

Winter Newsletter

Issue 1

February 2009

The Year Ahead

2008 was another successful year for the Society. In addition to our Annual Conference we held three themed seminars and rolled out our new website: www.scaf.org.uk

In addition we supported a joint conference with the US Space Systems Cost Analysis Group (SSCAG) and the European Aerospace Cost Engineering Group (EACE). The conference was held in Noordwijk, The Netherlands in May.

Our Chairman, Arthur Griffiths also supported the NATO Research and Technology Organization by acting as Senior Strategic Advisor on their research on Independent Cost Estimating and Capability Portfolio Analysis.

2009 has certainly started with a bang. The current

global financial climate is not favourable and is impacting on all of us. We have a busy scheduled programme for the year and the first of our workshops commences on Tuesday 10th February at the BAWA Centre in Bristol commencing at 10.00am.



We are delighted at the number of delegates that have already registered for the event ensuring that it will be a highly interactive and informative day.

On April 21st we are holding a Vendor and Supplier

Day. This will be a unique opportunity for everyone to come to view products, listen to case studies and discuss the features and services offered. It will also provide an opportunity to network with other costing experts within the community

In late May we will be holding our summer reception at The Royal Armouries, Portsmouth. There are 350 big guns on display as well as WWII military vehicles and much more. Our event will include guest speakers, a tour of the Fort and free access to all the facilities.

In September, the theme for our Annual Conference is "Affordable Defence" which will be followed by our November workshop which discuss methods to improve value for money.

Special points of interest:

- Looking forward to the year ahead.
- Obituary P G Pugh
- Winter Workshop 10th February 2009.
- Future Events

Inside this issue:

Obituary for Philip Pugh	2
November 08 Workshop	2
November 08 Workshop	3
Future Events	3
Contacts	4

Winter Workshop – Tuesday 10th February 2009

Our winter workshop will be held at the BAWA Centre in Bristol commencing with coffee at 09.30 and presentation at 10.00am.

We have an excellent list of experienced speakers including:

Ken Young, who will present current MoD policy and guidelines for Whole Life Costing on MoD programmes.

Arthur Griffiths will discuss estimating methods and techniques. In addition he will present the benefits of being in the profession.

Dale Shermom will discuss the development of Cost Estimating Relationships and their use in cost forecasting.

Colin Drysdale will articulate on the use of casual

mapping to undertake benefits analysis and support optimisation.

Terry Johns will discuss the MoD expectations on estimating assurance and cost model validation.

In addition to the speakers advertised, **Julian Burridge** will discuss the attribution of RAB to meet MoD's Through Life Finance requirement.

Obituary – Philip G Pugh

Last month we learned of the untimely death of Philip Pugh.



Philip (pictured far left receiving a signed print of HMS Warrior in May 2004) was a prolific writer and author of a large number of scientific papers. He was even writing chapters for a new book right up to his untimely death. Philip always described himself as

“only a simple engineer” but he was more than that.

From the 1980s onwards he accumulated a vast database

of costs on post national and international projects and added to it at every opportunity.

The compilation of such a database was no mean feat but what was really important was the way in which Philip used it to support the development of a series of models for predicting the cost of procurement and timescales of projects still at the concept stage and for which no design drawings yet existed.

Philip’s skill with numbers and improvements he made to cost estimating methods enabled him to provide valu-

able advice to the Ministry of Defence on the consequences of alternative procurement plans in future years.

His presentations at SCAF were always enlightening and enjoyed by everyone.

Philip was a strong supporter of the Society since its creation in 1984.

We are delighted to announce that Philip’s family have agreed to the Society’s wishes to create an annual “Philip G Pugh Award” that will be presented to the most innovative paper given during the year.

Missed the last workshop?
Catch up online at:
www.scaf.org.uk



November 2008 Workshop – Where has all the Cost Data gone?

Andy Nicholls (MoD), opened the workshop with a presentation on the MoD’s software data collection— Defence Form 143.

This is currently the only MoD mandated software questionnaire in use. It is a 10 page document that has not changed much since the 1980s and has been used by MoD to gain confidence in what has been proposed by suppliers.

With the increase of reliance on software for military weapon systems it was considered essential to maintain some form of independent tracking mechanism to assist in providing the ability to more accurately estimate the costs of software development and support.

Andy Langridge (Galarath International) gave a paper on behalf of Ton Dekkers entitled “Remember me before I forget”. An apt title for the workshop. Andy started by showing plots of historical data and derived trend lines and questioned

the issue of do we need it.

