



One Defence: Enhancing the way we think about Project Controls

Ms Chloe Kempster
Acting Director Project Management
Program Management Function
Capability Acquisition and Sustainment Group



FPR Key Recommendation 2: “Establish a single end-to-end capability development function within the department to maximise the efficient, effective and professional delivery of military capability”

FPR Recommendation 2.11: “We recommend significant investment to develop an operational framework which comprehensively explains how the organisation operates and roles and responsibilities within it;



DEFENCE PRIMARY ROLE

Defence's primary role is to protect and advance Australia's strategic interests through the provision of military capabilities, to promote security and stability, and to provide support for the Australian community and civilian authorities as directed by Government.



To defend Australia and its national interests.

DEFENCE MISSION



CASG partners with industry to deliver Defence capability for the capability manager.

CASG PURPOSE

CASG Responsibility: *To acquire and sustain the Defence equipment our war fighters' need, so they can undertake their roles and responsibilities with confidence.*

- Allocates investment of approximately **\$195 billion** in the decade to FY **2025–26** to fund investment in support of the future force.
- Projects range in size, complexity and budget, for example from Joint Strike Fighter ~ **\$16 billion**, to Battlespace Communications ~ **\$185 million**.
- CASG also manages **112** Material Sustainment Agreement Product Schedules, with an annual budget of **\$5.7 billion**



To be able to deliver that level of investment successfully CASG needs to rethink its business



