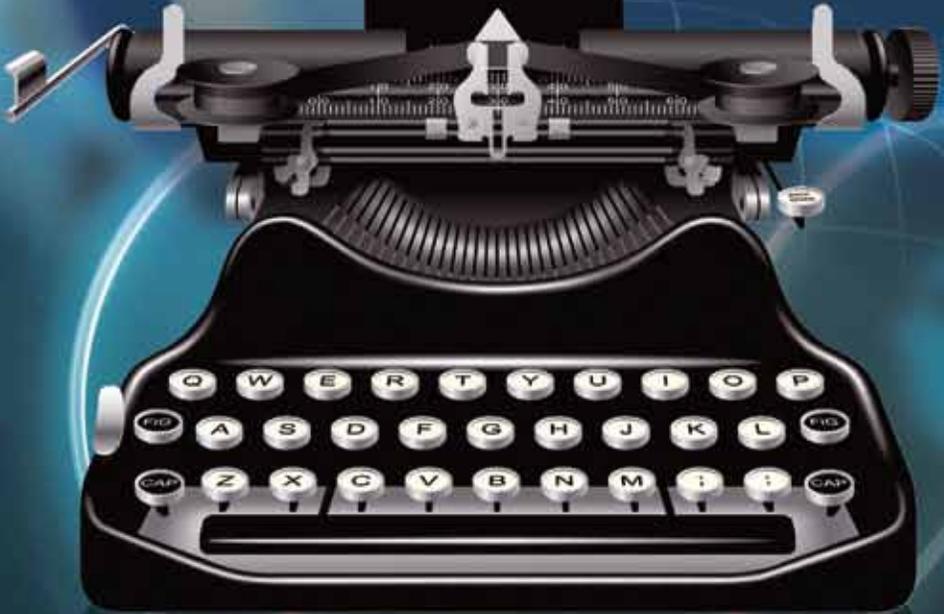


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The More Things Change, Acquisition Reform Remains the Same

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For over 60 years, the Department of Defense has attempted to fix its weapon systems procurement without success. While notable exceptions emerged during the Global War on Terrorism (i.e., rapid development/fielding of Mine Resistant Ambush Protected vehicles and Improvised Explosive Device defeat systems), “Acquisition Reform” efforts have not consistently yielded a process/system that delivers products faster, better, or cheaper. In 2009, President Obama took the initiative to give reforms another try. Through an analysis that applies John P. Kotter’s model of organizational change and Edgar H. Schein’s approach to organizational culture and leadership, the conclusion suggests that current initiatives will not be successful. Behavioral change is needed to embed transformation. Acquisition reforms can be coerced, but will not endure as true transformation unless cultural change occurs.



In March of 2009, shortly after Barack Obama was sworn in as President, the Government Accountability Office (GAO) released its annual report “Defense Acquisitions: Assessments of Selected Weapons Programs” (GAO, 2009). Cumulative cost growth among assessed Department of Defense (DoD) programs had reached \$296 billion. That latest revelation of inefficiency provided a rallying point for senior leaders in the White House, Congress, and DoD.

The GAO report was released as significant forces for change were beginning to move in the same direction. President Obama declared his commitment to reduce the federal deficit by half in 4 years as Congress made final changes on legislation aimed at acquisition reform (Phillips, 2009). Concurrently, Secretary of Defense Robert Gates espoused his own imperatives for acquisition reform (Gates, 2009), and hired a similarly motivated Under Secretary of Defense for Acquisition, Technology & Logistics (USD[AT&L]), Dr. Ashton Carter (Hearing, 2009). Together, these leaders emerged as a powerful coalition of change agents to fix the government’s acquisition process.

But, will it all work? In *Leading Change*, John P. Kotter (1996) posited primary reasons why transformations fail. Closely related, Schein’s (1992) seminal work on organizational culture emphasized the need for behavioral change to drive transformation. Both approaches are presented as a framework for assessing the likelihood of success for current acquisition reform. The prognosis for effective reform is dim without embedding leadership actions and institutional processes that will drive change in the culture of defense acquisition. Without such intentionality, one can expect to repeat the history of unfulfilled mandates for reform.

A Brief History of Acquisition Reform

The need to fix, or reform, the DoD’s various acquisition processes is almost universally acknowledged. Numerous studies have informed U.S. strategic leaders on its shortcomings since 1949 (Assessment Panel, 2006). The following summary of acquisition reform initiatives since the 1980s provides context for an analysis of initiatives undertaken since 2009.

