



Challenges with Incorporating Agility in Complex Programs in an Australian Defence Industry Context

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Agenda



Introductions

Who is Michael Yeung



Framing the topic

Challenges with incorporating agility into complex programs in an Australian defence industry context



Challenging areas

Complex stakeholder arrangements, governance and process and program mobilisation

Introduction

MICHAEL YEUNG

CURRENT | Head of Program Management Office – Combat Systems Integration-Integrated Project Team (CSI-IPT)

PAST EXPERIENCE | 13 years in maritime defence industry, with experience in various project roles across;

- SEA4000 Air Warfare Destroyer (AWD) Program
- SEA1180 Offshore Patrol Vessel (OPV) Program
- SEA1000 Future Submarine Program (FSP)
- SEA5000 Hunter Class Frigate (HCF) Program
- CSI-IPT

Experience working for a number of Defence primes which include; ASC, Lockheed Martin Australia, BAE Systems Australia and Saab Australia (current).

Framing the Topic

ProjectChat 2024 Theme | PM Agility in Capability Development for a New World Order

Defence Strategic Review (2023)

“Defence’s current approach to capability acquisition is not fit for purpose. The system needs to abandon its pursuit of the perfect solution or process and focus on delivering timely and relevant capability.”

“Defence must move away from processes based around project management risk rather than strategic risk management. It must be based on minimum viable capability in the shortest possible time.”

Defining “Agility”

- Our ability to change our positions quickly and adapt to our customer’s changing needs
- Our ability to move quickly and easily to deliver what our customer needs

Setting the context

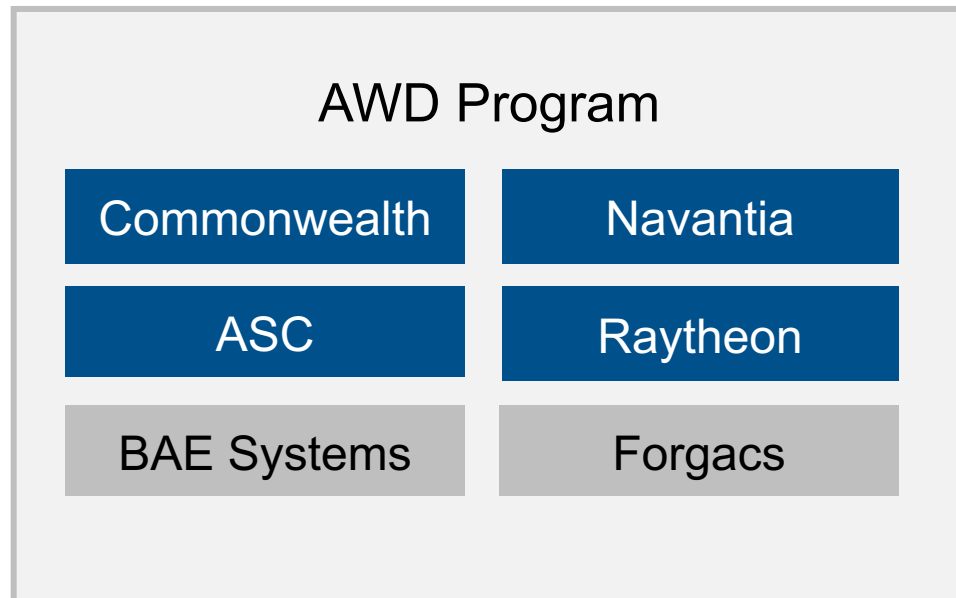
Defence industry needs to respond quickly and effectively to Defence’s new needs by incorporating more agility into our processes and ways of working.



Challenges with Incorporating Agility in Complex Programs in an Australian Defence Industry Context

