Colleen Preston on Acquisition Reform

"The Most Critical Factor That Faces Us—Completing That Process of Cultural Change"

"Anything is possible if you're willing to work hard enough to get there." That sage advice from her mother served Colleen Preston well and steadied her in her rise through the executive ranks of the judicial system and government. She has since added her own modicum of wisdom to her mother's admonishment: "Anything is possible; it's only a matter of figuring out the best way to approach it."

Now serving as the Deputy Under Secretary of Defense for Acquisition Reform, Preston realizes more and more that *approach*, in many cases, is as important as the end result because, "It's going to mean the difference between whether or not people will try to achieve that end result long after you're gone."

Preston, sworn in as Deputy Under Secretary in June 1993, took on the monumental task of implementing and institutionalizing Secretary Aspin, Dr. Bill Perry, John Deutch, and Dr. Paul G. Kaminski's Acquisition Reform initiatives. Cutting through red tape; eliminating inefficiencies; drafting revised legislation to eliminate cumbersome, complex, burdensome government regulation of the acquisition system—all were once thought unachievable. That is, until Perry teamed with John Deutch and subsequently, Paul Kaminski, Noel Longuemare, and Colleen Preston to actually produce results and implement reform.

Colleen A. Preston, Deputy Under Secretary of Defense for Acquisition Reform, is interviewed by Army Brig. Gen. Richard A. Black, DSMC Commandant, from her Pentagon office on Aug. 22, 1996.

A self-professed "plagiarizer," she readily admits that she takes every day as a day that she learns from other people and the feedback and information they provide her. "I hope I've been able to assimilate that feedback and information in some fashion, and been able to lead people in a direction based upon the input that they've given to me. *But the ideas are not my own*. They are things that people have shared with me." One senses her pride in the people who—now unencumbered by much red tape—are producing results that many in government acquisition circles said could never be achieved.

Army Brig. Gen. Richard A. Black, DSMC Commandant, conducted the interview with Secretary Preston on behalf of the DSMC Press. Arriving at DSMC from his previous assignment as Program Executive Officer for Missile Defense, Black became the College's 13th Commandant on Mar. 28, 1996.

Awarded the Bronze Palm to the Department of Defense Medal for Distinguished Public Service in May 1996, Secretary of Defense William J. Perry cited her for "dramatically changing the way the Department of Defense procures goods and services, from reducing workload of procurement personnel, to leading the efforts to reform, streamline, and reengineer the acquisition processes to meet the needs of the nation's warfighters. She has made significant and lasting contributions to revolutionizing the Department's acquisition processes."

Photos by Richard Mattox

Preston spoke to *Program Manager* from her Pentagon office on Aug. 22, 1996.

***Black**: The first thing we want to do is talk a little bit about your background, both educational and professional, that led to your appointment to this position. We're particularly interested in the time that you spent in the Air Force and the time that you spent on the Hill.*

Preston: As you know, I was with the Air Force General Counsel's Office for four years. I had an active duty commitment from ROTC and was fortunate enough to have been selected to come to the Pentagon. It was a great experience and something that no one should ever pass up.

While I was there, I ended up having to write a lot of the responses that the Air Force used in discussions back and forth with staffers on legislation—constituent protests, and things of that nature. But then I realized, "I don't like being the recipient of all this legislative direction." And I kept thinking, "You know, who's advising these people?" I decided I wanted to be on the other end of the process. I wanted to be in on the development of direction to the Department as opposed to reacting to what Congress has said.

About that time I found out that one of the people I dealt with on the Hill was leaving her job. Mary Ann Gilleece was coming to the Pentagon to be the Deputy Under Secretary of Defense for Acquisition Management. I went over to the Hill to ask for her job—it's probably the first time I've ever done that—asked for an appointment, met with her, and said, "You don't remember me, but I think I'm the perfect person for your job." So I managed to talk her, and then the staff director, and finally the Chairman of the Subcommittee into it, and that's how I ended up on the Hill. I spent 10 years there with the Investigations Subcommittee and subsequently moved up to be Assistant General Counsel and then General Counsel, all the time continuing to work acquisition policy issues.

