

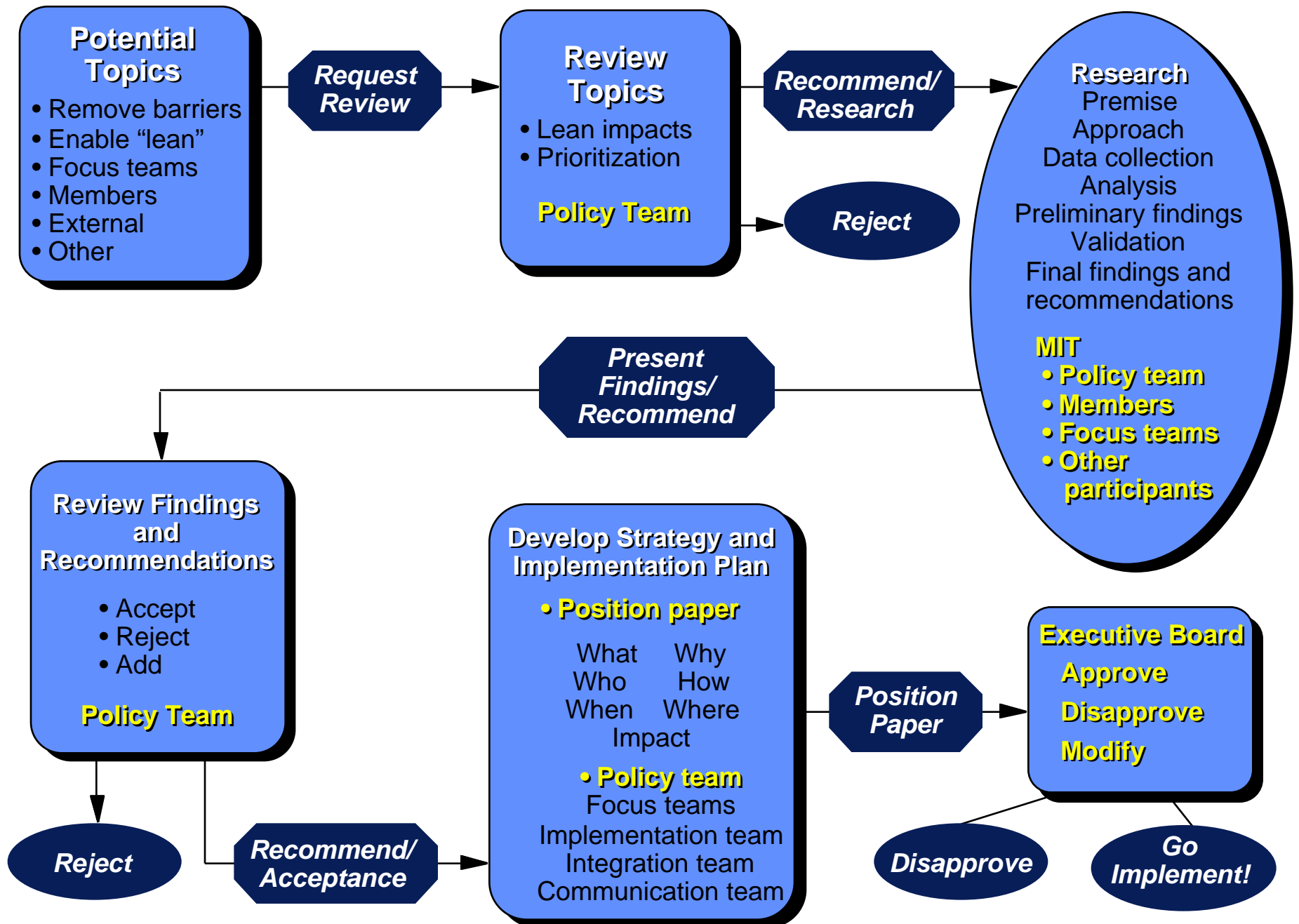
LEAN AIRCRAFT
INITIATIVE

Introduction

Policy and External Environment Focus Team Report

5 March 1997

James F. Bodine
Co-Chairman



Activity

- Two Focus Team meetings
- Two-day co-chairs meeting
- Numerous e-mail/telephone exchanges
- Added NavAir and ATCOM representatives to Focus Team
- Completed evaluation of 259 program instability questionnaires (153 – Gov't, 106 – industry)
- Discussed program instability findings with 2 PEOs and 26 PMs

Activity (Cont)

- Interviewed experts on subject of economic incentives in:
 - 3 airframe companies
 - 2 engine companies
 - 3 electronic companies
 - 7 Gov't Program Offices
 - 4 FFRDC, University
- Completed case studies of two munition programs, initiated case studies of two airframe programs
- Policy change recommendations prepared
- Began research on the use of commercial practices (2 programs surveyed/~20 planned)
- Development underway of a simulation model of the military aircraft acquisition process (1/4 complete)
- Cooperating with Product Development focus team on cycle time reduction research

Agenda

Policy Focus Team Agenda

- 10 min Introduction Jim Bodine
- 15 min Program Instability Research Eric Rebentisch
- 25 min Policy Team Program Instability
Change Recommendations Bob Kayuha
- 15 min Economic Incentives Research Wes Harris
- 20 min Policy Team Economic Incentives
Change Recommendations Bob Kayuha
- 5 min Path Forward Jim Bodine

Path Forward

- Be prepared to support policy change recommendations
- Complete economic incentive research on airframe programs
- Initiate economic incentive research in engine sector
- Explore program instability induction during budget build process
- Complete research on successful use of commercial practices
- Complete system acquisition process simulation model
- Continue interface with other Focus Teams to identify other policy barriers to “lean”
- Develop “lean user” research approach

Policy and External Environment Focus Team

- Have largely completed program instability survey research
- Validated data with PEOs and PMs
- Have completed a significant portion of economic incentives research
- Will present MIT research results and Focus Team policy change recommendations
- Policy change recommendations in the following areas will be presented:
 - Program staffing continuity
 - Stakeholder participation
 - Budget stability
 - Appropriate suspension of TINA
 - Reinvesting/sharing savings