Delivering an increased workload



Realigning work between CASG and industry

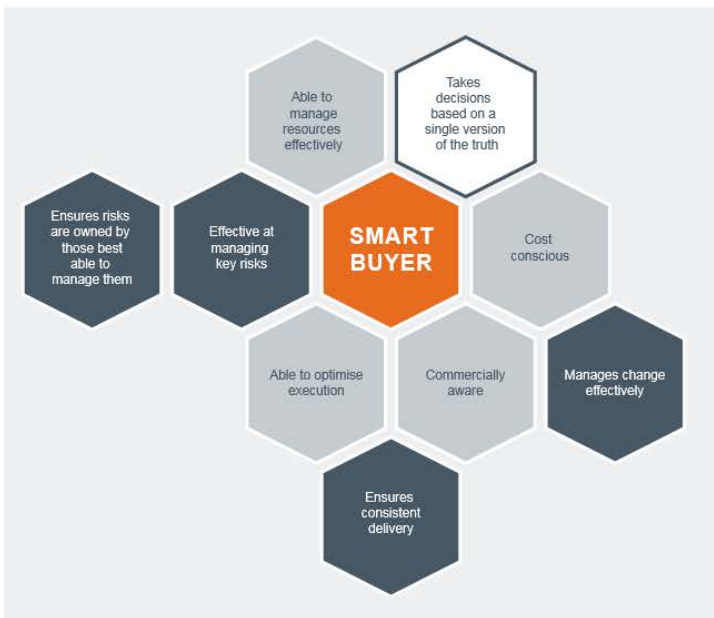


Conducting a major overhaul of policies and processes



Repositioning our workforce to reflect CASG role



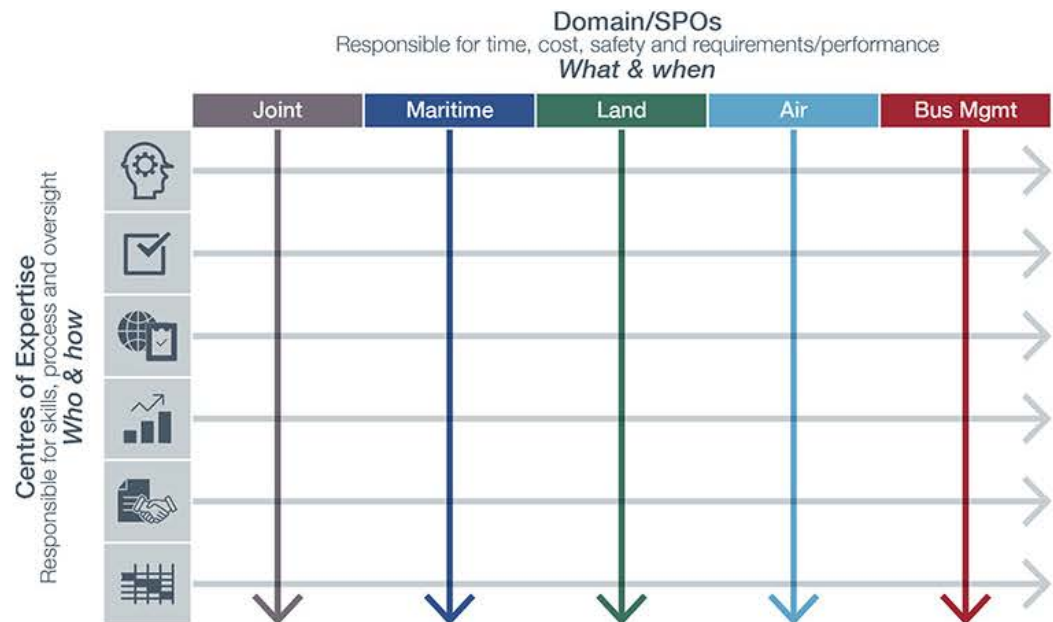


CASG Balanced Matrix

- Reduce silos and less duplication of processes and less wastage.
- We will grow and employ our people effectively, be agile when circumstances change and be able to make consistent decisions.
- Each element of the model will have agreed accountabilities, authorities, roles and responsibilities.

Smart Buyer

- Regard to the capability required, timeframe and industry's capacity to respond.
- Our rationales will be driven by a shared and clear understanding of risk and will be defensible and understood by our stakeholders



Program Management Function

Purpose is to “support a professional PM capability that enables the delivery of Defence capability across the CLC”.

Focus: Program & Project Management, Products and Project Controls

Functions provide:

- professionalisation, training and career development for their members
- capacity management to support CASG’s personnel requirements
- governance, compliance and assurance in each area of expertise
- standardised policy and processes in each area of expertise
- services to support Domains in the delivery of capability.



FPR Recommendation 2.11: “....and detail life cycle management processes which provide project and engineering discipline to manage complex materiel procurement from initiation to disposal; and review architecture to reinforce accountability at all levels and brings together information upon which good management decisions can be made.”

FPR p40, “Significant changes will also need to be made to the management information systems to support the timely provision of information. It is also incumbent upon the organisation to have a process in place that effectively measures its cost, schedule and productivity **at a project level**. This should be implemented immediately and individual leaders from the first line to the Deputy Secretary Capability Acquisition and Sustainment must be accountable for cost and schedule targets.”



To enable an understanding of what information system we could have that would enable more effective management of projects questions we have asked ourselves include:

- What information do we need, what decisions are they driving and how are they best managed to support project management of capability development, delivery, sustainment and disposal?
- What is best practice and how relevant are those concepts to the way CASG manages projects and products, both now and into the future?
- How do we place the right highlight onto Project Controls disciplines such as cost, risk, EVM, and workforce planning?
- How do we build the capability of staff and the blended workforce to achieve project outcomes?
- What tools best support these outcomes?

First Step in giving Project Managers and Project Controllers access to the information they need to understand the performance of their projects and highlight the decisions that might need to be made:

Project (Program, Product) Performance Review (PPR)

House of Governance (HoG)

Performance Reviews –Improving the How

What is Project Performance Review?

- A regular conversation between PM, SPO-D and BH/DG to effectively review project performance:
 - Considering key project management aspects,
 - Bringing the most important issues to the forefront, and
 - Using the best available corporate data to inform discussion.

What is House of Governance?

- A standardised and collectively innovated management framework for use within System Program Offices (SPOs) derived from the ANAO Better Practice Guide (2003) House of Good Governance model.
- This model has been modified to recognise the primacy of the Enterprise processes at a SPO level and provide appropriate reference points into the asset management and quality standards.

Enabling risks, issues and opportunities to be identified, actions to be agreed and informed decisions to be made

Project Performance Reviews – Why?

- Because it will achieve better project outcomes by being a tool to facilitate discussions around project analysis with stakeholders as it's presented in a consistent way
- Lessons Learned – Improve Assurance
- Helps CASG achieve better outcomes by:
 - Standardising data collection, management, analysis and presentation
 - Adding transparency to the review process by indicating where data has been amended from original source
- Meets explicit commitments made to Government, e.g. ANAO reviews of Materiel Sustainment and Major Projects

PPR Information Platform - *Project Summary Page*

← PPRDEMO90004 - Air Warfare Destroyer Navigation System

Filter Summary

Third Phase

View More

Start

01-Dec-2016

Delivery

30-Apr-2020

Current status

R

Project Manager

Sallyanne Porcas

Project Status

0% Completed

Capability, Schedule & Cost

Additional scope under the currently approved budget is subject to delays due to sourcing replacement data interface unit required to complete field testing phase 1. Forecast increase adjustment of \$1.3M in October added due to additional

