



## **AVIATION WEEK EXECUTIVE ROUNDTABLE: CRITICAL ISSUES SUMMIT**

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Hosted By:

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*Aerospace and defense program executives and leaders met Nov. 14 in Phoenix for the Aviation Week Executive Roundtable Critical Issues Summit. The meeting enabled leaders to evaluate the issues they addressed during 2005 and to identify the issues and actions they plan for 2006.*

*The event was hosted by roundtable chairmen Charles T. "Tom" Burbage, vice president and general manager of F-35 Joint Strike Fighter Integration, and Anthony L. Velocci Jr., editor-in-chief of Aviation Week & Space Technology. UGS, a product life-cycle management company, hosted the meeting, as it did with four meetings held in 2005.*

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## SCORECARD FOR AVIATION WEEK EXECUTIVE ROUNDTABLE 2005

- Identified status on interoperability/netcentric capability across industry. Audit determined that the capability is at level 3-5; need to accelerate tactics based on looming Defense Dept. budget cuts and commercial transport customer needs.
- Implemented a program excellence evaluation process and best practices seminar.
- Partnered with the Office of the Secretary of Defense to identify logistics/sustainment transformation efforts and enablers; will assist in the effort to transition performance-based logistics pilot programs to policy.

The roundtables were launched one year ago when the advisory council for the *Aviation Week* Aerospace & Defense Programs Conference met to address some of the issues council members have continuously voiced concern about during the past five years. These include:

- Interoperability
- Global collaboration and alliances
- Logistics/sustainment transformation
- Program leadership
- Institutionalization of program leadership best practices

The organization, which is self-governed, aligns to address these issues with actions that can be taken during a 12-18-mo. period. Success depends on individual efforts for the benefit of the industry as a whole.

“To shorten the cycle time required for major industry change and transformation, we must reach out and preach the gospel of change,” Burbage said. “These are issues every program in the industry faces, and by working together, putting aside our corporate or program goals, we can strengthen what we do and work to break down the barriers that prevent us from achieving program performance excellence.”

With more than 40 leaders gathered, the roundtable participants represented the Defense Dept., Lockheed Martin, Boeing, Smiths Aerospace, Rockwell Collins, BAE Systems, Northrop Grumman, Alliant TechSystems, Bell Helicopter Textron, AgustaWestland Bell, Honeywell Defense & Space Systems and UGS.

The group first focused on progress toward interoperability across the industry and with its customer, the Defense Dept. *Aviation Week* conducted an audit of the Aerospace Industries Assn., Netcentric Operations Industry Coalition (NCOIC), Netcentric Industry Operations Forum (NCOIF) and Worldwide Consortium of the Grid (W2Cog) concerning their activities and progress toward full implementation.

The audit found that three organizations are developing technology standards, two groups are developing policy recommendations, and all are addressing the critical need for security hierarchy and access, as well as business processes to support interoperability. The organizations self-ranked their implementations as between 3 and 5, overall, with 1 being “initiating effort” and 10 signifying “full implementation.”

Roundtable participants voiced concern about duplication of effort among the organizations and the pace at which they are moving toward full implementation. John Osterholz, chief information officer at BAE Systems and a member of NCOIC, reported that he believes there will be some merging of initiatives during 2006 to better align efforts and to speed up the pace.

The group also reviewed additional critical initiatives—the transformation of sustainment and logistics, improvement of global/joint/multinational interoperability, development of

metrics better geared toward government and commercial customers (in terms of system availability) and identification of best practices and a development program to support future program leaders. As part of this effort, *Aviation Week* worked with industry and government leaders to develop the program excellence evaluation process and a one-day seminar for program leaders.

As important as the review of 2005 efforts was, roundtable participants were challenged to look to the future, especially the critical issues to be addressed in 2006.

Breaking into five working groups, the participants looked at gaps in interoperability achievement, global coalitions and the impact of foreign relations and International Traffic in Arms Regulations (ITAR), certification of technologies for flight, space exploration and defense, metrics and processes supporting sustainment and logistics transformation, and leadership.