***Black**: Regarding the work that you did on the Hill as a Congressional staffer and the advisor to the Committee, how much information and how much time did you spend working Acquisition Reform issues while you were there? Your work on Acquisition Reform really got started during that period of time, wouldn't you agree?*

Preston: It definitely did. And I'll tell you that I spent an enormous amount of time on Acquisition Reform issues, even when I became the Committee's General Counsel. My deal was, when I took over as General Counsel, I guaranteed I'd spend eight hours a day doing General Counsel work, and then anything else I did was on my own time—that was okay. So I definitely did not give up Acquisition Reform during that time—although I had a lot of help.

***Black**: As you look back now on those experiences and relate them to the job that you had to do here, how has that background helped you in doing this job?*

Preston: It's been invaluable because, as I've always said, one of the greatest parts of that job on the Hill is that people were willing to share with you. Every expert in the world that I ever wanted to talk to was willing to come in and give me the benefit of their advice and their experience. And I would go out "to the field" and ask people how things were working and what bothered them. So all I had to do was sit there and listen and just really make sure that I got both sides of the story. But in terms of experience, there probably could be none better than that. I mean, what better situation to be in than to have every expert in the world come—from working level up to CEOs of companies—willing to come in and tell you exactly what needed to be done.

***Black**: When you were appointed to the position as the Deputy Under Secretary of Defense for Acquisition Reform, your current position, how did your background influence your approach to the job in terms of Acquisition Reform? Were there discussions between you and Dr. Perry as to what the two of you wanted to try based on his experience and yours?*

Preston: You bet. Dr. Perry was just incredible. At that time, as you know, I

Colleen A. Preston

Deputy Under Secretary of Defense (Acquisition Reform)

Colleen A. Preston is currently serving as the Deputy Under Secretary of Defense for Acquisition Reform, responsible for reengineering and improving the acquisition process by directing the conception, development, adoption, implementation, and institutionalization of new and innovative acquisition policies and processes. From Jan. 22, 1993, until assuming her current position on June 24, 1993, she was the Special Assistant to the Secretary of Defense for Legal Matters. Prior to that appointment, she was the General Counsel, Committee on Armed Services, U.S. House of Representatives. From February 1987 until her appointment as General Counsel in December 1989, she was the Assistant General Counsel. Prior to her stint as Assistant General Counsel, she was assigned as Counsel with the Investigations Subcommittee.

Since joining the Committee in 1983, she has been the primary legal advisor on procurement policy issues and related legislation. She participated in the development of numerous acquisition improvement measures, such as the provisions adopted as part of the annual National Defense Authorization Acts (including the Defense Acquisition Workforce Improvement Act, the Defense Procurement Improvement Acts of 1985 and 1986, and the Defense Procurement Reform Act of 1984), the Small Business and Federal Competition Enhancement Act, and the Competition in Contracting Act.

From 1979 to 1983, she was an attorney/advisor in the Office of the General Counsel, Secretary of the Air Force. In that position, she formulated and provided legal guidance to the Secretariat and Air Staff on acquisition and regulatory issues, defense of contractor protests, and acted as Counsel to the Air Force Contract Adjustment and Debarment and Suspension Boards.

Prior to joining the General Counsel's Office, Preston was a law clerk/associate with the firm of Akerman, Senterfitt and Eidson, Orlando, Fla.

Preston received both her B.A. in Political Science and her J.D. with Honors from the University of Florida, and her Masters of Law, with emphasis on government contracting, from Georgetown University. She attended the Program for Senior Executives in National and International Security at the John F. Kennedy School of Government, Harvard University.

Preston received the Department of Defense Distinguished Civilian Service Award in September 1994, followed by a Bronze Palm to that award in May 1996. She is also a four-time recipient of the *Federal Computer Week* Federal 100 Award.

Preston is a member of the Florida Bar; the Public Contracts Section, American Bar Association; the Board of Advisors of the National Contract Management Association; and serves on the Defense Systems Management College Alumni Association Board of Directors.

was over here as the legal assistant to the Secretary of Defense and, frankly, had not even contemplated working Acquisition Reform. I expected to go back into the legal community.

But in talking with Dr. Perry and Mr. Deutch as we went through the confirmation process, and based on some dealings with Dr. Perry previously, it was obvious to me that they were so committed to Acquisition Reform that if there was ever a chance for it to succeed, this was it. I then sort of stuck my nose in where I probably shouldn't have and wrote a lengthy memo to them saying, "Here's what I think you need to do if you're really serious about going through with this." What I said must have been consistent with what they were thinking because we started to discuss the possibility of creating an organization and how we would best go about accomplishing Acquisition Reform.

