BEST PRACTICES

Better Support of Weapon System Program Managers Needed to Improve Outcomes

Why GAO Did This Study

The Department of Defense (DOD) relies on a relatively small cadre of officials to develop and deliver weapon systems. In view of the importance of DOD's investment in weapon systems, we have undertaken an extensive body of work that examines DOD's acquisition issues from a perspective that draws lessons learned from the best commercial product development efforts to see if they apply to weapon system acquisitions. In response to a request from the Chairman and Ranking Minority Member of the Subcommittee on Readiness and Management Support, Senate Committee on Armed Services, this report assesses (1) how successful commercial companies position their program managers, (2) how DOD positions its program managers, and (3) underlying reasons for the differences. In compiling this report, GAO conducted a survey of program managers. See GAO-06-112SP.

What GAO Recommends

GAO recommends the Secretary of Defense develop an investment strategy to prioritize needed capabilities; require senior stakeholders to formally commit to business cases for new weapon system developments; and develop a process to instill and sustain accountability for successful program outcomes. DOD agreed with our recommendations.

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To view the full product, including the scope and methodology, click on the links above. For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

What GAO Found

U.S. weapons are among the best in the world, but the programs to acquire them often take significantly longer and cost more money than promised and often deliver fewer quantities and capabilities than planned. It is not unusual for estimates of time and money to be off by 20 to 50 percent. When costs and schedules increase, quantities are cut, and the value for the warfighter—as well as the value of the investment dollar—is reduced.

When we examined private sector companies that developed complex and technical products similar to DOD, we found that their success hinged on the tone set by leadership and disciplined, knowledge-based processes for product development and execution. More specifically, long before the initiation of a new program, senior company leaders made critical investment decisions about the firm's mix of products so that they could commit to programs they determined best fit within their overall goals. These decisions considered long-term needs versus wants as well as affordability and sustainability. Once high level investment decisions were made, senior leaders ensured that programs did not begin unless they had a business case that made sure resources were in-hand to execute the program—that is, time, technology, money, and people. Once a business case was established, senior leaders tasked program managers with executing that business case for each new product from initiation to delivery, but required their program managers to use a knowledge-based product development process that demanded appropriate demonstrations of technology, designs, and processes at critical junctures. The program manager was empowered to execute the business case, but also held accountable for delivering the right product at the right time for the right cost. Requiring the program manager to stay throughout the length of a project was a principal means of enforcing accountability. Overall, by providing the right foundation and support for program managers, the companies we visited were able to consistently deliver quality products within targets, and in turn, transform themselves into highly competitive organizations.

DOD program managers are put in a very different situation. DOD leadership rarely separates long-term wants from needs based on credible, future threats. As a result, DOD starts many more programs than it can afford--creating a competition for funds that pressures program managers to produce optimistic cost estimates and to overpromise capabilities. Moreover, our work has shown that DOD allows programs to begin without establishing a formal business case. And once they begin, requirements and funding change over time. In fact, program managers personally consider requirements and funding instability—which occur throughout the program—to be their biggest obstacles to success. Program managers also believe that they are not sufficiently empowered to execute their programs, and that because much remains outside of their span of control, they cannot be held accountable.

_____ **United States Government Accountability Office**