He introduced the concept of MOUSE which was a matrix comprising Market View, Operation, Utilisation, Service and Exploitation. All good characteristics to be considered and benchmarked.

The key came at the end as he discussed the importance of good project closure emphasizing the point that we all forget the project details that we need to remember for the future.

Jon Dodd (MD at Bunnyfoot Ltd) spoke about encouraging appropriate interaction and demonstrated online approaches to sharing information and knowledge. Jon’s company are specialists in User Central Design and help businesses optimize the way they communicate with customers. This was a fascinating paper that explained the dynamics of interaction, community engagement and management of that engagement.

It certainly made us look at

the way we gather, share and use data.

Jon got some interesting responses from the audience when he identified characteristics of the community and tagged them as either Researchers, Lurkers, Idealists and Debaters. I will leave the responses for another time.....

Karen Sparks (Atkins) presented a paper “The Devil in the Detail”. This was a very instructive and informative view on the MoD’s application and use of Whole Fleet Management.

She discussed the business processes currently in use to optimize the utilization of military land equipment to enable the British Army to meet its operational and training requirements with reduced fleet size and costs.

Karen explained the balance between investment and expected benefits in order to provide case evidence to the decision makers.

The scope of her study

November 2008 Workshop – Where has all the Cost Data gone?

Covered more than 60,000 vehicles that were costing some £1.6Bn a year to run, repair and maintain.

To conclude, Karen presented a list of lessons learned, the implantation of more automated data collection (through JAMES II) and the realization of benefits achieved.

Ken Young (MoD) and Dale Shermon (PRICE Systems) gave a paper on “The use and application of historical data to support cost forecasting of future MoD programmes”. The paper was interesting as it gave a clear view of how partnering in this context overcame the problem associated with sharing proprietary and commercial information

between the parties.

It also demonstrated that the resultant integrated toolset was effective and convenient to use.

Paul Baguley (Cranfield University) discussed the development of the Design Engineering Centre and, in particular the implementation of the Cost Studio[®]

Cost estimating is a strategic area for Cranfield and the university has an international reputation supported by Societies, Academics and has a defence link through the Defence Academy.

Paul explained that the early facility was good but basic but the new facility has far exceeded expectations.

Paul’s PhD was on improving the cost model development process by using Fuzzy Logic.

He gave an overview of the technique which whetted the appetite of many in the audience—sufficient for them to ask for a more dedicated presentation at a future event.

This was an excellent workshop enjoyed by a capacity audience at The Royal Institution of Naval Architects, London.

Our thanks to all the speakers and attendees for making the workshop such a success.



I must get that estimate in on time !!!!!!!

Future Events

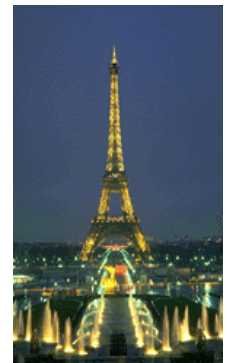
SCAF Workshops and Seminars

- 10 Feb 2009, Cost Estimating for Defence Programmes, BAWA Centre, Bristol
- 21 Apr 2009, Vendor and Service Provider Presentation Day, BAWA Centre, Bristol
- May/June 2009, Summer Reception, Royal Armouries, Fort Nelson, Portsmouth
- 22 Sep 2009, Annual Conference “Affordable Defence”, RINA, London
- 24 Nov 2009, Improving Value for Money, BAWA Centre, Bristol

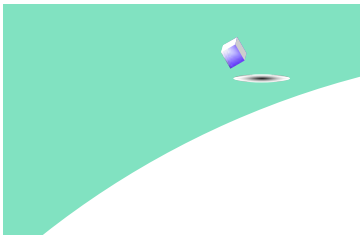
Other Events

- 19 Mar 2009, Galorath User Conference, Old Trafford, Manchester
- 12-13 May 2009, International Conference on LCC for Defence Capability Portfolio Analysis, Paris
- 2-5 Jun 2009, ISPA/SCEA Conference, St Louis, USA

**Networking for
Cost Estimating
and Analysis
Community**



International Conference on the use of Life Cycle Costing in Defence Capability Portfolio Analysis



For over 20 years the Society has sought to illuminate key issues in the analysis and forecasting of project costs—and to promote best practice within the cost forecasting community.



The Society provides a single point of contact for advice to those wishing to address key issues in the analysis and forecasting of costs and timescales of complex programmes.

www.scaf.org.uk

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**Bridging relationships
in cost estimating**