But I would also say that one of the most critical things as we looked at how to approach this process was that Dr. Perry and I had a clear understanding that people in the process were not the problem—we had one of the best acquisition workforces in the world—but that the system of rules and regulations was precluding them from doing the best job they could. People had to fight the system in many instances to be responsive to the customer and make the best decisions they could. And it wasn't so much as people had portrayed it initially—that the system was broken. The fact that we were able to do what we did in Desert Storm is a testament to the fact that we developed the best weapon and support systems in the world. It is that the system, despite almost constant efforts to improve it over many years, has not been able to keep up with external changes that made a reengineered system necessary.

Dr. Perry said, and I agreed, that what we needed to do was to unshackle people, to let them do their jobs in a way that made the most sense. And that was consistent with everything

that I had seen over the course of my 15 years in the Pentagon and on Capitol Hill. There was a commitment out there to the job, to do it right, and that, if anything, rules were an encumbrance and, in some cases, an excuse for doing things a certain way when it often didn't make sense.

***Black**: Acquisition Reform was certainly one of the toughest things going on because the budget drives this building [Pentagon], and where we have the most discretion is with research, development, and acquisition funds. Given that, what were some of your concerns or how did you approach the management of making that change to that acquisition system?*

Preston: I think probably one of the most difficult things—certainly for Secretary Perry because he was very anxious to come in and get things going—was developing the strategy that, unlike past reform efforts, our initiatives would be developed by people on the front lines and that we would not issue edicts from on top. In addition, we wanted revolutionary change, and we wanted to completely reengineer a process once we took it on. When we started to look at an area, we wanted to start with a clean sheet of paper and not be encumbered by boundaries on what people would think about in terms of solutions. We had to do it in a systemic manner, and the best way to do that was to establish Process Action Teams or Working Groups and let them make recommendations on how to change the process to implement the things that Dr. Perry saw as imperatives.

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Probably the best example of that strategy in action is Military Specifications and Standards. Dr. Perry could have, very early on when he was the Deputy Secretary of Defense, issued a memorandum stating that, "From this day forward you will not use Military Specifications and Standards." He believed and I believed that it was very critical, instead, that we have a Process Action Team made up of people who were dealing with these issues on a day-to-day basis and let them make recommendations on how to implement or achieve this objective. Use of commercial specifications and standards had been pushed for many, many years. In fact, it had been in law for five years that there was a preference for commercial specifications and standards. As the team worked, we came to realize that the more important thing was the preference for *performance* standards rather than simply shifting from military specifications and standards to commercial.

But the most important part of that process was to find out why it was that people on a day-to-day basis were not making the change. What disincentives were there? Was it a lack of incentives? There were many, many disincentives that the team addressed and we have had to work through. I'm not sure that we've worked through all of them yet.

***Black**: What was the management scheme that you would use as an approach? You alluded to it, but I want you to elaborate, if you will, using the Oversight and Review of Major Systems Process Action Team.*[1]

Preston: Basically, what we did was we said there are certain issue areas; we would prioritize them based on the need for change, what impact we'd get out of change, and how much resistance there was going to be to the change.

We started off initially with following up on the Section 800 Panel recommendations because we believed that we had a one-time opportunity to take advantage of what the panel recommended and we had a receptive Congress. So we made that the initial thrust. For the first year we practically did nothing but focus on that legislative effort day-to-day. We just couldn't spend enough time trying to get that all together, to get consensus within the Department, within the government as a whole, the Executive branch, and then convincing the congressional staff and members that this was the right approach. So we spent a tremendous amount of time on that because we felt like we had a one-time shot.

Then we started working the Process Action Teams, and we worked the ones that we believed were most critical. We started with electronic commerce because that was critical to our ability to get the simplified acquisition threshold increase. And we had to know what we were capable of doing within the Department in terms of electronic commerce before we could make commitments that Congress

wanted us to make in return for increasing that threshold.

Then, of course, one of Dr. Perry's primary objectives was to deal with the Specifications and Standards issue, which we took on as our second Process Action Team.

