



MINISTÈRE DE LA DÉFENSE

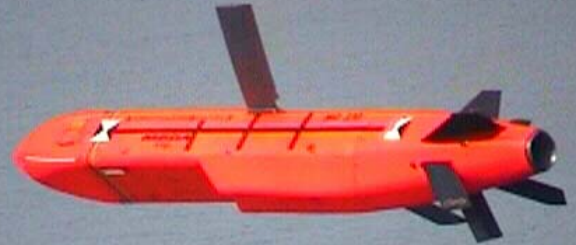
# Meeting with NAO

## SCALP-EG programme (1)



# Agenda

- **SCALP - EG : state of the programme**
- **Definition, environment, actors**
- **Matrix like organisation**
- **Reporting tools**
- **Other information tools**





● **SCALP- EG : state of the programme**

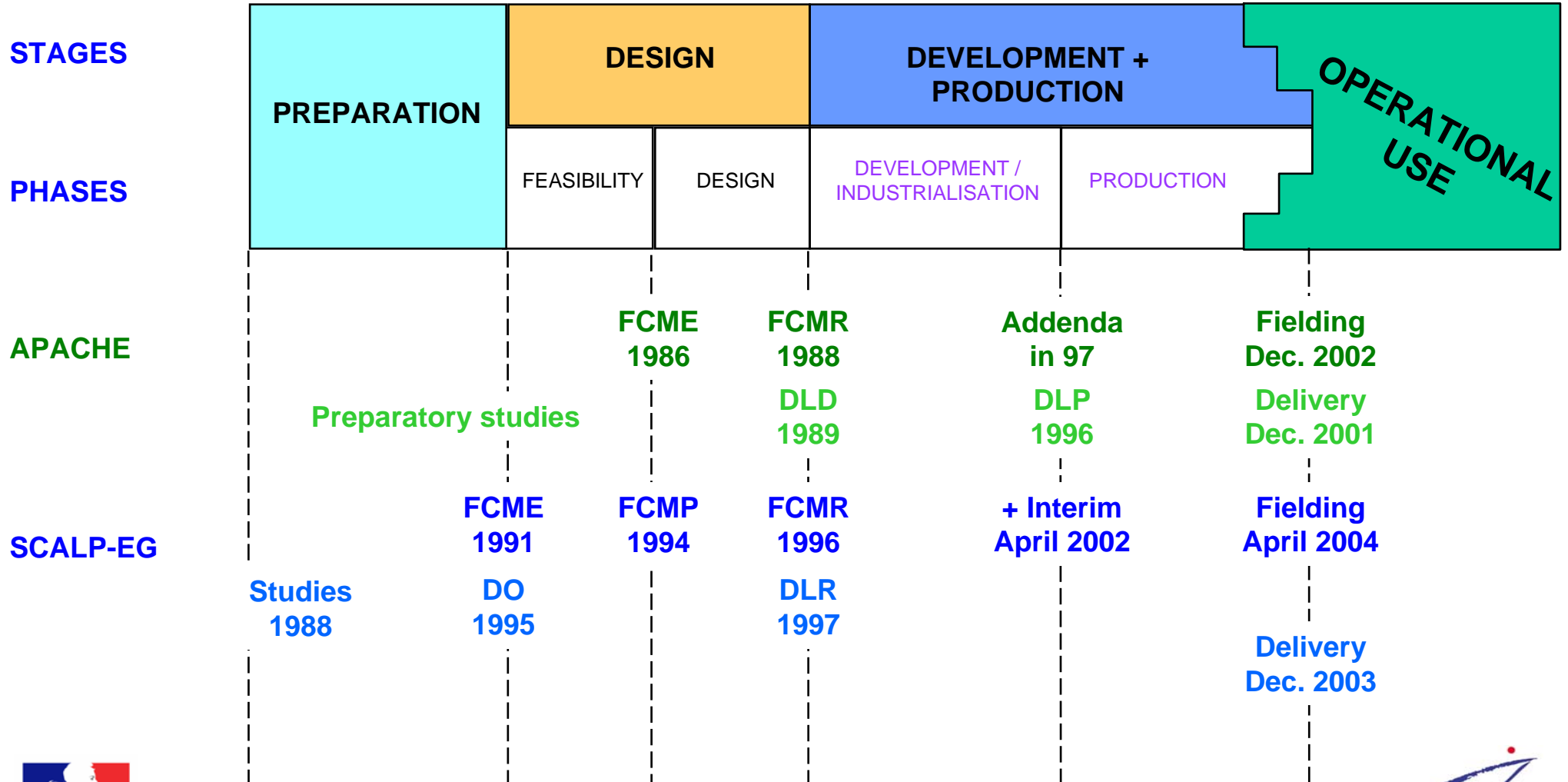


# SCALP-EG Programme

## Operational need :

- Acquire a deep strike capability for crisis management AND open conflict
  - launched from combat aircraft
- Weapon for Mirage 2000D, Air Force and Navy Rafale
  - great flexibility of use :
    - ➔ various types of targets : precise infrastructures, very or moderately hardened
  - collateral damage avoidance,
    - ➔ high probability of success and high predictability
  - stand-off
    - ➔ autonomous after launch