The Scandalous 1980s

The first half of the decade of the eighties, marked by “fraud, waste, and abuse” scandals in the procurement system, led to calls for reform (Parlier, 1989). In response, President Reagan created a Blue Ribbon Commission on Defense Management, also known as the Packard Commission, which produced what came to be known as the “Packard Report.” Congress also worked its own legislative reforms to include the Goldwater-Nichols Department of Defense Reorganization Act of 1986. The Blue Ribbon Commission final report stated flatly, “Excellence in defense management will not and cannot emerge by legislation or directive” (President’s Blue Ribbon Commission, 1986, p. xii). The commission believed that acquisition employees at all levels must be encouraged and empowered to succeed, and that Congress, DoD, and industry must all set aside parochialism and “restore a sense of shared purpose and mutual confidence” (p. xii). The Packard Report recommended specific ways in which Congress and DoD could improve program stability to mirror successful industry practices. Some of the specific commission recommendations became codified into law.

The Goldwater-Nichols Act of 1986 contained a major restructuring of DoD, to include changes that partially addressed the Blue Ribbon Commission’s findings of diluted authority for execution. Accordingly, the 99th Congress, with the National Defense Authorization Act for Fiscal Year 1987, directed consolidation of the acquisition function within the offices of the Service secretaries. Other legislation that year included clarification of roles and responsibilities of the newly created position of the Under Secretary of Defense for Acquisition.

A More Business-Minded 1990s

The nineties saw further application of reform initiatives originally recommended by the Packard Commission. The Defense Acquisition Workforce Improvement Act (DAWIA) of 1990 addressed the need to improve the quality of the acquisition workforce, establishing formal career paths and standards for education and training. Following his inauguration in 1993, President Clinton also signed two reforms into law. The Federal Acquisition Streamlining Act of 1994 exempted procurement of commercial items from existing laws and expanded the definition of “commercial product” to broaden its applicability. The Clinger-Cohen Act of 1996 eliminated cost accounting standards that had discouraged commercial companies from doing business with the

federal government. Both reforms addressed the Blue Ribbon Commission's findings that a reduction in government red tape and commercial innovation was key to improved acquisition outcomes.

William Perry, a commission member, became Secretary of Defense in 1994 and initiated the most severe reforms with the famous "Perry Memo" (1994). Perry directed the armed services to use commercial specifications and standards when contracting for goods and services instead of the index of military specifications and standards then in existence. Perry also mandated Integrated Product and Process Development (IPPD) and Integrated Product Teams (IPTs) to manage program execution. Cost as an independent variable (CAIV) would be used to contain cost growth. Advanced Concept Technology Demonstrations would also employ prototypes to reduce risk and maximize operational utility of new weapon systems (Carter & White, 2000).

In 1997, Secretary of Defense William Cohen undertook a series of additional acquisition reforms under the umbrella of "Defense Reform Initiative (DRI)." His DRI Report identified four areas, or pillars, of reform: Reengineer – adopt modern business practices; Consolidate – streamline organizations to eliminate redundancy and maximize synergy; Compete – apply market mechanisms to improve quality and reduce costs; and Eliminate – reduce excess support structures to free resources and focus on core competencies (Cohen, 1997). DRI was largely a continuation of themes introduced by the Blue Ribbon Commission.

New Century, Old Problems—2000–2005

With the turn of the century, the Revolution in Military Affairs also called for a concurrent Revolution in Business Affairs. With the experience gained since his 1997 appointment, Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]) Jacques Gansler put forth a new path for the new century through acquisition reform in response to studies directed by Congress. He noted three clear "top line" goals: reduce cycle times for the development and delivery of new weapon systems; reduce total ownership costs; and right-size the Defense Acquisition Workforce and infrastructure to realize savings through efficiencies, and maximize flexibility in the new business environment (Gansler, 2000). Efforts included increasing reliance on an integrated civil-military industrial base, focus on cost and schedule as priority parameters over performance, and necessary training of the Defense Acquisition Workforce on commercial practices.

With his second appointment as Secretary of Defense, Donald H. Rumsfeld brought his own business-minded approach to transformation. For Secretary Rumsfeld, buying the right thing was as important as buying it right, and transformational, network-centric capabilities were more important to future conflict than legacy systems (Adler, 2007). Following a business-like approach, Rumsfeld sought innovation capabilities from nontraditional defense industries.