And then in terms of priorities, we looked at contract administration, the procurement process, and one that you had mentioned, which is oversight and review of the systems acquisition process. That particular PAT process was very difficult because it focused on the relationship between OSD and the Services in terms of oversight. It's a lot easier to talk about our oversight of industry, but when you get into the interpersonal reviews that occur within the building [Pentagon], it's much more challenging.

***Black**: One of the things that I think I have been aware of and I've heard a lot of other people say is that these are probably the most close-knit, cohesive, and focused groups of DoD executives in the Pentagon in recent time. I mean the team of Dr. Perry, Dr. Kaminski, earlier Mr. Deutch, the Service Acquisition Executives–Gil Decker, John Douglass (who assumed the position held by Nora Slatkin), and Art Money (who assumed the position vacated by the late Clark Fiester)–that we've seen in a long time. Has that helped in the Acquisition Reform process?*

Preston: That has made all the difference in the world–there is no question. I've never seen anything like it. People will look back on this and marvel I believe. I was here in 1979, although not as a political appointee. Even at my level, seeing the transition with the Carter administration to the Reagan administration, and then looking at it from the outside as an observer from the Hill (I worked very closely, obviously, with all the political appointees irrespective of the administration), I can honestly say and I think most people would agree, even those who preceded us in these positions, that we have been so fortunate to have that cohesiveness in terms of the appointees.

I won't tell you who said it but at one time when I was on the Hill, I was privy to a conversation with a group of members where the Secretary of Defense at the time had come over to respond to some of their concerns. In talking about a particular Service Secretary he said, "Well, you know, I can't do anything about that. He's his own man." That statement was so striking to me–but it was true and everyone knew it.

The difference with this administration is that not only is there cohesiveness between the Service Secretaries and the Secretary of Defense, but it is followed by the Under Secretary of Defense for Acquisition and Technology and the Service and Component Acquisition Executives. There is an incredible closeness. They work at it very, very hard, and it shows in everything we're doing.

***Black**: It certainly does, and it's apparent to the field that that this kind of thing is occurring as the Acquisition Reform policies get coordinated and promulgated. As we continue to look at the work that you've initiated, very successfully, what are some of the major challenges that you see are remaining?*

Preston: I believe that the most critical factor that faces us is completing that process of cultural change. As I said, we first prioritized the actions depending on what we thought we could accomplish and the payoff involved. We wanted to do Acquisition Reform in a different way. We wanted to use the Process Action Teams as the jumping-off point. We knew from the very outset that the most critical factor that we had to deal with was institutionalizing the process of change. We knew that we had 20 years of people trying to implement Acquisition Reform with varying degrees of success. And, in fact, I've always been very proud of the fact that you could look to the Department of Defense and say we had been continuously improving the process.

But we believed we were at that point where we had such a crisis because of the budget and the downsizing that we had to completely reengineer, not just incrementally improve. We had to change the way people thought and dealt with the acquisition process, and the only way we were going to be able to do that was to institutionalize a cultural change. I would say we're about 85 percent there, but that last 15 percent is absolutely critical.

***Black**: One of the things that Dr. Kaminski has said recently was that, "We're at the end of the beginning of Acquisition Reform." He didn't use the word "revolution," but it was somewhat implied. He has said that the new legislation and the new 5000 Series have laid the foundation for what he and Secretary Perry and the rest of the acquisition community here have been trying to do. You mentioned institutionalizing that as the biggest challenge. How do you see us proceeding in the institutionalization process?*

Preston: Well, let me say that I think Dr. Kaminski's statement that we are at "the end of the beginning" really captures the spirit of where we are. We have accomplished a lot as a community–the entire acquisition community. People have been working very, very hard.

And I believe institutionalization gets into a question that we've been asking ourselves and that is, what is the role of the Acquisition Reform organization? Obviously, when we came in and started this effort, we were looking at the Acquisition Reform office as something that should go away over time; that it should be the catalyst, and then you institutionalize that process of change.

What I've come to realize over time is that when you look at organizations that have reengineered, while the institution has to buy into it and be supportive of it, there also has to be a continuous catalyst for change. And when you look at real reorganization efforts, you find that while they have been using the institution and making sure that that organization is buying in and actually doing the hands-on work,

they've used an outside consultant to be that catalyst for change. I believe that there is a continuing role for our organization to be involved as that change agent—as that catalyst for business process reengineering—and it will never go away.