# Milestones



# Scalp technical status

- Missile qualified :
  - Tests completed in May 03
  - **R3** end of qualification review : June-July 03
  - **DD3 design formally approved on 15/12/2003**
- Aircraft integration on-going
  - Qualification of the integration to Mirage 2000 R2+ expected in march 2004
  - Launch test from Rafale aircraft

# Scalp technical status

- Mission planning
  - Interim Mission Planning System approved early December 2003 (V2 retrofit mid 2004)
  - Ultimate MPS (FPM-EG) will be part of A/C MPS (SLPRM) : contract pending

# Production status

- Production facilities operational since December 2002
  - *30 Storm-Shadow missiles delivered by March 2003*
  - 1st serial Scalp-EG missile accepted in October 2003
  - **30 Scalp-EG missiles delivered by the end of 2003**



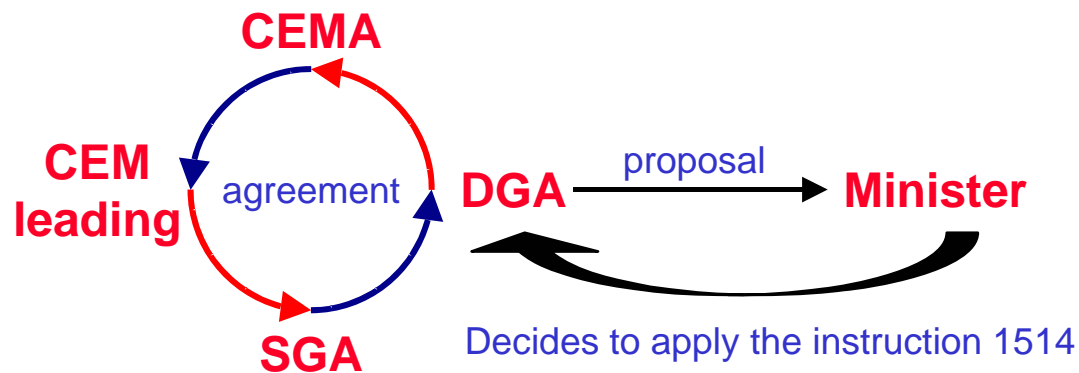


- **Definition, environment, actors**



# Definition

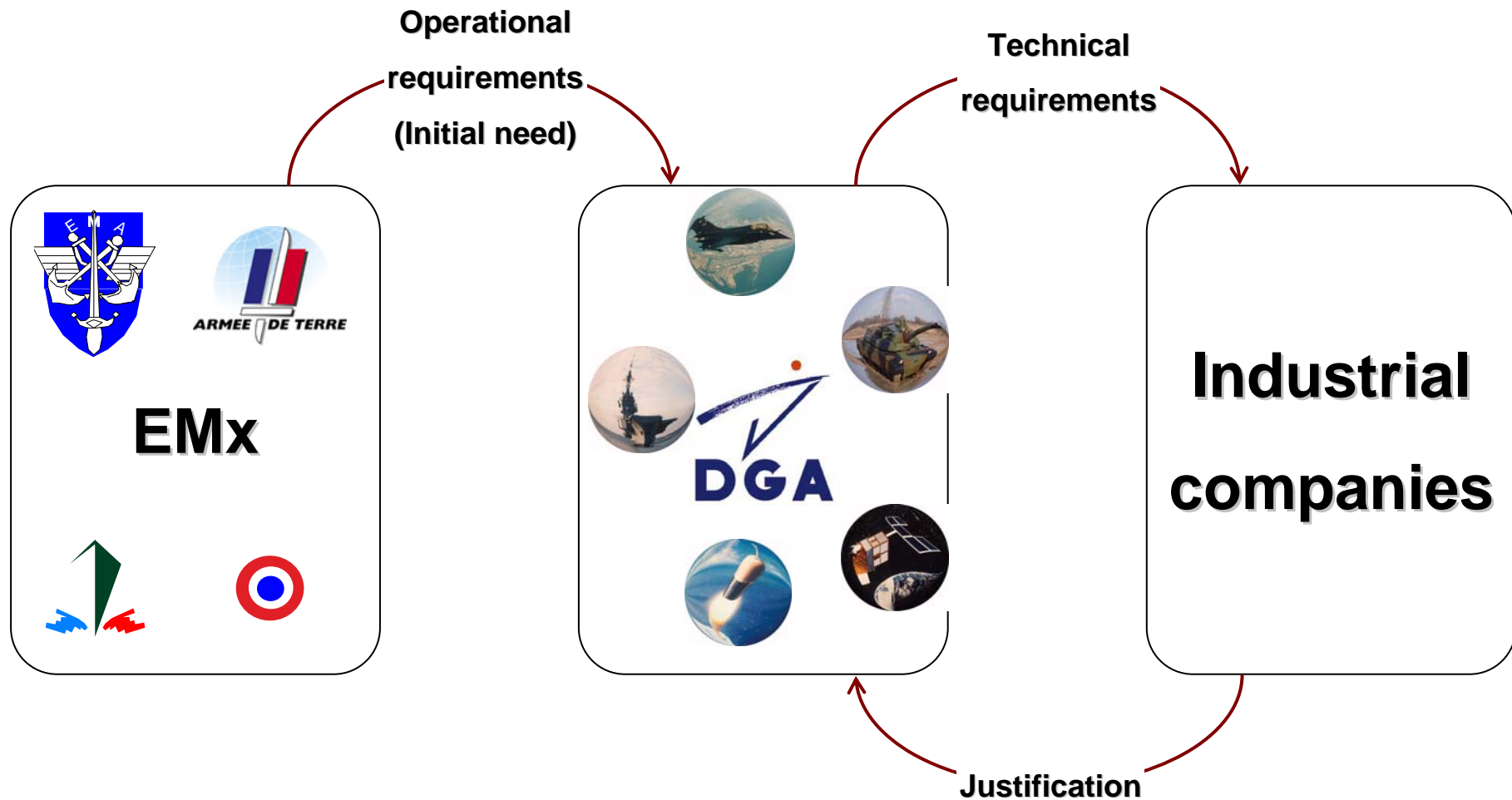
An "**armament programme**" is defined as an operation or a set of operations to which the **Minister of Defense**, on the proposal of the *National Armaments Director* (head of DGA) in agreement with *Joint Armed Forces Chief of Staff*, the *leading Chief of Staff* and the *General Secretary for the Administration*, has decided to apply the procedures defined in the **instruction 1514**.



# External environment

- A programme is an investment operation of the Nation. Thus, it is in keeping with a complex environment :
  - the armed forces' needs and the related programmes
  - the political will associated to the budget release
  - the budgetary constraints: annual and over several years
  - the administrative and legal rules
  - the consistency with the country's industrial landscape
  - the local policy
  - the international agreements (cooperation, proliferation)
  - the contractors' strategies (trans-European...)
  - the European construction
- **Each Milestone document (DO, DLD, DLP, DLR) sets the terms of an actual contract between the Programme Management Office and its partners...**