Are We There Yet?—2005 to Present

Despite the extensive reform efforts, by 2005 DoD and Congressional leadership as well as President George W. Bush lost confidence in the acquisition system (Assessment Panel, 2006). On June 7, 2005, Acting Deputy Secretary of Defense Gordon England established the Defense Acquisition Performance Assessment (DAPA) Project to conduct a sweeping and integrated assessment of “every aspect” of acquisition. DAPA’s major findings included recognition that the industrial base had consolidated significantly since the mid-eighties and that the nature of the post-Cold War security environment placed a premium on flexibility and technological exploitation. DAPA, like previous efforts, identified excessive oversight and complex acquisition processes as cost and schedule drivers, and called for stability of requirements as an essential element for an effective acquisition system.

The history of acquisition reform reflects much has been done to study the problem, identify candidate solutions, and execute reforms, only to return to the conclusion that more reform is needed. The most recent acquisition reform initiatives of the Obama Administration and the 111th Congress followed suit.

Acquisition Reform in 80 Days

Secretary of Defense Robert Gates (2009) offered his own convictions regarding the need for acquisition reform. “We must reform how and what we buy,” he said in his fiscal year 2010 budget recommendation, “meaning a fundamental overhaul of our approach to procurement acquisition and contracting.” Like President Obama, Gates pulled no punches in his characterization of the breadth and depth needed for acquisition reform. He asserted that dramatic change would be required in order to maintain U.S. military superiority in an environment of shrinking economic resources.

Secretary Gates identified three fundamental steps to accomplish needed reform. First, senior leaders must demonstrate commitment and courage to discontinue programs that are either failing or procuring more capability than was needed. Second, performance requirements should be scrutinized and, as necessary, limited to avoid cost and schedule overruns while procuring what is technically feasible. Finally, government program teams should be adequately staffed for proper oversight, cost estimates should be more realistic, and budgets protected for program stability.

Like President Obama, Secretary Gates recognized the challenge in leading acquisition reform. It, however, is one thing for the executive branch to agree and another to work with other stakeholders to make



tough decisions on specific programs. “To do this,” he said, “the President and I look forward to working with the Congress, industry, and many others” (Gates, 2009).

On May 20, 2009, Senator John McCain issued a floor statement in support of the U.S. Senate Armed Service Committee (SASC)’s Weapon Systems Acquisition Reform Act (Weapon Systems, 2009a), which would be signed into law just two days later. WSARA was as important for its substance as it was for the demonstration of bipartisanship (McCain, 2009). Congress was united in its pursuit of acquisition reform and in concert with similar efforts of the President and within DoD, as codified in Department of Defense Instruction 5000.2 (DoD, 2008).

The principal aim of WSARA was to improve the likelihood of success of major program acquisitions by focusing on decisions at their inception. WSARA reforms seek reliable and independent baseline cost estimates, rigorous early developmental testing and systems engineering oversight, and strong gatekeeping to prevent programs from proceeding with too much risk of immature technology. The goal of early risk reduction sought to facilitate the expanded use of fixed price contracts. Like the President, Congress also called for increased use of competition in WSARA to reduce costs.

A final WSARA reform of note was a strengthening of the “Nunn-McCurdy” process. Nunn-McCurdy provisions require DoD to report to Congress when cost growth on a major program breaches a critical cost growth threshold. Characterized by Senator McCain as “a big stick ... to wield against the very worst performing programs,” the new legislation required a root-cause assessment of failing programs and presumed program termination within 60 days of notification unless DoD certified in writing to the contrary.

Within the first 80 days of the new presidential administration, key senior leaders in the executive and legislative branches of government united their visions and efforts to re-ignite a transformation of DoD weapons systems procurement. OMB subsequently issued numerous directives (Field, 2009a; 2009b; Gordon, 2009; Orszag, 2009a) as executive branch guidelines. Moreover, as the year ended, Under Secretary Dr. Ashton Carter signed out a “Directive-Type Memorandum” (2009) containing WSARA implementation instructions. Acquisition reform in the new century did not stop there.