Whether it's the existing organization that we have or not is irrelevant. There needs to be some organization or some individual that you can point to and say, "It is your mission to be the catalyst for change," and to just remind everybody that there is support within the organization for change occurring.

***Black**: Great. One of the things that you mentioned earlier that is certainly key to fully realizing the benefits of Acquisition Reform is to take advantage of the information technology that we can use to give us the ability to do so much more. How do you see the implementation now of the electronic commerce, electronic data interchange, and perhaps if you see it, linking that to everything that a project manager does, including the CALS initiative and the Contractor Integrated Technical Information Service or CITIS?*

Preston: Maybe I can best characterize it in terms of the vision that I hoped we would be able to accomplish. I learned a lot from Noel Longuemare in this regard in the discussions that we've had quite often on enterprise integration. It's a fascinating area to deal with, and it's very hard to pull yourself back from getting involved in the nitty gritty of everything that's going on because it's changing so rapidly.

I think it's fair to say that we have not made as much progress as we had hoped to make in terms of the implementation of electronic commerce, electronic data interchange. It is also fair to say that we are looking at EC/EDI from the standpoint of cross-functional integration and the impact now of what one person is doing, say, in the logistics area to take advantage of information technology and how that impacts on the acquisition process. We really have, or need to have, a seamless process from beginning to end, yet our

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information systems have not provided us the capability to have that seamless process. I think everyone is attuned to the need to be able to create data once, and be able to utilize it for many, many different areas. We have to do a better job of integrating the information systems that we're putting in place so that we take advantage of what we're doing in other areas, learn from that, and avoid duplication of effort.

And while I've said that it's fair to say we're not where we want to be, by the same token, I think that this is probably one of the best success stories that we can look at. People have said to me—the people who have been involved and working in the Process Action Teams—that they have seen more change in the last three years than they have in the 20 or 30 years that they've been involved in the process.

If we accomplished anything during the opportunity that I've had to participate in the Acquisition Reform leadership team here, I guess the thing that I'm most proud of is the fact that we have given people the opportunity to do the things that they've wanted to do for 20 and 30 years. The people who really know what is right to do with the system have been able to do that, and we've given them that opportunity. And of everything, probably the most meaningful thing to me is to have them come back and say, "You know, this is something I've wanted to do, and we've now had the opportunity to get it done."

***Black**: I know that is exciting, and it's a great sense of satisfaction because I can identify with the sentiments that you've just expressed. One of the things that you are looking forward to now is the Heroes of Reinvention Hammer Awards ceremony where some of those people will be able to be recognized by you, Dr. Kaminski, and the Secretary of Defense. Could you comment about the upcoming Hammer Awards?*

Preston: Definitely. Because the Hammer Awards ceremony is so important, not only because we're finally able to recognize the work that the Process Action Teams and the FASA regulation writing teams did, but it is the closing of that circle where we said to these people, "We want your recommendations, and we will do our best to follow through on those recommendations."

If you look at every one of the Process Action Team recommendations, you will find that each team actually wrote the Secretary's memorandum that was signed out. These teams did everything and the Secretary, with very few exceptions, and the Under Secretary of Defense for Acquisition and Technology, Dr. Kaminski, accepted—I would say—99 percent of the recommendations that came out of those teams. And this is the point that we promised them:

Before that ceremony, they're going to spend a day critiquing the Department's implementation of their recommendations, telling us, the leadership, whether or not we have done the best that we could do to follow through on their recommendations and what else we need to do to make sure that those recommendations are implemented.[2]

The most critical part is that each of the teams is going to be able to brief Dr. Kaminski and the senior acquisition leadership of the Department of Defense, and potentially others from throughout the acquisition community within the Executive branch and Congressional staff, on what their recommendations were and how we followed up on those. You know, I am certain that there will be some areas where we have fallen short, and I want that to come out because we need to continue to follow up on that. And if we don't, then we haven't fulfilled our promise to them. Dr. Perry, Dr. Kaminski, and myself in particular, having worked with all these groups, made a personal commitment to these people. It means a lot to all of us.