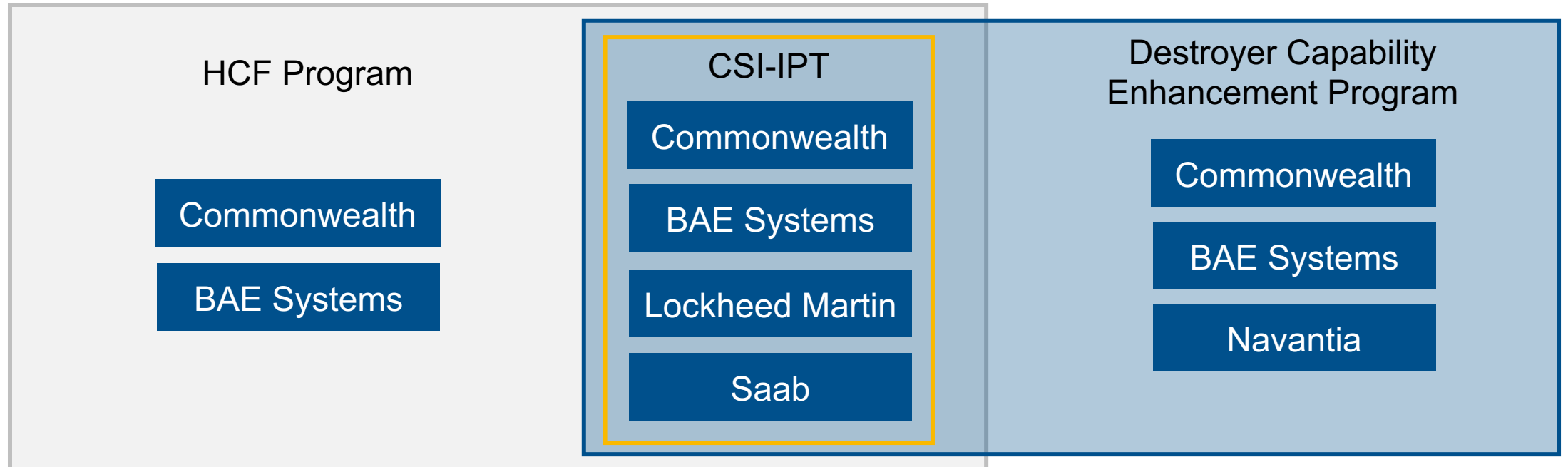
Complex Stakeholder Arrangements

Alliance structures and division of responsibilities between several parties resulting in many interdependencies.



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Complex Stakeholder Arrangements

CHALLENGES

- Drives complexity in planning / scheduling and dependency management
- Decision making authority, who can authorise / do what
- Lack of contractual relationships (commercial) between entities

WHAT WE NEED TO DO AS INDUSTRY TO BE MORE AGILE

- Partnership approach is meant to drive better collaboration and behaviours (i.e. be less commercial, 'so what?' if we don't have a formal contractual relationship!)
- Our focus should be on behaviours and outcomes to give the RAN what they need and deliver warfighting capability in the shortest amount of time possible
- Clarity on organisation structures between all entities and partnerships to support integrated planning

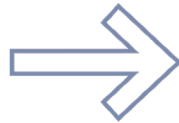
Open Communication is so important, especially linking the relevant key people together

Governance and Process

COMPLEX CONTRACTS AND TAILORING

ASDEFCON Suite of Tendering and Contracting Templates

- [ASDEFCON \(Strategic Materiel\)](#)
- [ASDEFCON \(Complex Materiel\) Volume 2](#)
- [ASDEFCON \(Complex Materiel\) Volume 1](#)
- [ASDEFCON \(Support\)](#)
- [ASDEFCON \(Support Short\)](#)
- [ASDEFCON Linkages Modules](#)
- [ASDEFCON \(Services\)](#)
- [ASDEFCON \(Standing Offer for Services\)](#)
- [ASDEFCON \(Standing Offer for Goods\)](#)
- [ASDEFCON \(Standing Offer for Goods and Maintenance Services\)](#)
- [ASDEFCON \(Shortform Goods\)](#)
- [ASDEFCON \(Shortform Services\)](#)
- [Request for Quotation \(Form AC565\) and Purchase Order and Contract \(Form SP020\)](#)
- [ASDEFCON \(Request for Information\)](#)
- [Template Letter for Release of Draft Documents to Industry](#)
- [ASDEFCON \(Invitation to Register\)](#)
- [ASDEFCON \(Request for Proposal\)](#)
- [ASDEFCON Defence Asset Templates](#)



ASDEFCON (Strategic Material) Template Filename	No. of Pages
Preliminary Pages	5
Part 1 – Conditions of Tender	22
Part 1 – Annexes to the Conditions of Tender	78
Part 2 – Draft Conditions of Contract	96
Part 2 – Attachments to Draft Conditions of Contract	170
Part 2 – Acquisition Pricing Workbook	
Part 3 – Draft Statement of Work	101
Part 3 – Annexes to the Draft Statement of Work	36
Part 3 – Data Item Descriptions	396
Part 3 – Supplementary Data Item Descriptions	4
Part 3 – MSR Checklists	124
Total	1032

Governance and Process

CHALLENGES

Complex contracts and tailoring (i.e. ASDEFCON):

- Unintentional non-compliance with contract
- Tailoring that doesn't make sense after originators have left the program
- Customer approval or authorisation of payment down to transaction level

Gold plated governance vs assurance/risk-based approach:

- Commercial
- Financial Controls
- Security and Export Control

WHAT WE NEED TO DO AS AN INDUSTRY TO BE MORE AGILE

- Simplify where possible, how much 'value-add' does each contract clause provide to delivery / completion of the scope?
- Take an assurance / risk-based approach to things instead of defaulting to gold-plated governance
- Opt for simplicity to give teams more capacity to do their jobs and execute the scope! (i.e. less complexity, less reporting, less tailoring, more focus on outcomes, solutions and empowerment)

Program Mobilisation

CHALLENGES

Availability of Suitability Qualified and Experienced Person (SQEP) at the right time

- Capacity and 'battlefield promotions'
- Inappropriate setup of structures and processes in early days of a program

Underestimating mobilisation requirements

- Not allowing enough time and effort to mobilise teams and processes
- Delays in resourcing resulting in immature processes when in 'full swing' of delivery of a program, compounding effect of inefficiencies

WHAT WE NEED TO DO AS INDUSTRY TO BE MORE AGILE

- Avoid 'battlefield promotions', Bid teams may not have the same skillsets required for mobilisation and program delivery
- Seek and pay for key position/roles that have 'lived' similar programs before to setup from Day 1 to avoid initial setup issues
- Allow enough time to mobilise the teams and processes, trying to change course for a train that has left the station is.... extremely difficult and expensive