In Search of Efficiency

On the 65th anniversary of Allied victory in Europe, Secretary Gates spoke publicly on defense spending. Calling upon the memory of President Eisenhower's leadership while in office, Secretary Gates agreed, "the U.S. should spend as much as necessary on national defense—but not a penny more" (Gates, 2010). He then went on to recognize that while the continuing demands of the military would require real growth in the defense budget of 2 to 3 percent annually, domestic economic pressures made that level of fiscal support unlikely. Gates concluded that DoD must pursue an Efficiencies Initiative to sustain the necessary growth without commensurate budget increases.

Secretary Gates and Under Secretary Carter asserted that their Efficiencies Initiative was different from acquisition reform, but key aspects of the initiative constitute a clear continuation of the transformation begun the previous year (Carter, 2010c). Objectives included calls for: delivering systems within budget; getting better buying power; restoring affordability programs; removing government impediments to leanness; and avoiding program turbulence. In a subsequent memorandum, Under Secretary Carter endorsed a claim that two-thirds of the savings could be found within existing programs by conducting them more efficiently and affordably (Carter, 2010b). Also noting that roughly half of the nearly \$700 billion invested each year on defense is contracted-out, the initiative also seeks to improve industry productivity. Once again, there was recognition that change would be difficult and take time. Further, a total team effort that now included industry would be required.

Under Secretary Carter provided detailed implementation guidance to acquisition professionals in separate memos issued in September and November of 2010 (Carter, 2010a; 2010b). These memos culminated 21 months of acquisition reform since being sworn in. It is now appropriate to ask the question: Will this latest attempt at acquisition reform succeed where 60 years of effort have failed? One framework for analysis comes from the organizational change and culture models of Kotter and Schein (Kotter, 1996; Schein, 1992).

Why transformations fail. John P. Kotter (1996) approached his research by asking why transformation efforts fail. He concluded that eight fundamental errors can thwart success. Using these, he developed an eight-stage process to create major change. This article focuses on the first five, which are foundational to success.

Error No. 1: Allowing too much complacency. Establishing a sense of urgency is critical to gaining needed cooperation, and the first stage in Kotter's change process. Without urgency, members of the organization are unlikely to part with old, comfortable ways of doing business. The urgency must clearly demonstrate that the personal cost of not changing is higher than that of the change being requested. The continued existence of the organization and loss of one's job are good examples.

Error No. 2: Failure to create a sufficiently powerful guiding coalition. The second step is creating the guiding coalition. This step recognizes the fact that no single person can accomplish steps 3 through 8 single-handedly. Building a trusted team of powerful, expert, and credible leaders is essential early in the process.

Error No. 3: Underestimating the power of vision. Next, successful change requires developing a vision and a strategy. Compared to authoritarian decrees or micromanagement, Kotter believes that vision has the power to break through forces that support the status quo. Vision provides an image of the future that includes the inherent reason for its goodness. Good vision simplifies, motivates, and organizes.

Error No. 4: Undercommunicating the vision. Communicating the vision is step 4 of the process. Elements for successful visioning include simplicity of message, multiple forums for communication, and explanation of seeming inconsistencies. Most importantly, repetition of the message by leaders is essential. Repeating the vision not only ensures the message is received, but also underscores its importance.

Error No. 5: Permitting obstacles to block the new vision. Once the leadership team successfully conveys a sense of urgency and vision, organizational members should be empowered for broad-based action. This fifth step recognizes that members who support change may encounter barriers to action. These can be structural impediments, lack of skills, bad supervisors, or organizational systems and processes that get in the way. Removing these barriers will facilitate culture change.

How to change culture. In *Organizational Culture and Leadership*, Schein (1992, pp. 230–245) described how leaders use primary embedding mechanisms to create or change an organizational climate. Embedding mechanisms teach members of an organization how to perceive, think, feel, and behave in accordance with the desired

transformational outcome. The primary mechanisms are: what leaders pay attention to, measure, and control on a regular basis; how leaders react to critical incidents and organizational crises; how leaders allocate resources; deliberate role modeling, teaching, and coaching; how leaders allocate rewards and status; and how leaders recruit, select, promote, and excommunicate members. Through these mechanisms, leaders demonstrate, through their own behavior, what is important. Together, the models of Kotter and Schein provide a framework for analysis of the current acquisition reform efforts.

Likelihood of Success

Historically, acquisition reform has failed to achieve stated goals and objectives. Looking through the prism of Kotter's eight-stage process and Schein's embedding mechanisms, we can gain some insight into what to expect of the most recent efforts.