Reporting Period Narrative

October progress slower than planned with additional workforce required across training and field testing phase 1 activities. Advised for additional domain support be acquired to maintain SMEs to work with contractor team until field testing phase 2 is

Help Needed

1. Approval for republication of LVR data interface specification

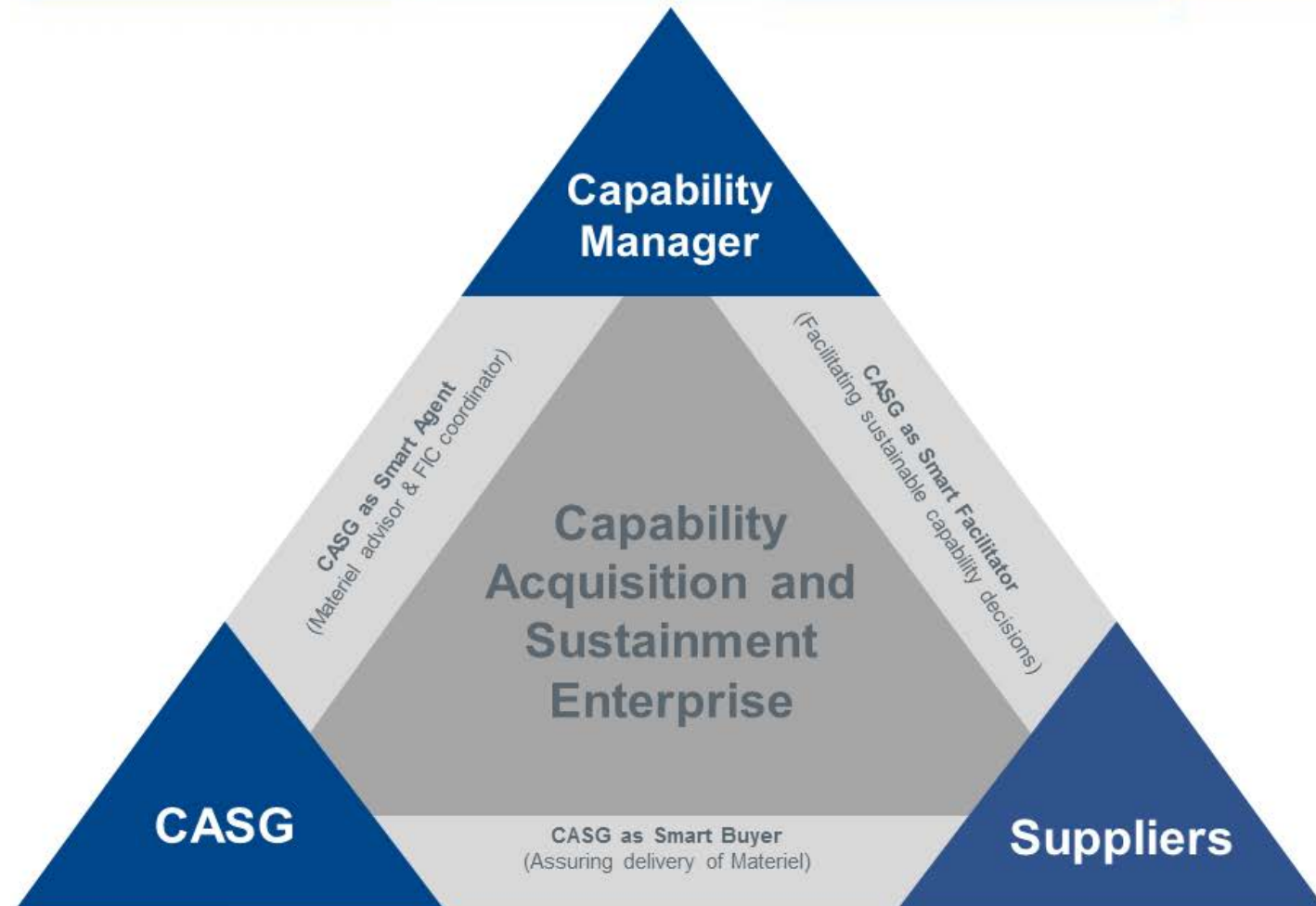
2. Raise additional domain support requirement to WILT board