Each work group identified issues and proposed actions, and then as a whole voted on the next steps and actions. The highest priority issues identified by the roundtable were:

- **Reconstruct the Business Case for Space Exploration.** This issue received support from all business sectors, not just those working in the space sector. The focus was on ensuring some degree of stability for the Space Exploration Mission and to encourage a business model that allows the suppliers to the Space Exploration Mission to succeed. In addition, this issue received support as it links to the ability of the aerospace and defense industry to attract and recruit young people to pursue studies of math, science and engineering.
- **Transition Performance-Based Logistics (PBL) and Transformation.** In looking at audit results and recent government reports concerning PBL-based contracting, roundtable participants will identify key enablers and barriers to moving PBL from pilot programs to policy.

## UGS

UGS is a 6,800-strong global team whose driving vision is to work collaboratively with its clients to create enterprise solutions that enable them to transform their process of innovation and, in doing so, begin to capture the value of product life-cycle management (PLM).

UGS is the PLM global leader in the aerospace and defense industry. Its portfolio of software solutions include TeamCenter applications, which combine product knowledge and configuration management experience with maintenance, repair and overhaul (MRO) planning, execution and management to greatly reduce MRO costs and cycle time.

Through the rich heritage of companies that came together to form UGS, the company's pioneering solutions have been helping customers accelerate time to market, improve quality and increase revenue for almost four decades. With

nearly four million licensed seats of its technology in use and 42,000 clients worldwide, UGS is a proven leader in both market experience and PLM solution development. In fact, UGS technology manages or creates more than 40% of the world's 3-D data.

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- **Transition Lessons Learned and Best Practices to “Next” Practices.** While the initial sharing of data on program best practices was acknowledged, the group said that the information needs to be institutionalized in a way that will affect future programs—to lift the bar as new programs are initiated. In addition, the roundtable participants asked for identification of best practices concerning global collaboration and supply chain partnerships. “Increasingly, our programs involve partners from around the globe, not just here in the U.S.,” Burbage noted. “And as many prime contractors are buying more than 50% of the value of their contracts from suppliers, we also need to look at best practices surrounding supply chain partnerships.” Velocci reminded roundtable participants to continue to include process continuous improvement as part of this effort.
- **Continue to Work ITAR Realignment.** While the Aerospace Industries Assn. continues to lead ITAR reform, the roundtable found that program leaders need to identify how to work within current ITAR restrictions—to identify what is working and share that information across the industry.
- **Drive Toward an Interoperability “Safe Harbor.”** The duplication of effort and divided resources are slowing the implementation of interoperability and netcentric capabilities. The focus of this initiative must continue to be on developing industry-wide standards that will drive down development costs and reduce the cost of future technology insertion. UGS’ Tim Nichols encouraged the roundtable to benchmark other industries where common data standards have been set and to integrate these approaches into the defense industry.

Based on the list of top issues, the *Aviation Week* Executive Roundtable identified action items for 2006:

- Establish an executive roundtable to examine the business case for space, with involvement by NASA and the Missile Defense Agency. Timing: Q2
- Coordinate with the Office of the Secretary of Defense to transition PBL from pilot programs to policy. Timing: Q1
- Establish an executive roundtable, to be held in conjunction with the *Aviation Week* MRO Military Conference, to share policy recommendations concerning PBL and sustainment/logistics transformation. Timing: Q2 (Phoenix)
- Expand the Program Excellence Leadership Initiative to commercial programs. Timing: 2006
- Institutionalize the best practices identified in the Program Excellence Leadership Initiative through partnerships with corporate and government (NASA, Defense Dept., etc.) program management development institutes.
- Provide feedback to organizations concerning the Interoperability/Netcentric Audit.
- Encourage consolidation of all Interoperability/Netcentric efforts to increase speed of change.
- Evaluate and document best practices in managing ITAR within programs.
- Conduct an executive roundtable to better align the pace of technology with the commercial aviation certification process. Timing: Q3