

SCAF Annual Conference

Theme: “Transforming and Improving Cost and Time Estimating for the Next Decade”

Tuesday 20th September 2011

The Royal Institution for Naval Architects, Victoria, London

The Comprehensive Spending Review published in October 2010 set out how the Government would carry out Britain’s deficit reduction plan. There was an urgent priority to secure economic stability at a time of continuing uncertainty in the global economy and put Britain’s public services and welfare system on a sustainable long term footing. The Spending Review made choices with particular focus to reducing costs and wasteful spending. As a result of these choices, departmental budgets have been cut by an average of 19 per cent over four years,

The ability to generate reliable cost and time estimates is a critical function necessary to support Defence expenditure. Without this ability, organisations are at risk of experiencing cost overruns, missed deadlines, and performance shortfalls - all recurring problems that project audit assessments too often reveal. Furthermore, cost increases and schedule delay often mean that the government cannot fund as many programmes as intended or deliver them when promised. The conference speakers will discuss lessons learned, costing issues and the steps currently being undertaken to improve the quality and confidence in the estimates being presented to senior officials.

09.00 Registration and Coffee

09.30 Welcome and Introduction

09.45 Neil Davies, Chief Economics Advisor, *DASA-DESA, Ministry of Defence*

10.25 Overview of the CAAS Development Programme

Dr Sheldon will provide an update on the CAAS development programme and its vision for the future of defence cost forecasting, cost engineering and pricing.

Dr Tim Sheldon, Head of Cost Assurance and Analysis Service, *Ministry of Defence*

11.05 Break

11.15 More Successful Projects on Schedule and Cost

Poor estimation and planning are root causes of program overruns and failure. Yet too many still look at estimation as a cost or time sink rather than an opportunity for program success. Further, with current emphasis on reducing costs and wasteful spending by the United States and UK governments, estimating faces a unique set of challenges and opportunities which will be addressed by the talk. Additionally this talk will cover: 1) estimation lessons learned, what works and doesn’t work and what will advance estimation for the next decade; 2) estimation best practices: current best practices in estimation and how these should evolve over the next decade to be even more productive and 3) vision of estimating and progress: Mr. Galorath will share his 20 year vision of parametric estimating, and how it is coming to pass. This includes estimating as part of the engineering process as well as program planning. Finally specific action items will be suggested.

Dan Galorath, Founder and Chief Executive Officer, *Galorath Incorporated*

11.55 Cost, Value and Affordability – Optimism or Objectivity?

Niteworks is a partnership between the UK Ministry of Defence, Dstl and industry. Using the breadth of MoD and industry capabilities it analyses problems, examines options and makes recommendations to de-risk requirements. MoD's Cost Assurance and Analysis Service (CAAS) is forging closer links with Niteworks. It has signed a Charter recognising the key role that both organisations are playing in improving acquisition, through ensuring that MoD decisions are properly costed and the risks are fully analysed.

Bob Barton, Managing Director, *NiteWorks*

12.35 Society Business followed by a BUFFET LUNCH

13.45 Using Enterprise Modelling to Better Manage the UK Submarine Programme

Hans Pung, Vice President, *RAND Europe* and **Sarah Jilbert**, Independent Cost Consultant

14.20 The Politicization of Cost Forecasting in Defence

Trevor Taylor is Professorial Research Fellow in Defence Management at the Royal United Services Institute in Whitehall, London, where he heads up a new research programme in Defence, Industries and Society. He is a member of the Acquisition Focus group which publishes regularly in RUSI Defence Systems. In addition, he is the Professor Emeritus at Cranfield University, where he still teaches, and where he was head of the Department of Defence Management and Security Analysis from 1997 to 2009. He also works regularly for the Naval Postgraduate School in Monterey, where he is an Adjunct Faculty member.

Professor Trevor Taylor, Fellow, *Royal United Services Institute for Defence and Security Studies*

15.00 TEA

15.15 A Manufacturing Technology Maturity Impact Assessment Model and Framework

Within any organisation there is a need to assess the level of maturity of developing technologies and identify at what level they are fit for deployment in real application. The original technology readiness level (TRL) scale was developed by NASA and consisted of 9 levels of classification. However, there is no existing framework to model the cost of the advanced manufacturing technology (AMT) and its direct benefit contribution to the manufacturing system at each incremental TRL maturity gate. This talk will discuss an approach to providing the internal customer with the required TRL incremental investment cost, perceived benefit to the manufacturing system by the development of an aerospace manufacturing development technology readiness impact assessment model and knowledge based pre-TRL development advisory framework.

Mark Jones, PhD Researcher, *Airbus UK and Cranfield University*

15.55 The Missing Bit in Parametrics: How can Parametrics Improve?

Paulo Ponzio, Cost Engineering Group, *European Space Agency*

16.35 Closing Remarks

Registration and Costs

Registration and coffee will be available from 09.00. The Conference will commence at 09.30 am. The costs for the Conference is £150.00 per delegate.

These costs include all refreshments, a buffet lunch and **FREE** attendance to all future SCAF events until August 2012.

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The Society for Cost Analysis and Forecasting was formed in September 1984 following a recognition of the need for a forum where those with interests and experience in cost analysis could meet and discuss problems and techniques.

The formation was the initiative of the UK members of the International Society of Parametric Analysts with the support of the Ministry of Defence and The Royal Aeronautical Society. Due to the background and experience of the founder members, the Society has tended towards defence oriented industries, however, it is the intention to cover as broad a field as possible.

The objects of the Society are to promote the best interests of its members and to improve and disseminate knowledge of cost analysis and forecasting methods. SCAF is a not-for-profit organisation and has no political affiliations or commercial bias but encourages sponsorship by organisations with declared mutual interest.

Please reserve a place for me at the SCAF Annual Conference being held on Tuesday 20th September 2011 at the Royal Institution for Naval Architects, London commencing at 09.45 am.

- I enclose a cheque (payable to SCAF) for £150.00. Please forward cheques to:-
Mr D Hedley, SCAF Treasurer, C/O BMT Reliability Consultants Ltd, 12 Little Park Farm Road, Fareham, Hampshire, PO15 5SU
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To register, please email: ndmorrill@dstl.gov.uk or
call 023 9253 7271