such a partnership—one formed for an exceptionally vital purpose—will never be fully identified by a contract vehicle that is, by necessity, an antiseptic document. In fact, doing so would be akin to working toward a minimum standard, which is directly opposed to how each of us must approach our work. With this in mind, I would like to explore establishing expectations for industry as a full partner in every success.

### PM LAV Expectations

Before I explain my expectations for industry, I'd like to tell you what I expect from my own workforce. This will give you some insight into what I believe is important for my team. My expectations fit into the mode of what military leaders refer to as a command philosophy. I took over as the program manager for Marine Corps Light Armored Vehicles two and a half years ago and, at that time, explained in detail what I expected from my workforce. In the case of PM LAV, my expectations are reflected in the mnemonic acronym MARINES.

- **M**arines—I stress to my workforce that our Marines are our number one focus, and everything we do must improve their warfighting capability.

- **A**ccountability—We are all professionals and, as such, must be accountable for what we do and fail to do. We must achieve required levels of acquisition certification and professional development, and we must conduct ourselves with the highest sense of purpose.
- Always do the **R**ight thing—When faced with adversity and challenges, ask yourself one simple question: What is the right thing to do? You must recognize that the correct, best course of action could likely be the most difficult.



- **I**ntegrity—I tell my workforce they either have it or they don't, and I doubt if any of them got to where they are today without it. Honesty and truthfulness are critical in everything we do.

- Avoid the “**N**o, because” response—There are two types of people: Those who answer questions with “no, because,” and those who answer with “yes, but.” I believe it is more productive to be a “yes, but” person, and I instill that in my workforce. At the same time, I caution them that when we say “yes, but,” we must ensure the analysis identifies all the resources required to

accomplish the mission. The example I most often use is if we were asked to buy 1,000 light armored vehicles within the next six months, could we? The answer, of course, is yes, but we would likely need additional funding and a larger workforce, the equipment manufacturer may have to open an additional production line or two, etc.

- **E**mpowerment—I empower my product managers and directors to do their job, and I expect them to make decisions reflective of their full potential.
- **S**ynergy—The tempo and importance of our work demands a synergy grown from active communications and genuine teamwork within the organization.

### Industry Expectations

I put together a list of eight general themes that focus on my expectations for industry. They go beyond the basics of meeting cost, schedule, and performance criteria. Instead, they speak to the relationship established between the

government and industry, which when most effective is a true partnership that ensures both the program's success and, more important, the delivery of needed capability to our armed forces. I would encourage all program managers to discuss with their industry partners their own expectations.

### **Integrity**

Integrity is the foundation of an effective partnership. It is imperative that industry members maintain their integrity in an above-reproach manner because their reputation depends on it. The Marine Corps teaches every new Marine the 14 leadership traits: bearing, courage, decisiveness, dependability, endurance, enthusiasm, initiative, integrity, judgment, justice, knowledge, tact, unselfishness, and loyalty. Many Marines might argue, as I would, that courage and judgment could be the most important traits, but when it comes to procurement of defense technologies, I would say it is integrity.

Integrity is the righteousness of character and having the soundness of moral principles. It includes the qualities of truthfulness and honesty. It covers keeping promises, openly identifying problem areas, and admitting when you just cannot accomplish a task. It is integrity that allows for transparency in the areas of the government and industry partnership that must be crystal clear. I've seen industry partners clearly go into a contract with little chance for success and, although these incidents are few, they do occur. We have all read case studies in which programs went sour and the crux of the problem always came back to someone who knew what was going on but did nothing. I call that a failure of integrity. As I say to my own workforce, your integrity is one of the few things that only you can give away. No one can take it from you.

### **New Innovations and the Exploration of New Technologies**

I expect industry to lead the way in new innovations and technologies, and to push the envelope on the art of the possible. Industry has proven itself well in developing new ideas and capabilities, and industry's reputation within the Department of Defense is outstanding. DoD buys performance outcomes that support the needs of the warfighter, and it is imperative industry remain the leader in exploring new technologies that are cheaper, lighter, and more capable.

### **Meet Deadlines and Commitments**

It is critical that industry meet established deadlines and commitments. Trying to get a rough order of magnitude, a request for proposal, or an engineering change proposal through the industrial process can often take 60 days or more. A competitive environment produces a timely response, but we need the same emphasis when the contracts have been awarded and the environment is now a sole source. Approval of rough orders of magnitude with some industry partners are not typically delegated down to the director level and, therefore, have to go to corporate headquarters for approval. That can add a prohibitive amount of time to the process when, in many cases, the program manager is simply exploring a variety of courses of actions to determine

where additional funding for his program is best applied.

### **Understand the Basics of the Contract: Cost, Schedule, and Performance**

Never forget the basics. Industry partners sign a contract that says they will perform within cost and on schedule, and they will meet performance. We all need to read and understand the contract, as well as stick to it.

Costs can be the most difficult part of program planning. We use certified cost analysts to estimate the price we believe industry will write in the request for proposal.

The amount of funding a program manager receives from Congress is a finite number and, as costs grow, it is very difficult to come up with the difference. In a cost-type contract, if industry cannot meet the program requirements, program costs increase. The government, by law, either adds funding to the program or descopes the overall requirement.

