



Tales from the Crucible....or

**Fixed Price Development:
Stories of triumph and tragedy**

Four “High Value” topics

PM Masters: A look
under the hood

ID'ing the Master

9 Degrees of Freedom

5 Ways to support
the Masters

The Laboratory: Starsys Research

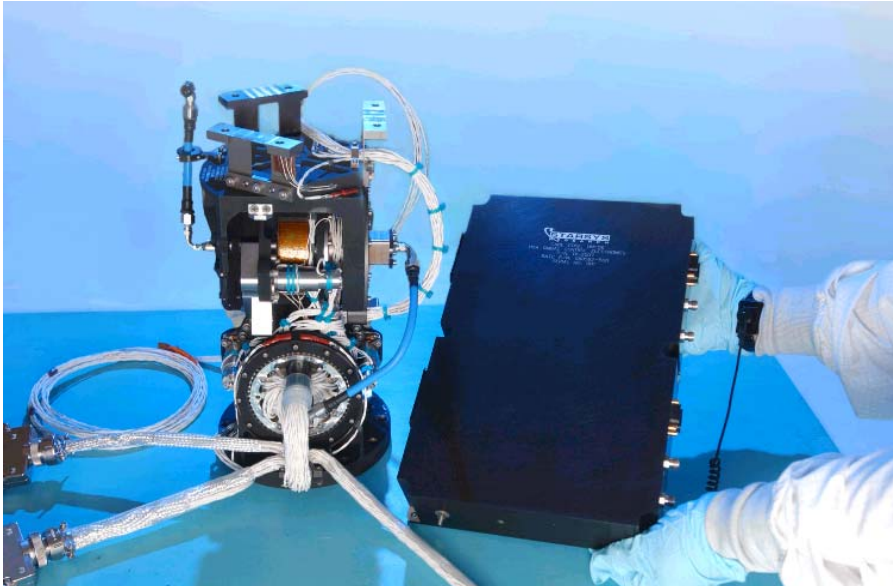




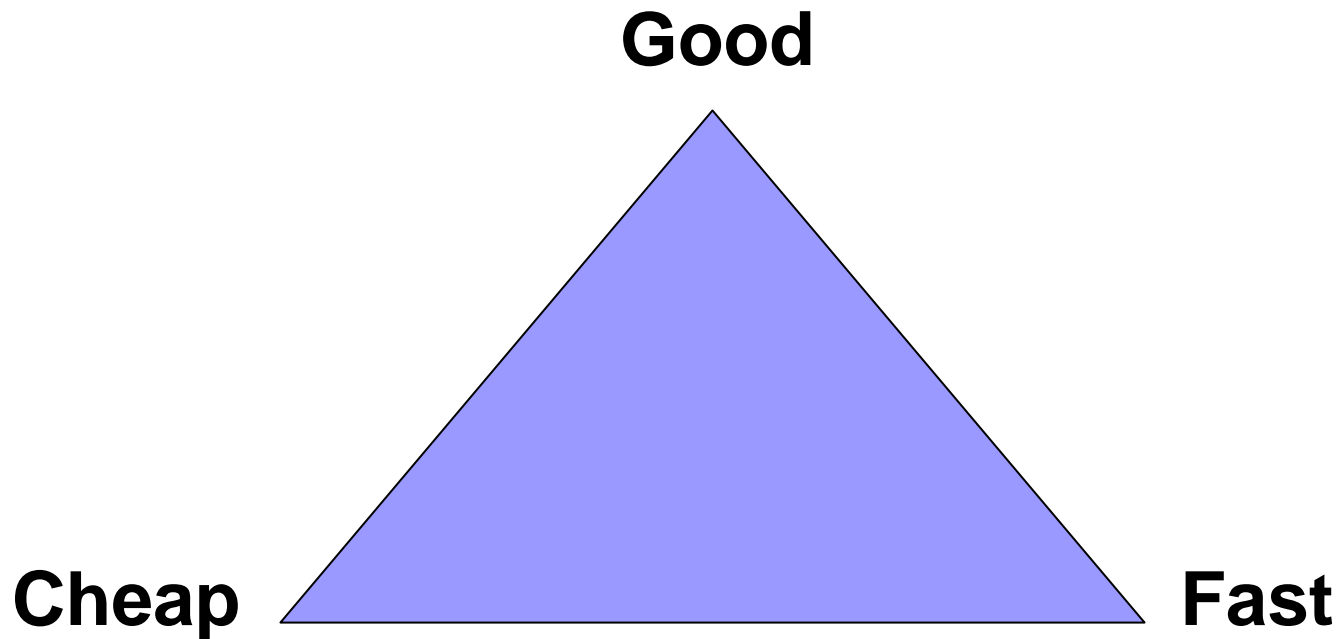
The Laboratory: Specs

- Spacecraft Mechanical Systems
- Deliver-to-Requirement programs
- \$250K to \$5M program size
- 1-2 year program duration
- 100 employees
- All FFP, Most Developmental

The Programs



Fallacy # 1: Pick Any Two



Fallacy # 2

Program Management Mastery can be
learned





What Makes The Masters Tick?

■ Personal Top Five

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Identifying the Masters

■ Personal Top Five

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The PM Master Quartet

Love business \geq engineering	“Pump Fist” over dollars or plan
Business owner aspirations	System minimalists



Blood From Turnips (The degrees of PM freedom)

■ Personal Top Five

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Supporting The Masters

■ Personal Top Five

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PM Values Matrix for Interviewing for \$ control

At the end of the interview, rate each category on a scale from 1-5, based on intuition, direct questions, or indirect questions. Experienced masters will typically rate 4 or 5 in each area

	SCORE 1-5			SCORE 1-5
MBA Interest or MBA experience			Systems; would do it on a cocktail napkin if forced	
Entrepreneurial experience prior to career			Quality of their PM nuggets of wisdom re cost	
Interest in running their own business			Quality of their experiences driving to cost	
Excitement about working outside of a cost + context			"Pump Fist" excitement level around saving \$	
Nuggets of wisdom around customer management			Comfort around asking for money	
Nuggets of wisdom around "blood from turnips"			Love business as much as or more than engineering	

The 9 Degrees

- Do as little as possible
 - The PM and high dollar talent eat budget; drive everything possible to the lowest dollar person that can be successful
- Do not change horses
 - Do Not Change PM's from B&P thru completion
- Manage your customer
 - Understand the basis for the agreement and stick to your guns..may require spec negotiation..but DO NOT “nickel and dime”.
- Hope is not a strategy

Manage risk and contingency for anything with > 5% chance of happening
- Do your homework:
 - Set up to win by extremely thorough review of every spec and S.O.W. item, with documentation of cost basis and assumptions flowed to the customer

The 9 Degrees (cont)

- Manage the vendors
 - Drive them to schedule success as if your life depended on it, cost is secondary
- Delegate properly
 - Always agree and commit to scope and schedule; do not fall into the “as quickly as you can” trap
- Choose the pace
 - Haste does not always make waste; but never lose focus
- Think out of the box
 - Cleverer and “good enough” are worth a fortune



5 Ways to Support the Masters

- Don't teach frogs to fly, find the right people
- Strip the optimism from their hands thru good systems
- Do the homework
- Harness the power of the sun: Personal pride + talent
- 15% + FFD = Can be a recipe for tragedy