Sense of Urgency or Culture of Complacency?

Existing statements and actions to create a sense of urgency, step 1 in Kotter's change process, are unequivocal. In May 2009, President Obama invoked the specter of trillions of dollars of U.S. debt, the economic crisis, and the GAO's data on procurement inefficiency to argue his case. During the WSARA signing ceremony, he broadened his reform appeal by claiming it would "better protect our nation, better protect our troops" (Obama, 2009a). The SASC (Weapon Systems, 2009b) recorded similar views in part to increase awareness of the need for reform. Additionally, Secretary Gates (2009) tied his imperative to current missions and those in the future, and taking care of people. His Efficiencies Initiative goals alone add to the sense of urgency—which could not be achieved without change. These statements of urgency, coupled with leadership direction, are routinely passed along to the Defense Acquisition Workforce in official communications and other communications media (Carter, 2010d). Is this enough to overcome the inertia of the acquisition bureaucracy?

Urgency must overcome complacency. The statements and their motivational influence appear compelling, and yet challenges lie in human nature and mixed messages (Kotter, 1996). The Defense Acquisition Workforce is comprised of well-compensated employees with little threat to their employment status. Acquisition professional Dave Frick (2010) noted that the culture of DoD is risk averse and permeates the acquisition community. Such caution about the prospects of program

failure reinforces complacency to stick with existing “safe” practices. Frick challenged the community to embrace agile acquisition, which requires a culture that encourages risk taking and innovative thinking. With no direct cause-and-effect relationship (reward or consequences) between the declared urgency and employment or compensation, a problem that the now-failed National Security Personnel System attempted to address, the declared crisis might be safely ignored as someone else’s problem (Corrin, 2009; Risher, 2010).

Mixed messages can also abet status-quo complacency. In the very address President Obama made when signing WSARA, he stated, “As Commander-in-Chief, I will do whatever it takes to defend the American people, which is why I’ve increased funding for the best military in the history of the world” (Obama, 2009a). He went on to say that waste was unacceptable, but if the United States will indeed cover the cost no matter what, how urgent can the situation be? Similar mixed messages are also coming from DoD and the SASC in their management of the F-35 program. Recently revealed to be over budget and over schedule again, the high-visibility program has already defied attempted reforms by being “too big to fail” (Martin, 2010). The Senate has also continuously added unrequested money to the budget for a second engine source, which DoD says is not needed (Shalai-Esa, 2010; Wolf, 2010).

Culturally, senior leaders may be failing to embed desired behaviors in the Defense Acquisition Workforce largely through how they react to organizational crises and critical incidents. With acquisition personnel feeling little personal risk and hearing mixed messages, the unintentional consequence may be that the status quo is not changed. A reviewer noted that this is the heart of the arguments posed by Kotter and Schein. While leaders may offer platitudes about organizational goals and objectives, it is essential that they present clear and compelling statements as to why things must change. Such statements must be accompanied with strategies and the means to enforce accountability. Given a path is established, metrics are essential to transforming the culture of acquisition professionals and providing consequences for those who do not get on board. In the Jim Collins “Good to Great” (2001) vernacular—get the wrong people off the bus. Collins noted that great organizations have a culture of rigor and discipline. One business leader exemplar interviewed in his book offered, “You can set your objectives for the year, you can record them in concrete. You can change your plans through the year, but

you never change what you measure yourself against” (p. 122). Without clearly expressed metrics and a culture of discipline, the status quo will erode the urgency to change.

Guiding coalition or top-down direction? The President, the Secretary of Defense along with his USD(AT&L), and two of the more powerful committees of Congress comprise a dream team of sorts. But, does that coalition include enough of the procurement enterprise to complete the transformation called for in acquisition reform? The pace of today’s business environment, in addition to DoD’s size, requires a powerful and empowered coalition in place that can decide, act, and lead as a team (Kotter, 1996). Such an entity does not appear to exist for acquisition reform.

An examination of the executive branch’s organizational charts reveals many offices within the White House and DoD with roles in acquisition reform. The challenge is identifying a coherent, empowered, and representative coalition. Instead, guidance and decision making appears to be formulated within the Office of the Secretary of Defense and disseminated through top-down directives. This approach risks disempowering many constituents at the next level of “key” players. Perceived as part of the problem instead of part of the solution, these powerful leaders are a missing ingredient from Kotter’s change coalition that are essential for success.

