

## Army Contracting Progress Report

The FY00 Procurement Statistical Reports and Summary of Procurement Actions have been published, and the Office of the Deputy Assistant Secretary of the Army for Procurement has completed its annual progress reports. The results are posted on the Web at <http://acqnet.saalt.army.mil/acqref/armetric.htm>.

By looking at historical data, conducting ratio analysis, and assessing the overall trends, we can reach important conclusions about the health of the contracting mission area, in general, and the impact of Army acquisition reform, in particular. One key measurement tool that has been used since 1995 is the cost-to-purchase ratio. This ratio shows the cost of purchasing one dollar's worth of supplies or services. Over the analysis period from FY95 through FY00, the cost-to-purchase ratio decreased from 1.42 cents per dollar in FY95 to 1.12 cents per dollar in FY00, a decrease of 21 percent.

Another ratio being studied is the average annual obligation per person. Between FY95 and FY00, the average

dollar obligated per person per year has risen from \$3.3 million to \$5.4 million, an increase of 64 percent over that period. This ratio indicates that the average Army contracting professional has become significantly more productive in terms of total output. This increase is attributed to a variety of factors including personnel reductions, process improvements, and acquisition reform initiatives.

A third ratio being examined is the average obligation per contracting action. Between FY95 and FY00, this ratio has risen from \$14,400 per action to \$83,165 per action—an increase of more than 578 percent. This reflects the increased use of the government purchase card for micro-purchases, as well as consolidating contract requirements whenever possible.

The Army Acquisition Reform Office will continue to test these and other management metrics to determine whether or not our improvement efforts are yielding the desired outcomes.

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## AWARDS

### PMs/ACs Of The Year Honored

The Army's Project Manager of the Year Award, Product Manager of the Year Award, and two Acquisition Commander (AC) of the Year Awards were presented in early August during a ceremony at the annual Army Acquisition Workshop in Atlanta, GA. The winners, all recognized for their outstanding achievements, are as follows:

- *Project Manager of the Year*—COL Patrick J. O'Reilly, PM, Theater High Altitude Area Defense;
- *Product Manager of the Year*—LTC Edward L. Mullin, PM, PATRIOT Advanced Capability-3;
- *Acquisition Commander of the Year* (O6 level)—COL William N. Phillips, Commander of Defense Contract Management, San Francisco, CA;
- *Acquisition Commander of the Year* (O5 level)—LTC George P. Slagle, Commander of the National Training Center, CA.

Any military or civilian PM (LTC/GS-14 and COL/GS-15) is eligible to receive the PM Award. Acquisition commanders occupying positions on the Command Designated Position List are eligible to receive the Acquisition Commander Award.

### DiMarco Receives Hite Award

MAJ Andrew J. DiMarco received the LTG Ronald V. Hite Award at a ceremony held May 31, 2001, at Fort Leaven-

worth, KS. Established in March 1999 by LTG Paul J. Kern, Director, Army Acquisition Corps (AAC), the award recognizes the outstanding AAC student attending the resident Command and General Staff Officer Course (CGSOC). This year's award was presented by COL Frank Davis, Director, Army Acquisition Career Management Office. DiMarco received an individual plaque, a three-star AAC coin, and a congratulatory note from Kern. Additionally, DiMarco's name was placed on a plaque that is permanently displayed at the U.S. Army Command and General Staff College.

DiMarco was selected from 58 AAC students attending the 2000-2001 CGSOC. All AAC officers attending the resident CGSOC are eligible for the award. Selection is based on a student's grade point average, contribution to group work, leadership skills, written and oral communications, research ability, recommendation from the student's academic counselor or evaluator, and consensus of the acquisition faculty. Hite, for whom the award is named, is a former AAC Director who was instrumental in establishing the Acquisition Education and Training Program (AETP) at the U.S. Army Command and General Staff College.

The AETP provides instruction in a distinct Acquisition Corps area of concentration within CGSOC and a fully funded M.A. degree-producing Acquisition Graduate Degree Program offered in conjunction with the CGSOC. The AETP was described in an article in the July-August 2000 edition of *Army AL&T*.