# Actors

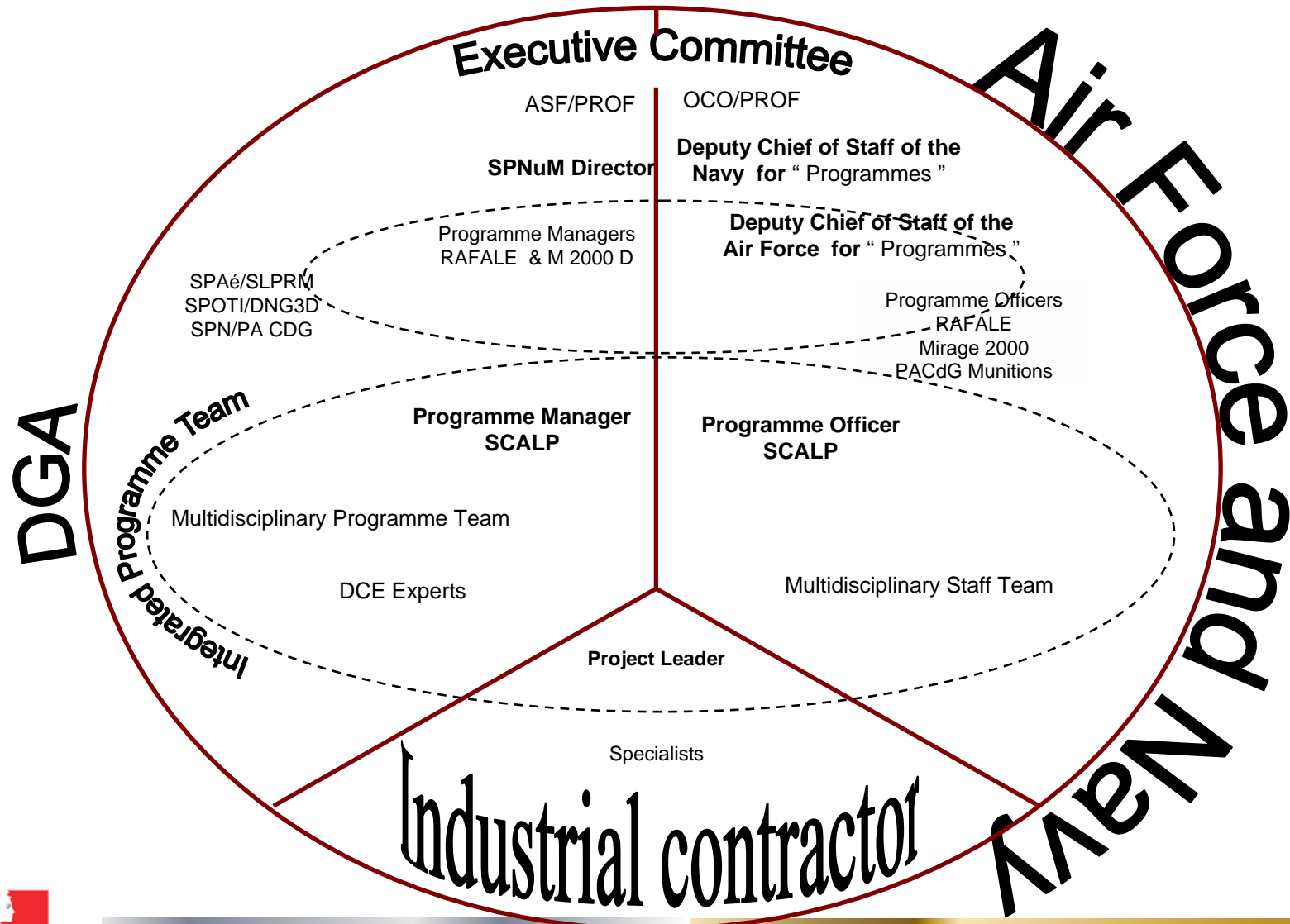




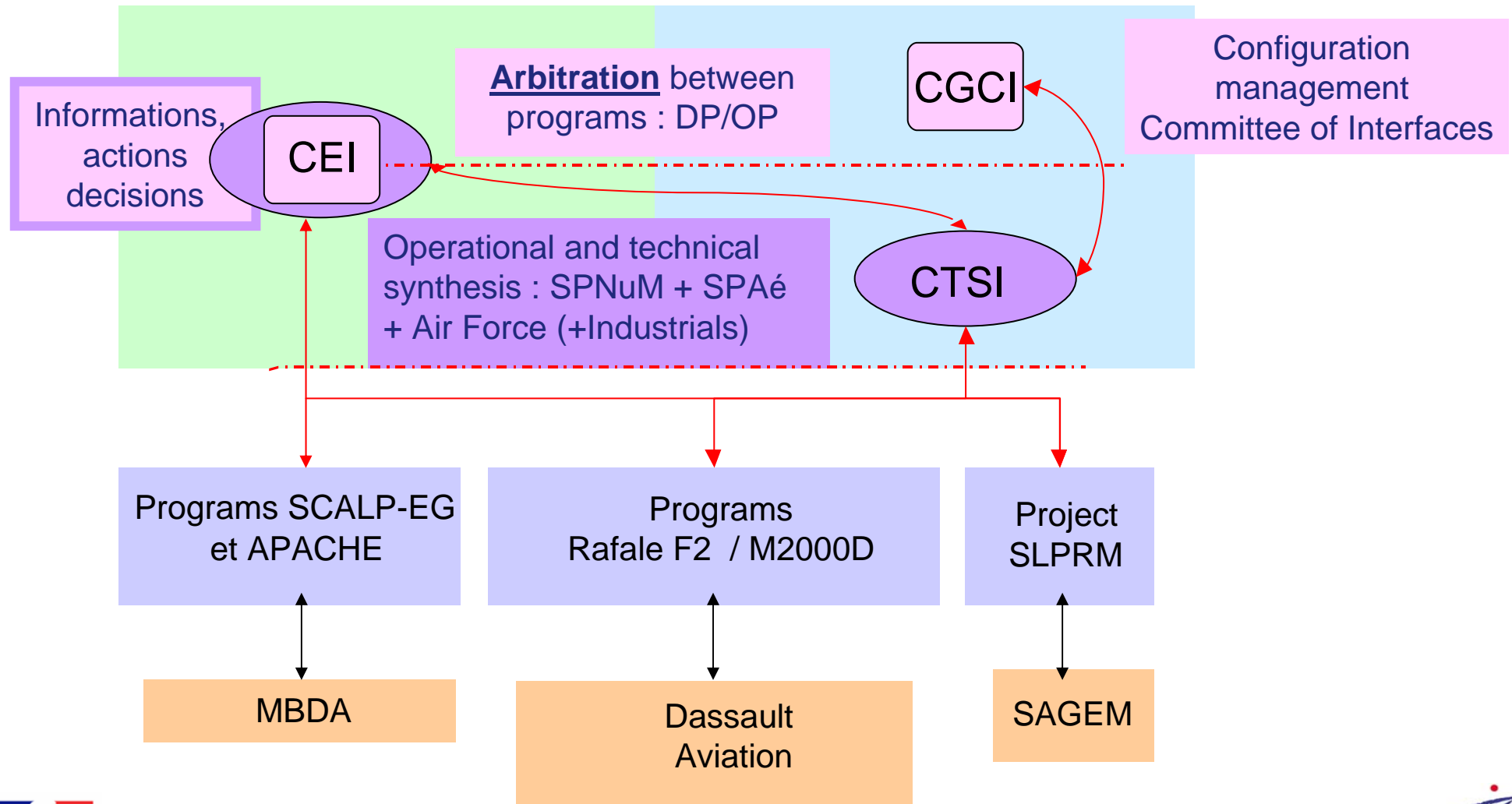
- **Matrix like organisation**