Culturally, the current approach appears to miss an opportunity to embed desired behavior. Establishing a guiding coalition gives leaders an opportunity to demonstrate preferences simply by whom they select and how their performance is evaluated. Making more formal use of a guiding coalition could also offer opportunities to exercise role modeling and coaching as a tool for transformation. Michael Kotzian, in his *Defense Acquisition Review Journal* award-winning paper (2010, pp. 158–181), asserted, “the importance of leadership...within DoD’s acquisition community—is paramount...to overcome the resistance to policy change” (p. 161). Kotzian convincingly argued that while the majority of acquisition reform approaches focused on adjustments to processes and procedures, the critical enabler of change is the Defense Acquisition Workforce. The coalition to effectively guide change must come from within the community of practitioners. Despite the substantial efforts of senior acquisition leaders, there are still concerns with achieving

performance, cost, and schedule objectives as documented in the Congressional Research Service reports on defense acquisition (Chadwick, 2007; Schwartz, 2010).

Vision or decree? Slightly different interests motivate each group of potential change agents. The nexus of agreement seems to be the need to execute weapons procurement more efficiently, but beyond that, what vision will motivate change?



According to Kotter, a good vision conveys a picture of what the future will look like, appeals to the long-term interests of stakeholders, and comprises realistic, attainable goals. The Office of Defense Procurement and Acquisition Policy website offers the following vision statement: “Acquisition excellence through leadership with integrity” (Defense Procurement, n.d.). This says nothing about reform at all. An unofficial vision statement of sorts has recently appeared, “Do more without more” (Carter, 2010a). Whether this will inspire the workforce though, remains to be seen. It is also unclear what effect was intended by

abandoning the term “acquisition reform” in the Efficiencies Initiative, except perhaps to disassociate it from previous failures. One unintended consequence of all three statements, though, could be confusion. Exhortations for change can become background noise to be ignored by the more complacent members of the organization.

Culturally, a clear and compelling vision statement could be used to identify what leadership will pay attention to during the transformation. One of Schein’s embedding mechanisms is that leaders are engaged in deliberate role modeling, teaching, and coaching (pp. 240–242). If reform is important, then it should be captured in the vision and part of every formal and informal communication. A few well-thought out sentences could expand on the existing goals to include a general strategy for getting there: a strategy that could be followed up with metrics to track progress. Acquisition senior leaders should seize opportunities to engage in conversations with the Defense Acquisition Workforce and demonstrate through their words and actions that reform is essential.

Empowered change or structural barriers? Kotter revealed the impact on change efforts, like acquisition reform, that formal structures and personnel systems can have. Stated simply, the way an organization is structured—its rules of behavior or formal processes (Schein’s reinforcing mechanisms) and the incentives inherent in a reward system (embedding mechanisms)—can thwart employees’ intended support of any change effort. Without effective embedding mechanisms for acquisition reform, powerful internal and external stakeholder groups are not required or incentivized to assist the change effort. The requirements and budget communities, for example, have unique interests that may not include on-time and on-budget delivery. The defense industry itself may also not be inclined to change if it affects profitability. Similarly, prescriptive rules governing program execution can also unintentionally establish their own barriers to change. The 2009 WSARA legislation alone established, in law, detailed rules of program execution in areas such as milestone certification, systems engineering, and competition. Adherence to these new rules is mandatory, and expensive bureaucracy must exist to ensure compliance.

There is also the issue of incentive. Is employee performance in the acquisition community, both military and civilian as well as stakeholders, evaluated on the basis of acquisition reform goals? Some critics assert that rewards are usually based on achieving the unit mission

and may not be tied to acquisition reform outcomes. This can lead to suboptimized performance or even frustration at the employee level or, as Kotter put it, barriers to empowerment.