3. Approval for Mar-Jun 2019 contract change

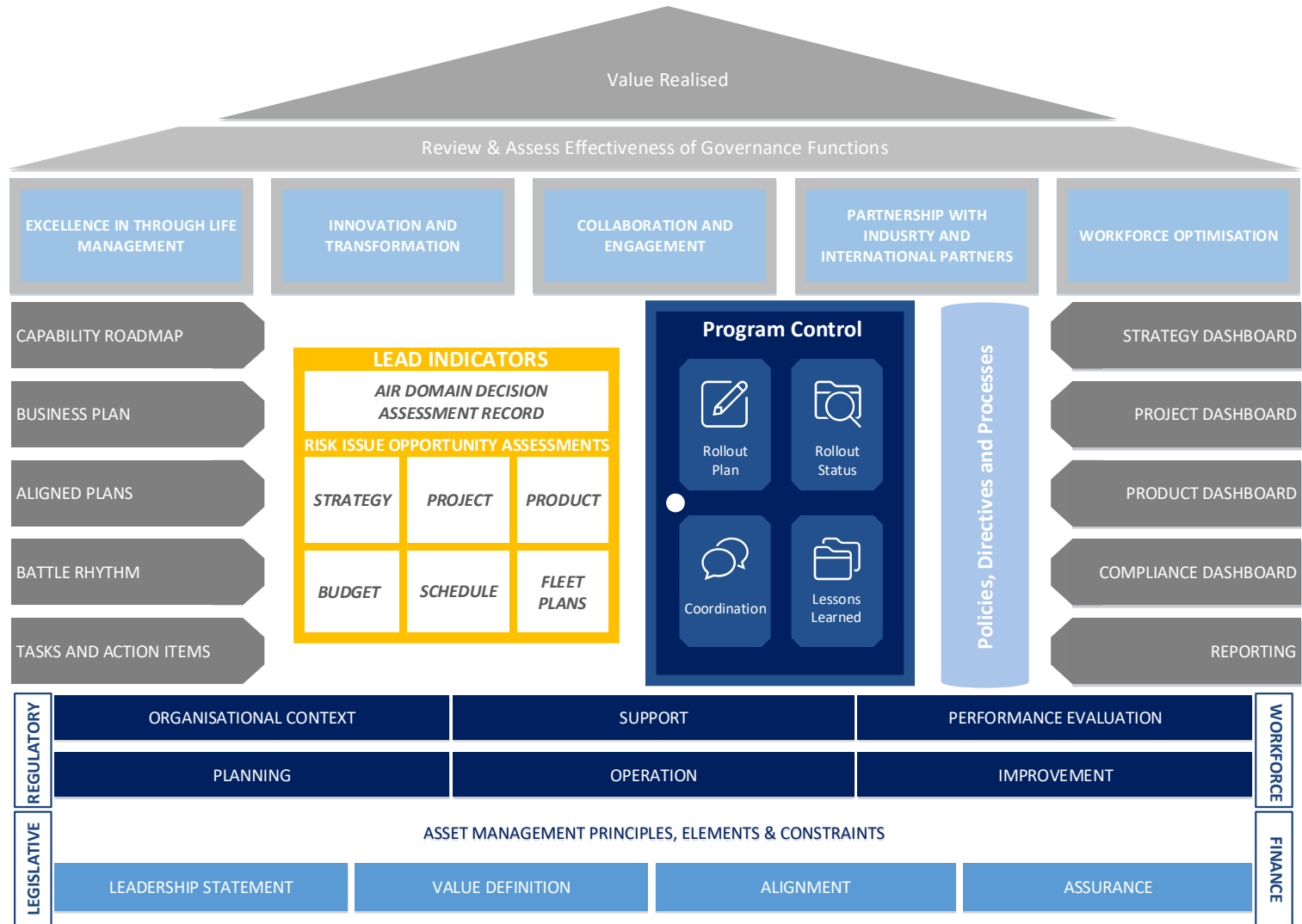
Status	Current Status 14-Mar-2019	Previous Status 06-Mar-2019	<input type="button" value="PM Review"/> <input type="button" value="SPO-D Review"/> <input type="button" value="BH Review"/>
Critical Items Action Status Critical Open Items Past Due Date	4 3	A A	Provision of objective quality evidence along with rectification of some light vehicle issues by EORCOMD is critical to enabling the conduct of the FRV course for Nov
Schedule Milestone Performance MAA MS Fcast Late MAA MS Days Late	0 0	G G	The project and the capability manager have in principle agreement to update the MAA. This will be formalised at the next FMSG.
Progress Performance Curves Baseline Plan Actual	218.31% 171.66%	R R	The project progressed well considering the current uncertainty regarding budget. The baseline has been approved. The cost has increased in October due to the
Finance CF - CB YTD Var (\$m) YE Var (\$m)	-\$1,000,000 - -\$259,624	R A	Plan has been updated to reflect 2018-19 MYEFO price basis.
Risk Extreme High Current Extreme High Residual	1 1	A A	One High risk on change to data interface specification - replacement required urgently to avoid impacts.
FIC and Dependent Projects, Products or Activities Number FIC concerns Number Dependent MS Late	3 1	A A	Key dependencies on CIOG and Joint project/products to be tabled for monitoring update at the next project board.
Scope or Capability Total MOEs MOEs of Concern	3 2	A A	Project has delivered initial specification for LVRs, pending delivery of first revised unit for field testing 20 Nov 2018.
Workforce Plan	A	A	Current permanent workforce assessed as suitable to deliver the project outcome. Additional contractors are being sourced to support the additional scope. Workforce
Commercial	A	A	The Project's commercial strategy is primary though the Sale case to the US Navy. Delays in getting the case amendment offered is putting pressure on the requirements