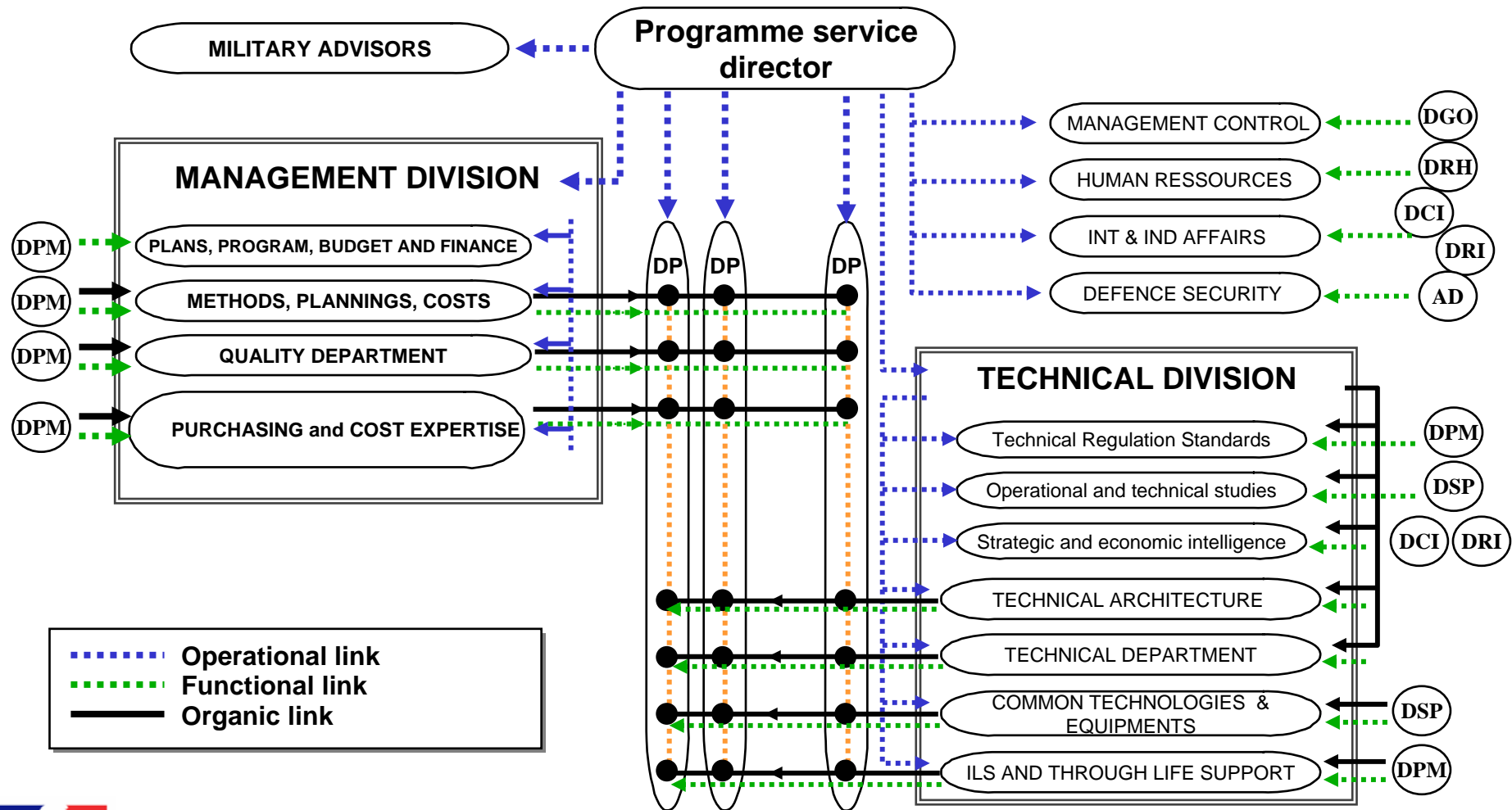
# SCALP programme landscape



# Management between programs & project

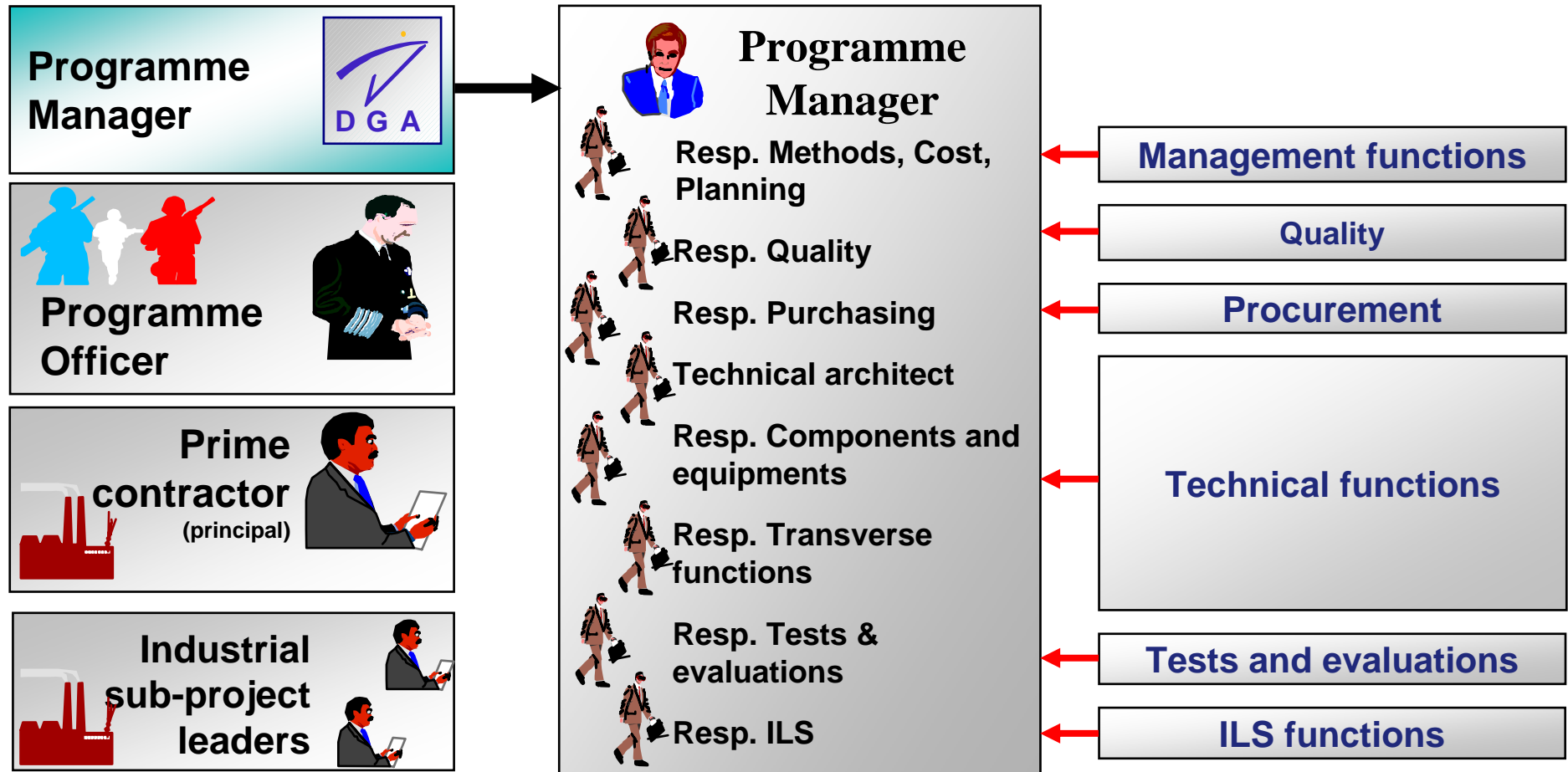