In “A Ten-Year Review of the Vision for Transforming the Defense Acquisition System,” Rogers and Birmingham (2004, pp. 37–59) noted that DoD acquisitions are subjected to political influence to the point where critics hold there is little hope for real reform. The two authors contend, however, that leaders within the bureaucracy have the professional obligation to drive improvements with clear change visions. This requires restructuring organizations, processes, and systems to transform the acquisition community. One such structural change is a proposal to institute Acquisition Centers of Excellence to provide efficiencies through joint (cross-Service) and collaborative effort (Starks, 2008, pp. 28–32). The tendency of organizations is to default to reinforcing mechanisms to change organizational structure—to “rearrange the deck chairs” rather than address the fundamental problems of senior leadership and direction. Program manager Thomas Miller (November–December 2010, p. 30) identified root causes as “an unequal distribution of power and influence [combined] with systemic disincentives.” Much needs to be accomplished to refute a RAND study that found “insufficient cultural, organizational, and intellectual change in the DoD” and “serious structural and cultural impediments that hinder the ability of the acquisition process to deliver desired outcomes” (Hanks, Axelband, Lindsay, Malik, & Steele, 2005, pp. 67, 142).

A Path to Viable Acquisition Reform

Sixty years of acquisition reform has yielded a procurement system that requires more reform (GAO, 2011). In 2009, President Obama took office and joined forces with the incumbent Secretary of Defense along with an interested and motivated Congress to give it another try. Recognizing that the scope and level of effort called for are nothing short of transformational, we selected five elements of Kotter’s eight-stage process for change and used Schein’s concepts of embedding mechanisms for organizational culture to analyze this latest effort’s likelihood of success.

Based on this analysis, the prospects for lasting reform are gloomy. Efforts to establish a compelling argument for change among the Defense Acquisition Workforce and stakeholders are undercut by mixed messages such as “whatever it takes.” It also does not appear as though an effective

guiding coalition or unifying vision exists that can motivate change and embed its ideals into the culture of the acquisition community. In addition, important barriers to empowerment remain in place.

“CULTURE ISN’T JUST ONE ASPECT OF THE GAME –IT IS THE GAME.” (GERSTNER, 2002, P. 182)

Former IBM Chief Executive Officer Lou Gerstner observed that no enterprise would succeed unless elements of success are embedded in its DNA. To overcome inefficiency in acquisition totaling \$296 billion, the ad hoc leadership team needs to go beyond peripheral recognition of the importance of culture change as a component of transformation and instead embrace it as the centerpiece of true reform. Using Schein’s cultural embedding mechanisms, we suggest the following.

5 DoD should clarify, simplify, and standardize metrics by which it measures success, then pay attention to those metrics and hold people accountable for them. We recommend outcome-based measures that prudently balance performance with schedule and cost. This focus could form the basis for a simple, compelling, and unifying vision such as *DoD Procurement Promised Performance, On Time, On Budget*. Performance is the sine qua non of acquisition programs; hence, its measures retain prime importance while in tension with factors of schedule and cost. Monitoring and adapting performance metrics form the trade space to preserve on-time and on-budget outcomes.

DoD should also formally identify its guiding coalition, recognizing that acquisition program outcomes are influenced by stakeholders outside the professional acquisition corps. That coalition should be empowered and used as an embedding mechanism of cultural change: deliberate role modeling, teaching, and coaching; allocation of rewards and status; and recruitment, selection, and promotion. Flag officers and senior civilians, to include those in department and Service-level headquarters, warfighter resource representatives, and support agencies should be included. Recognizing this has the potential to be a large group, a tiered management approach could be used to retain some efficiency while taking advantage of the breadth and depth of the coalition’s reach.

Importantly, using the measures of merit identified above, *all* members of this group should in some way be accountable for the outcomes of the programs in which they have a stake. This action is crucial in pursuit of what Schein calls “cognitive restructuring” (1992, p. 325), where individuals become open to new information and ways of thinking. Through broad enforcement of the new standards, this advocacy group will be motivated to set the example that their members can imitate. There, however, is the proverbial rub. Given that many members seek to represent the interests of their constituents and can say no with impunity, it is necessary to provide transparency in the process, document dissent, and hold members accountable for their actions as contributors to achieve reform and transformation.

Conclusions

This article opened with the question, “But, will it all work?” Through an analysis that applied Kotter’s model of organizational change and Schein’s approach to organizational culture and leadership, our conclusion suggests not. Behavioral change is needed to cause transformation. Acquisition reforms can be coerced, but will not endure as true transformation unless cultural change occurs. Success requires commitment to change over simple compliance to superficial rewards and consequences. Effective reform requires embedding leadership actions and institutional processes to drive change in the culture of defense acquisition. It is time to undertake a long-term, culturally focused effort to transform DoD’s acquisition process.

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