DiMarco's next assignment is in the Office of the Project Manager for Heavy Tactical Vehicles at the U.S. Army Tank-automotive and Armaments Command, Warren, MI.

## AWARDS

### ARL Wins DOD Awards

The Army Research Laboratory (ARL) Intelligence and Security (I&S) Office and Mary Fisher, an ARL employee, are recent recipients of the DOD Award for Counterintelligence Best Practices. Fisher, who is ARL's Foreign Disclosure Officer, won the individual award while the I&S Office received the organizational award. Both awards were presented in recognition of achievements related to ARL's Foreign Disclosure and Visitor Program.

Fisher was specifically cited for her efforts in overseeing the development of a tracking system and database that maintains records on all ARL visitors. Both Fisher and the I&S Office were recognized for establishing more efficient procedures and policies for use in the Foreign Disclosure and Visitor Program.

Fisher credits cooperation within the I&S Office, co-worker support, and cooperation of ARL scientists and engineers for making the program a success.

## BOOKS

### *Serious Play: How the World's Best Companies Simulate to Innovate*

By Michael Schrage

Harvard Business School Press, Boston, 2000

*Reviewed by LTC John Lesko (U.S. Army Reserve), a Decision Coach and Group Facilitator for Anteon Corp. Lesko is a member of the Army Acquisition Corps and a frequent contributor to Army AL&T. He can be contacted at John.Lesko@saftas.com.*

"*Serious Play* is about serious work: how the world's leading companies model, prototype, and simulate to innovate. Increasingly, prototypes are the key platforms and models are the core media for managing risk and creating value. They allow for cost-effective creativity, encourage profitable improvisation, and inspire organizations to collaborate in unexpected ways. *Serious Play* is a crisply written handbook for product, process, and project leaders who are determined to manage their innovation initiatives successfully."

Thus begins the first paragraph from this book's jacket cover. Although this reviewer may argue with just how "crisply" this book is written, I wholeheartedly agree with the author's premise that by studying prototyping successes we may better prepare our own organizations for needed change and innovation. Relative to the book's readability, peruse this book. Study it. Work through its abstractions and complexity. This is a dense yet insightful work that may significantly alter the way you view models and simulations in the future.

*Serious Play* picks up where Schrage's earlier work, *No More Teams!*, leaves off. In *No More Teams!*, Schrage examines several of the key elements of creative collaboration. Notably, he introduces the concept of *shared space* and describes the importance of prototypes in managing cross-functional creativity between partners such as Mitch Kapor and John Sachs (co-creators of Lotus 1-2-3 software) and Drs. James Watson and Francis Crick (co-discoverers of DNA's double-helix molecular structure).

In *Serious Play*, Schrage expands and refines these themes and draws upon a much wider range of success stories. Now we learn of the best business and innovative practices of companies such as Walt Disney, Boeing, Merrill Lynch, General Electric, Sony, IBM, IDEO, Microsoft, Royal Dutch Shell, DaimlerChrysler, and American Airlines.

Schrage, who is a Research Associate at the MIT Media Lab and a Columnist for *Fortune* magazine, concludes this book with a very practical *User's Guide*, which contains 10 lessons for prototyping success:

- Ask, "Who benefits?"
- Decide what the main paybacks should be and measure them. Rigorously.
- Fail early and often.
- Manage a diversified prototype portfolio.
- Commit to a migration path. Honor that commitment.
- Prototypes should encourage play.
- Create markets around the prototype.
- Encourage role-playing.
- Determine the points of diminishing return.
- Record and review relentlessly and rigorously.

Product and process development engineers will no doubt find a way to apply at least one, and perhaps several, of these lessons to their own projects or programs.

However, *Serious Play* should also appeal to a much broader audience, thus benefiting today's warfighters, analysts, logisticians, and Defense executives as they prepare for and participate in acquisition war games beside their engineering brethren. This book is written for more than just materiel developers, operations research types, and research and development officers. Schrage's work challenges all readers to think about their mental models and how to adapt these models to enrich their planning and decisionmaking.

It is time to remember the old saying, "All work and no play makes Jack a dull boy." The acquisition workforce cannot afford to develop dullards. This book belongs on the *must read* list for all acquisition professionals. Let's engage in serious play.