# A MATRIX LIKE ORGANISATION





# Integrated Project (or Programme) Team



# Integrated Project (or Programme) Team

Working with the force(s) staff(s)

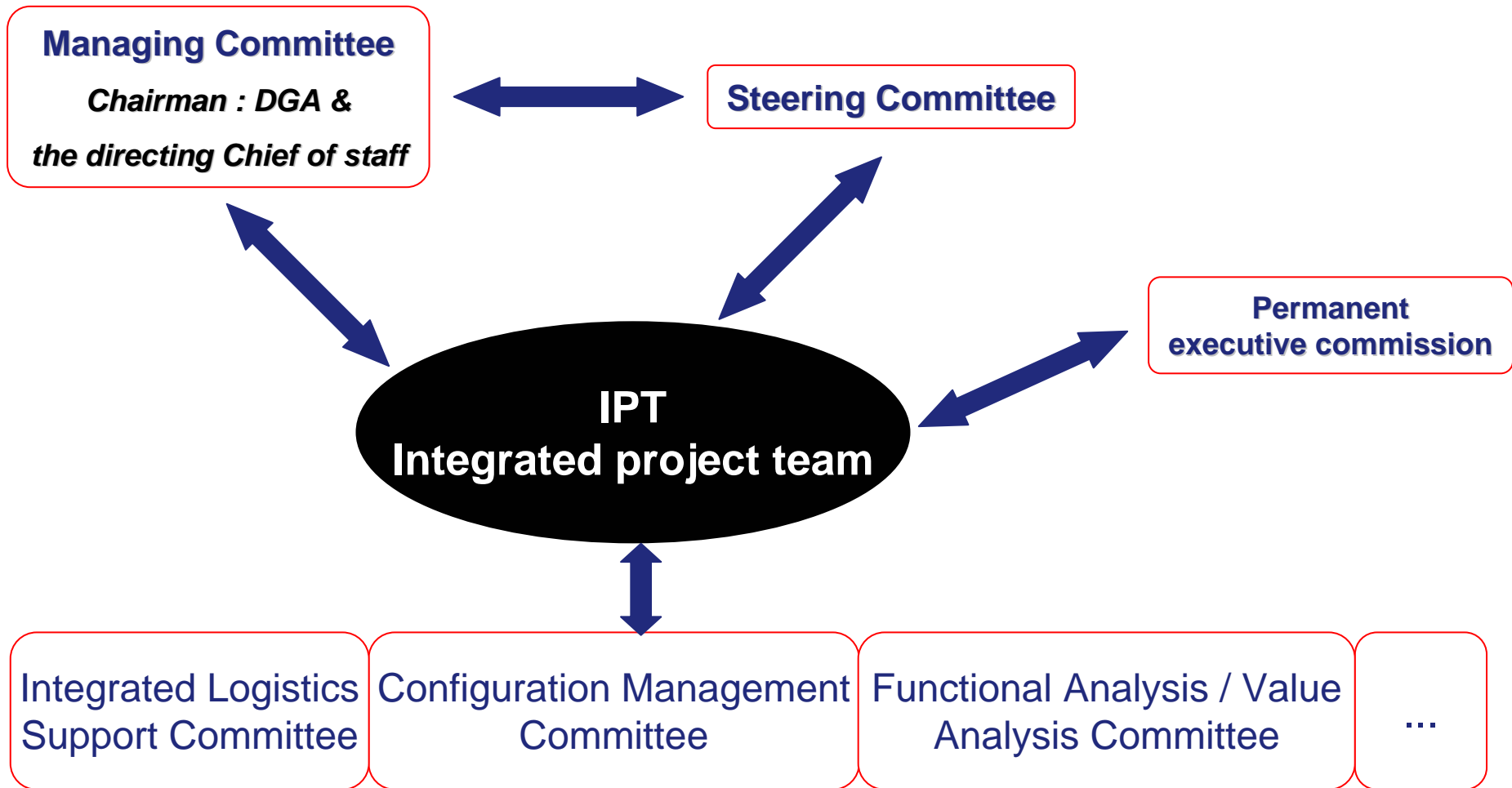
Programme manager  
with his specialists  
(DGA)