House of Governance – Why?

Providing Practical Support for the SPO Tier of the Enterprise



House of Governance – Improving the How



House of Governance

How is PM Function driving success?

Success in achieving the FPR recommendations and embracing the One Defence model is not just about implementing a tool, its about what happens inside a project and the practices we are wanting to enhance:

- Project Controllers to update and analyse the information used to manage,
- Project Managers to have daily information to manage their projects, and
- BH and SPO-D to provide oversight and help in a risk based decision making process

PM Function also looking to enhance:

- Practice – align business process to drive consistent practice across disciplines,
- Tools – align tools to those that the organisation wants to support and enable better input and output interfaces, and
- Training – improve our training across practice and tools to professionalise and support our people.

Foundational Work

Project Management, Products & Project Controls

- Policy & Manuals
 - Manuals have been updated to align with the One Defence approach and to encompass the entire Capability Life Cycle
 - Policy has been updated for Project Risk Management and Earned Value Management
 - Significant work has been put into developing a Strategic Guidance for Work Breakdown Structures with publication anticipated by end 2019
 - This policy and manual work is then aligned to our process maps (enabling practice improvements) to identify responsibilities

House of Governance

Program Performance Review

Lessons Program

Professionalisation

Policy

Assurance

Foundational Work

Project Management, Products & Project Controls

- Process Models (published in the Business Management System)
 - Work Take On – Pre Gate 0
 - Scheduling process (Schedule Development and Progress Update)
 - Cost Estimation 12 Step process
 - Change Management
- Tool Improvements
 - Open Plan Professional (OPP) alignment to CLC in progress
 - Predict! Risk Management performance issues addressed
 - Cost Estimation, Analysis Modelling Tool (CEAMOT) implementation ongoing

House of Governance

Program Performance Review

Lessons Program

Professionalisation

Policy

Assurance

Foundational Work

Project Management, Products & Project Controls

- Training Development
 - New cost estimation training available for community
 - Updated scheduling training currently under development
 - Project Management training available through Professionalisation
- Communities of Practice
 - Established avenues for those within the Function to engage and influence the development of policy and process, including:
 - Forums established for Project Controls
 - Policy Advisory Group established for PM Function
 - PPRIP Community of Practice up and running

House of Governance

Program Performance Review

Lessons Program

Professionalisation

Policy

Assurance

What is still coming?

Continued development in Practice improvements:

- Risk Management improvements to encompass a One Defence approach
- Baseline Verification and Validation process
- Alignment to the CASG Governance and Assurance frameworks (yet to be finalised)
- Earned Value Management assessments made in Pre-Gate 2 projects

What is still coming?

Continued improvement to our tools and the dashboards:

- PPRIP team gathering feedback on tool to further development
- Automation of more data through the data warehouse to drive the information within PPRIP
- PPRIP and HoG dashboards working off one information platform
- OPP version upgrade
- CEAMOT link to dashboards

One Defence and CASG needs into the future

This effort continues for PM Function as coming down the pipeline is:

- Program Management
 - in the context of managing Defence Capability is: *the management of a group of related Sub-Programs, Projects, existing Products and activities in a coordinated way to optimise the capability outcome within allocated resources*
 - Pilots are being run and Program Views IT platform is being build
- Defence Enterprise Resource Planning (ERP) Program
 - will transform the way we do business, eliminating hundreds of complicated and unnecessary structures, processes, systems and tools, and replacing them with a single, trusted source of accurate, near real-time information.

...which means....

What we improve, develop and implement today will build our needs
for the future





Questions