***Black**: One of the things that we had been seeing recently in a lot of the reports, studies, and surveys that have been done is recognition of the need that in order to change the culture, there needs to be an education and training process, which is followed through at every level in every career field. You're responsible for the acquisition education and training and career development organization within the Department of Defense. Can you tell us a little bit about that responsibility and where you see it needs to go?*

Preston: I would love to because we've all been talking about education and training and how critical it is to everything that we're doing. It is so critical to implementing that cultural change I spoke of, and we've known that from the very outset. Probably one of my biggest frustrations is that we have come a phenomenal way in terms of the Defense Acquisition University structure, Defense Systems Management College, Army Logistics Management College, Air Force Institute of Technology, Naval Post-Graduate School, and the other consortium schools. In addition to that, all of the other elements that we have put together in terms of trying to communicate the message to the field are vital.

We have divided our efforts into three categories. One is awareness training. Two is sort of hands-on practical training. And this is where the Services have really gone out on their own. We've been coordinating with them, but they took the bull by the horns, taking the Army "Roadshow" model as an example. And then we have tried to play a role in awareness training by getting together with the Services in a new and different way in creating education and training materials: the satellite broadcast, the materials that went with them, outlining everything in terms of process, trying to carry that theme through from the awareness, the satellite broadcast, the Acquisition Reform newsletters. We put one out. The Services each put one out. The Components in many cases have guidance that they put out on a regular basis. We have flash E-mail service that we put out called *AR Now*. We've got a Home Page. All of the Services and Components have Home Pages.

The amount of information out there is phenomenal and yet when you go talk to the acquisition community, it's not getting to people down at the working level—it's been one of our biggest frustrations. Some of that is caused by technology problems, in terms of not having the capability to access the World Wide Web, things of that nature. In some cases we're still trying to find out why the message isn't getting down.

***Black**: Part of the discussions that have gone on with other PMs and the study that has been done by Tony Valetta with 12 project managers indicated that the workforce agrees with you that, as a whole, it isn't getting the information and acting on it. Part of that goes back to the cultural change that you had just described earlier. The cultural change comes as a result of education and training. And as we have talked of the other facets of acquisition and shortening the acquisition cycle, there is also a sense that we need to shorten the education cycle, or the education and training, to change the culture to make it be receptive to the new initiatives.*

Preston: Well, I think we've been aware of that, and I think we've been responding to it and we've been trying to do the right things to make sure that we view the acquisition community as a customer and that all of our education and training looks at, "What are the customer's needs?" I know that you and your team at DSMC have been very involved in that. Defense Acquisition University President Tom Crean has also been very involved in that. And, I think all of the Services have been working toward that goal; that is, how can we get information out to the community better, whether it be through new distance learning techniques that we take advantage of, or bringing the courses to the people in the field, as opposed to having them come in to the schoolhouses. Can we do it through brown bag lunches, which have been used successfully, or sessions during lunch where we've actually done training, such as what has been done at CECOM at Fort Monmouth? Thus far, we've experienced phenomenal success with new ways of trying to take advantage of new techniques to provide education and training in what is a very limited period of time.

Everybody wants training, but they don't have the time. The thing we're working toward, not only within the DAU community, but with its customers, is trying to figure out new ways to approach that; to take that valuable time and make sure that we can get the message out to people through speeches, through talking to them—every single mechanism we can employ.

***Black**: What would you say are the most critical initiatives to the success of Acquisition Reform that have been undertaken during your tenure, and where would you like to see them go?*

Preston: I think the most critical aspect of what we've done during my tenure here is, first of all, something that we've already talked about and that is the approach: the notion that we have to empower the workforce. And as I've said, in some cases we won't have been successful unless people believe that they can change the process within which they work. So if individuals out there who are working on a day-to-day basis in all of these areas don't feel that they can make changes to the process, that they're locked into something that they never have any hope of changing, even though they know it doesn't result in the best decision for the government or the taxpayer, then we haven't succeeded. By using Process Action Teams and other techniques, we are committed to convincing people that we really are listening to what they have to say and what they think is most important.

I think the other thing that has been critical to address is the risk aversion in people. I saw it for many, many years when I was on the Hill. Today, virtually every time I talk to a group in the acquisition community, it comes up as an issue. People typically say, "We would love to think outside the box. We would love to take a chance on a new initiative. But what's the incentive for us to do that or why should we do it when you may not be here three or four years from now, when the IG comes back to audit my program. Right now, in fact, I'm in the midst of an audit on a program or a contract that was executed seven years ago, and now they're questioning the acquisition strategy that was used?" And so I've been very cognizant of that risk-aversion mentality and the need for incentives to change that mentality.

