Overview

- Credible Cost Analysis
- How Can ICEAA help?
- Closing Thoughts
Objectivity

- Weapon Systems Acquisition Reform Act of 2009
- Interim DoD 5000.02
- Organizational Structure

Organization and Policy are necessary for Objectivity
Technical & Programmatic Baseline is main ingredient to cost estimating
- Often overlooked in the estimating process
- More training needed in this area
- The Estimating Community must build supporting databases
  - Size, weight, power
  - Heritage / TRL
  - Schedule

Estimating a Realistic Baseline is YOUR responsibility

MDAP Cost Growth

"Straight SAR" Data
Supportive Culture

❑ Policy – in place for Govt, what about your organization?

❑ Organizational structure

❑ Build on both successes and failures
  ▪ Demonstrate both good and bad analysis
  ▪ Integrate with Technical, Program Mgmt, and Budget Communities
  ▪ Ask - Where do we need help, and where can we help you?

❑ Can ICEAA help here?
  ▪ Professional Training and certification

Cost Estimators can help build the Supportive Culture we need
Cost Assessment Guides/Handbooks
- GAO Cost Assessment Guide
- Joint Agency Cost Schedule Risk & Uncertainty Handbook

Agency Cost Research – Renewed focus within the AF

OSD CAPE Initiatives
- Improve Analyst Productivity
- Enhance data collection process (CCDRs, SRDR, new TDR)

Joint industry / government groups
- Joint Space Cost Council (JSCC), CIPTs – Aviation, Space

Conferences promote creative solutions
- DoDCAS, ICEAA, MORS, ASMC PDI
“Right sizing” the cost estimating community

- Need the right grade and experience level
  - FY07/13 NDAA – Lead Cost Estimator Requirement

- Training and certification – ensuring the right skillset
  - ICEAA – robust training and certification program
  - DAU: From BCEFM to BUS-CE and BUS-FM
  - NPS Masters of Cost Estimating and Analysis
  - AFIT Masters of Cost Analysis
How Can ICEAA Help?

- Networking
- Knowledge sharing
- Training
- Certification
- Cost analysis advocate
Closing Thoughts

- Government cost estimators must be honest brokers
- Foster collaborative environments
- Challenge technical and schedule assumptions
- Estimating is leveraging past knowledge to predict future
- Cost estimating skills will continue to be in high demand
Basis of Estimate

CAN YOU GET ME SOME COST ESTIMATES FOR OUR NEXT GEN PRODUCT?

I CAN IF YOU LIKE NUMBERS THAT ARE BASED ON HALLUCINATED ASSUMPTIONS.

I KIND OF DO.

I THINK WE HAVE AN UNDERSTANDING.

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