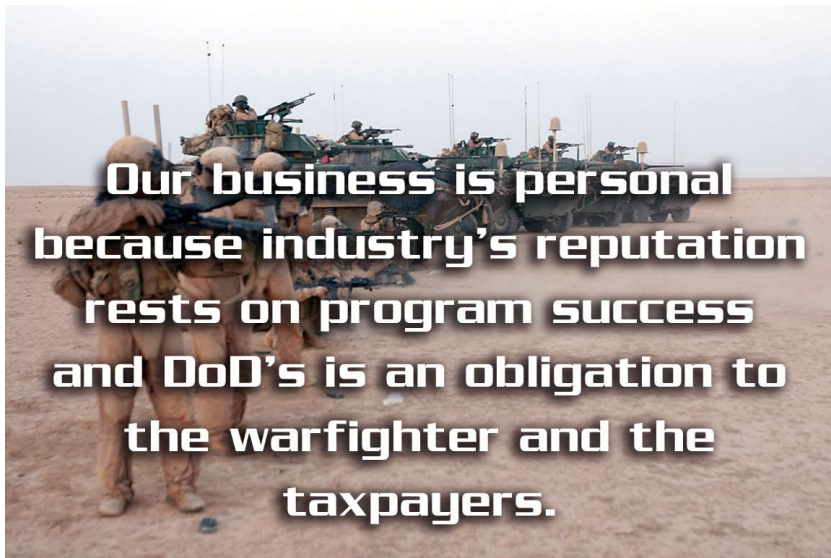
It should be noted that the government should not be forced to always adjust cost and schedule when slippage is clearly a result of industry's mismanagement of the program work effort. As to performance, we expect industry to meet the threshold requirements and the supplied product to have the inherent reliability. Reliability is always the most difficult criterion to meet. Finally, the contract should be amended only through proper procedures. If something requires changing, then the contract should be modified accordingly through the government contracting officer.

### **The Capability Must Support the Warfighter**

First and foremost, we all serve our warfighters—soldier, sailor, airman, or Marine—and the procurement of equip-







are those with whom I can discuss issues and challenges passionately but without rancor. We must recognize that we are only successful together, which requires a high level of trust and active communications.

Additionally, I stress and encourage open, candid, and responsive dialogue at the lowest level of our organizations. That is essential in problem identification and resolution, but it is impossible if either of our organizations is stovepiped. We expect our teams and theirs to talk and help each other solve problems. They must be honest, open, sincere, and straightforward with their diagnosis. If I ask for additional expertise, I hope they will take me seriously. For example, I once asked a director for additional engineering support. I believed the program did

not have the resources it needed to be successful. He told me he would add the additional personnel, but never did; and as a result, the program had technical problems, deliveries got behind, and a cure notice [*a notification that there is a condition is endangering performance of the contract*] followed shortly thereafter.

### A New Acronym

I have recapped my expectations in another mnemonic acronym: INDUSTRY.

- **I**ntegrity
- **N**ew innovations and technologies
- **M**eet **D**eadlines and commitments
- **U**nderstand the basics of the contract: cost, schedule, and performance
- The capability must **S**upport the warfighter
- **T**hink ahead and anticipate problems; let the government be a part of the solution
- **I**nternal **R**esearch and development
- **Y**ou and I, together.

In my program management office, my success and responsibility rests on providing the best warfighting capability to the MARINES. That, together with expectations of INDUSTRY, provides a foundation for mutual success. It is a two-way street, and industry members should also have great expectations of me.

The president and the commandant of the Marine Corps have both said the war on terrorism will be a long one. I believe the last seven years since the Sept. 11, 2001, terrorist attacks have proven that. As we move down this road together, it is imperative that the expectations of program managers and our industry partners are met beyond the basics.

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The author welcomes comments and questions and can be contacted at [michael.micucci@us.army.mil](mailto:michael.micucci@us.army.mil).

ment and technologies must support them. If the capability is no longer needed for enhancing their warfighting skills, then we need to stop, rethink our acquisition strategy, and move forward accordingly. If that means turning money back in, then turn it back in.

### Think Ahead and Anticipate Problems; Let the Government Be a Part of the Solution

It is imperative that industry think ahead and anticipates problems. If industry members identify potential issues, then they need to propose courses of actions and let the government determine which one to use. I've seen contractors isolate themselves and then execute what they believe is the best solution, only to find out the government is less than thrilled with the results.

### Internal Research and Development

We all know that industry has internal research and development funds. When was the last time an industry representative asked you, as the program manager, what kind of investments should be made to impact the government's future? For example, if the vendor is a combat vehicle manufacture, it needs to know the future lies in lightweight materials, and smaller and more efficient power packs. All combat vehicles should be on a weight-control program and they need to be more energy-efficient to reduce DoD's logistical footprint.

### You and I, Together

I tell industry that "you and I" are a team where "you" represents the industry partner and "I" represents the program manager. I stress to them we are a partnership with the same ultimate goal. I also remind them remind them that our business is personal because their reputation rests on program success and ours is an obligation to the warfighter and the taxpayers. We must both put forth the maximum effort toward providing the best capability. In our partnership, I expect we'll share mutual trust and respect and for an open exchange of ideas and concerns. My best industry partners