What we've been trying to do is find the right balance of oversight and review. A lot of people will say we need to remove oversight and review. That's not the answer in my mind. Oversight and review has its role. The issue really should be looked at as one of how oversight and review can best add value to the process.

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One of the biggest successes in my mind has been the work that's come out of the Oversight and Review Process Action Team. Their initial draft report and the counter proposal that came from OSD set the stage for the final recommendations acted upon by the Department—use of Integrated Product Teams, early *insight* rather than *oversight*, where people are working toward a common goal—program success. There were a lot of naysayers who said it wouldn't work, and we're still in the learning stage. But that whole concept of people operating as a team for the success of the program, as opposed to being an oversight function (either in OSD, DCAA, GAO, or the IG) is a major cultural change.

Another example of changing the process is in the area of cost and pricing data. Even the IG had said that in a review of contracts under $500 thousand, where cost and pricing data were not required, they estimated that in three out of four contracts, cost and pricing data had been requested when it was not necessary. Why do people do that? Because they don't want to take a chance on being second-guessed later on.

How did we tackle that? We said we can change the "presumption" in the regulations. In fact, one of the FASA regulation writing teams that I am most proud of, tackled this very difficult issue. They thought outside the box, and came up with an incredible change that we will see the ramifications of for years and years to come. That is, they switched the presumption from one of "get cost or pricing data unless," to "you don't get that in cost or pricing data unless." No longer is the burden on the contracting officer to justify why they did not get cost or pricing data. The only reason to require cost or pricing data is to establish a fair and reasonable price. If we can determine what a fair and reasonable price is by any other means, we should do it. The last alternative is to get cost and pricing data. That change in presumption provides people the cover that they need to now make the right decisions without fear of being second-guessed.

Another project we have that will have a fundamental impact for years and years to come is the creation of the Acquisition Deskbook. The reason that it is so critical is that it gives us a number of things. One, it gives us an opportunity to restructure our regulatory system. We've done that in the model; we have a model now with the DoDD 5001.1 and DoD 5000.2 regulation rewrite where we took what was a set of documents that were over 1,000 pages long, and the working group culled that down to a little under 150

pages of things that were mandatory. The rest of it was all guidance to people. Before, when it was in the old 5000 Series, people were afraid to deviate from it.

Now we've got it in a Deskbook format where we say, "This is all discretionary." We make it clear it's discretionary. And what we hope to do is come up with so many examples of things that are acceptable practices that people feel comfortable saying, "Yes, I have to tailor my acquisition to the circumstances that I find—not tomorrow, not yesterday, but today," because those circumstances are different than they were yesterday or 10 years ago, and they're going to be different tomorrow. That is a legacy that I hope we will leave and something I think is very, very critical because it, again, shows people that we mean it when we say we don't want their decisions to be second-guessed. It's a tool where we can give them that cover that they need to make the appropriate decision and not be second-guessed by someone.

***Black**: One of the things you first said prompted two thoughts: first was getting people to use their judgment when making decisions about the program. In other words, tailoring the acquisition regulation and guidance to fit the program. The second thought was something I recently heard from a master carpenter. He said, "The difference between an amateur and a professional is the professional can not only use the tools at the appropriate time and place, but the other mark of a professional is that when he makes a mistake, the professional usually finds it sooner and knows what to do to correct it." And that's a result of education and training and experience. Mistakes are going to be made. We're not in a zero-defect environment.*

So it's important that we have the education, training, and experience coupled with the flexibility to tailor our programs to meet the current circumstances. Also, the workforce must recognize that even when a mistake is made, we ought to have the right tools and oversight in place to find that mistake sooner, so that it is less expensive to correct it.

Preston: Yes. I hadn't thought of it in those terms, but I couldn't agree more with the precept, and Dr. Kaminski has even said to me on occasion, "I wish we could find an example of someone who has taken a chance, gone out with an innovative strategy and failed because I'd like to be able to reward them so that we can prove to people that we do, in fact, understand that mistakes will be made."