+

Programme officer  
with his specialists  
(Force staff)

- Common objectives
- Optimise programme cost / efficiency
- Maintain a cost reduction portfolio

# Position



# Role of the IPT : 1

- Stay aware of the external environment
- Have the decisions taken at the appropriate level, according to the nature of the decision and the situation:
  - Measure the decision impacts on budget, schedule and capabilities
    - enables to determine the level of warning or of decision
  - Prepare the decisions by informing the hierarchy on the implications of the different scenarios on the programme or its environment
- The IPT acts by delegation but must report back:
  - The leaders detest surprises
  - The programme management team is not here to explain the difficulties but to try to solve them!!!

# Contracting process (1)

- Obtain the budget allocations:
  - ① Have the documents approved by the Programme Executive Committee (CEP)
    - Armed Force Staff(s) governing the programme budget line
    - Joint Chief of Staff, DGA corporate entity
    - Armed Forces Comptroller
    - SGA / DAF

disagreement ↓ **arbitration at ministerial level**

  - ② Obtain the signature of the financial comptroller
    - good will of the Ministry of Economy & Finance
- Express the need
  - Specify the performances, the conditions of use, the verification conditions
    - often requires preliminary studies

# Contracting process (2)

- Negotiate:
  - ① the technical requirements
    - back and forth with the Operational Requirements Document
  - ② the implementation conditions
    - technical clauses
  - ③ the financial conditions
    - price (and not cost !)
- Have the contract signed, after formal agreement:
  - ① by the Director of the programme service
    - the Programme Manager does not have the delegation to sign...
  - ② by the specialised committee for contracts (CSM)
    - in accordance with the public contracting code
  - ③ by the appropriate financial comptroller (CFD)
    - good will of the Ministry of Economy & Finance

# Monitor the contract's implementation

- Keep a general view on the contract at a systems level:
  - global efficiency is what only matters
    - Cost - Schedule - Performance
  - select high-risk subparts for a particularised monitoring
- Establish a portfolio of governmental & industrial risks:
  - because objectives + falling dues = risks...
  - use a “green light” type report to monitor the technical progress
  - independent capability to analyse those risks
- Keep a constant and focused dialogue with the industrial contractor
  - Avoid surprises...

# Cost & schedule monitoring

- A sound starting point...
  - a contractual perimeter well defined, firm prices
  - a portfolio of identified cost reductions
  - specified performances
- Make the contractor responsible for his schedule management
  - give him the hold over some of the levers
    - selection of sub-contractors, some acceptance tests
  - provide for sanctions in the contract
    - but anticipate their application so that the contractor is not trapped
- Periodical & regular meetings with the other programme managers
  - stay realistic and informed



# Performance monitoring

- A sound starting point
  - specifications at the systems level
  - quantified requirements taking into account preliminary studies
- Working Groups for requirements that need to mature
  - Integrated teams for Logistic, mission planning, qualification plan
- Contractual evaluation milestones
  - marked out documents for systems studies
  - design justification document linked to the specifications
  - early and continuous evaluation of the justifications by integrated teams

# The industrial contractor

- Indispensable because the only to have the know-how...
- Its first objective : satisfy the shareholders ...
  - Half-yearly turnover
  - order book & annual results
  - ultimate margin on the programme
  - positioning for future contracts / industrial restructuring
- Its way of functioning
  - takes risks only under constraint
- To avoid losing control of the programme, the Government must:
  - accept to use the weapons of the contract,
  - display a strong common position EMx + DGA

# Government - Industry relations

- Variable throttle relation
  - favourable to the Government in case of real competition
    - but one needs not go too far
  - reversed as soon as the contractor is sure to be selected
    - have the main parts done beforehand!
- Permanent advantages of the contractor:
  - simplicity and persistence of its objectives
  - concentration of power
- On a day-to-day basis: the key to a balanced relationship:
  - a united Government team having sufficient means at its disposal
    - a clear interface between Government and industry
  - well established contracts, derived from a well led acquisition strategy

## Role of the IPT : 2

- Monitor the programme by keeping a view at a systems level
  - performances met
  - cost objectives
  - schedule consistency
- Be pro-active:
  - Anticipate (monitoring board for risks)
  - Act (monitoring board for actions)
  - Stay flexible (palliative scenarios )
  - Keep listening the contractor
- Programme officer and programme manager must share the work:
  - Communicate (avoid surprises)
  - Lead together (IPT, DCE, EMx)