I also use the example of the congressional hearings that we had on spare parts during the 1980s; not once did any individual come to the hearings and say, "I exercised my judgment. This was what I thought was the right thing to do," and then be criticized for it. Congress never criticized anyone when they said they exercised their judgment. But to be honest with you, I don't remember an instance where anyone said that. In every case it was, "I complied with the rules and regulations," which is, again, the fallacy of our system; that we measure people's performance based on whether or not they complied with rules or regulations. Compliance with rules or regulations is not what's going to get us to our goal: *our goal of being the smartest, most responsive, most efficient buyer of best-value goods and services for the warfighter*. What's going to get us there is people exercising their judgment and using their common sense.

You are absolutely right; the only way that people can do that and will be trusted, is if they have the education, the training, and I would add one more element, the experience, so that people are comfortable that the judgments they're making are based on a solid foundation.

***Black**: How would you like to be remembered in your leadership role here?*

Preston: I'd like to be remembered as probably the world's best plagiarizer; that I take every day as a day that I learn from other people and the information and feedback that they provide me, and that I have been able to assimilate that feedback and information, and been able to lead people in a direction based upon their input. *But the ideas are not my own*. They are things that people have shared with me.

I am very appreciative of the fact that people have been so forthcoming from everywhere; even my visits out to the field where a person will come up to me and say, "I think this thing stinks. I think what you're doing is the wrong direction." And we've had a dialogue, and I've come to understand where they're coming from and they understand then where we're trying to go and we've made a change in vector or direction. But all of these ideas have come from other people, and I've just been very, very lucky that I've been in a position to take advantage of them.

I've been part of an incredible leadership team and not only that, but I've had an incredible team working with me. What the DUSD(AR) team and the people in the Components and Services have done is phenomenal. I will leave this job, whenever that is, knowing that I have worked with probably the most professional group of people, the most dedicated group of people, that I will ever find in my lifetime. There's no doubt in my mind about that.

***Black**: I can't let that go. Your background and your training have put you into the position to be able to perform the leadership role and the facilitation role, and to be the perfect catalyst to bring this Acquisition Reform process to fruition. I know that you have put an awful lot of personal energy into this effort. You will be greatly appreciated and respected for that.*

Preston: I appreciate that but, you know, everything is done through team work, and everybody must play their part. A team is a jigsaw puzzle in many respects, and it's something that we've talked about a lot, even within my own organization. Everybody has their place in that puzzle, and if any

one piece is missing the team can't get there from here. The work that is done by our administrative support team is just as critical to getting the job done as my leadership. We just happen to have different roles. But without their support, without the ideas that are generated by other people in the organization, we get nowhere. And without the people on the front lines implementing these initiatives on a day-to-day basis, we'd get nowhere. I've been very fortunate that my experience has led me to be in a position to be in a leadership role, and I'm very fortunate to have been there. But I'm no more than one piece of that puzzle.

***Black**: What is the best advice you ever received, be it from a mentor, friend, or even a parent?*

Preston: In terms of advice, I guess something that my mother instilled in us as children. It started out with, "Anything is possible if you're willing to work hard enough to get there." And I would now probably modify that to say, "Anything is possible; it's only a matter of how best to approach it."

I've realized more and more during these last few years and learned during my 10 years on the Hill, that *approach* in many cases is as important as the end result, because it's going to mean the difference between whether or not people will try and achieve that end result long after you're gone. There are ways that you can get around problems and issues if you're willing to think outside of the box; if you're willing to sit down together and work things in maybe a different way than you had thought about them previously. We must always remember that there is nothing we cannot do. It's only a question of how we go about doing it and whether or not we are willing to make the sacrifices necessary to accomplish it.

ENDNOTES

1. Gen. Black is referring to *"Reengineering the Acquisition Oversight and Review Process,"* prepared by the Acquisition Reform Process Action Team in their Final Report to the Secretary of Defense, Dec. 9, 1994.
2. See *Program Manager* Special Edition article, "Perry Presents Vice President Gore's Hammer Award to Acquisition Reform Teams/Working Groups," this issue, pp. i-iv (center insert).

"Think about the Chinese symbol for crisis. It is actually two brush strokes: one danger, and the other opportunity. You [acquisition workforce] have at your hands the chance to jump at this opportunity. Please don't give that up. Make the most of it."

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Deputy Under Secretary of Defense (Acquisition Reform)