

## CHAPTER ONE

# DEFENSE ACQUISITION UNIVERSITY

Defense Acquisition University (DAU) is a government training institution for the 128,000 mostly civilian members of the Department of Defense Acquisition, Technology and Logistics (DoD AT&L) workforce. Our official mission is to “Provide practitioner training, career management, and services to enable the Acquisition, Technology, and Logistics Community to make smart business decisions and deliver timely and affordable capabilities to the warfighters.” This means we provide training to the people who purchase the supplies, services, support equipment, and military systems required by all of our military bases and operations worldwide.

As part of the single largest purchaser of goods and services in the world, the acquisition workforce collectively spends over \$270 billion per year. Although that includes buying guns, jets, bombs, ships, and space-age technology, it also entails everyday items such as clothes, food, and even paper clips and pencils. In other words, everything the men and women of the Department of Defense need to do their job defending our country. Clearly, a well-trained, capable acquisition workforce is critical to the mission and success of the United States military.

As the learning assets provider for the Department of Defense Acquisition, Technology and Logistics workforce, DAU supplies the DoD AT&L community with the knowledge and tools needed to help ensure that our country’s defense capability is second to none. We’re currently recognized as both an invaluable partner for the military and one of the best public or private learning institutions in the world, but that wasn’t always the case. In the past six years, we’ve been on a profound transformational journey from the classroom-only environment of the twentieth century to an

integrated learning environment of the twenty-first century. In this chapter, we'll provide a historical context for this transformation, examine some of the challenges faced in the process, and present a more detailed picture of who we are and what we do.

## THE BIRTH OF DAU

For almost fifty years, the importance of a well-trained, professional Department of Defense acquisition workforce has been confirmed by many key studies and reform commissions. The First and Second Hoover Commissions (1949 and 1955), the Fitzhugh Commission (1970), and the Commission on Government Procurement (1972) all offered recommendations for acquisition education improvement.

By the 1980s, public reports and news stories of excessive spending and significant cost overruns renewed the call for serious acquisition reform. The mid-1980s saw an unprecedented growth in both the size and budget of the military as the United States competed with the Soviet Union for Cold War supremacy. Due to its increasing size and dollar amount of expenditures, our system came under increased scrutiny. The news media reported some perceived mistakes within the system, such as the now infamous \$800 toilet seat and \$400 hammer. We had an environment in which issues with military spending and defense procurement were thrust to the political forefront. In response, the Department of Defense reviewed its policies and processes and initiated a review of its training functions.

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## UNDERTRAINED AND INEXPERIENCED

On August 19, 1985, the Deputy Secretary of Defense called for a comprehensive review of the education and training practices within the DoD. The Acquisition Career Enhancement Program

(ACEP) Working Group was created in the fall of 1985 to address these issues. The same year, President Reagan established a blue ribbon commission on defense management called the Packard Commission to look into DoD procedures. The findings were specific, and reform was recommended. Both investigations concluded that DoD's acquisition workforce was undertrained and inexperienced. The Packard Commission report underscored the importance of a highly qualified and professional workforce, stating, "Whatever other changes may be made, it is vitally important to enhance the quality of the defense acquisition workforce—both by attracting qualified new personnel and by improving the training and motivation of current personnel."

## DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT

Inspired by the recommendations of the Packard Commission, Congress drafted the Defense Acquisition Workforce Improvement Act (DAWIA) in 1990. Enacted as law soon after, it required the establishment of education, experience, and training certification standards for the AT&L workforce. DAWIA formally established the Defense Acquisition University and defined its mission as educating and training professionals for service in the acquisition system. It also mandated that, "The university shall be structured, and shall operate, as an educational consortium." DAU officially opened its doors on August 1, 1992.

## A COLLECTION OF SCHOOLHOUSES

In accordance with DAWIA, DAU started as a consortium of twelve existing Department of Defense training institutions located across the country. Under this structure, "Functional Boards" comprising senior-level civil servants and military officers identified specific education, training, and experience requirements for members of each acquisition career field. These education and experience requirements differed for each field, but they were developed and approved by the Army, Air Force, Navy, Marine Corps, and other Department of Defense agencies.

The DAU headquarters coordinated this process, but each consortium member still reported to its respective Service or Agency. By 1997, the consortium had established eighty-one courses and was educating approximately thirty-four thousand members of the

workforce per year. Although there is little doubt that DAWIA succeeded in its original intent to improve the acquisitions process and professionalize the acquisition workforce, its implementation still had significant shortcomings.

## HIDDEN PROBLEMS

DAWIA was clearly an important step. It signaled a concerted effort to reform the acquisition process and, for the first time, established clear requirements and expectations for training and certifying the AT&L workforce. It also succeeded in taking the first steps necessary to professionalize the defense acquisition community. Each component raised standards, increased training, and enhanced development of its acquisition personnel.

However, a number of congressional commissions and DoD studies over the years criticized the consortium's overall performance. And while all components had successfully complied with the broad requirements of DAWIA, these new commissions and studies pointed out organizational, policy, and resource problems with the existing structure.

### *Poorly Structured and Difficult to Manage*

The twelve-member consortium was large and had multiple facilities, school registrars, administrative personnel, printing, publications, mailing, and supplies. There was also considerable variation between specific policies and practices of each DoD component. These included imbalances in education, training, and experience. In addition, the twelve consortium members had different command chains among them. This created an ambiguity in oversight and management.

### *Slow to Respond to Policy Changes and Technology*

Many reports also criticized the Consortium's curriculum, course delivery, and faculty. Curriculum development was time consuming and lagged far behind policy changes. An insufficient use of technology-based learning led to an ineffective use of resources and an inability to reach the entire acquisition workforce. Many existing faculty members were slow in incorporating new technology into courses and accommodating rapidly changing requirements of the acquisition workforce. And worst of all, there was not enough

standardization of student learning. In short, the total learning needs of the AT&L community weren't being met.

### *Disgruntled Customers*

The AT&L workforce was also unhappy with the Consortium's performance. In a 1996 DAU-conducted survey, 75 percent of supervisors expressed frustration in getting their employees trained. In the same survey, 30 percent of graduates complained of administrative difficulties in obtaining training and 22 percent of graduates commented negatively on the quantity and difficulty of material. Graduates also noted that course length was not always commensurate with course material covered. And an overwhelming majority of both students and supervisors wanted the DAU to offer more courses onsite or via distance delivery to reduce time spent away from work and family. "As a customer myself of DAU, I was well aware of their shortcomings from firsthand experience" (Frank Anderson).

### *A Hearing Problem*

"During my professional career in the military, I took a number of courses from DAU. My expertise was in program management and contracting. In 1997, a major policy change (the Federal Acquisition Regulation, Chapter 15 Rewrite) was enacted that would completely change how all of DoD did business. Though daunting, it was a necessary, positive change, one that would help increase the efficiency of the buying process and benefit the entire Department of Defense. The rub? It had to be implemented in ninety days.

"As one of their major customers and representing the Air Force, I turned to the DAU. I asked them for help training our workforce within ninety days. They claimed it wasn't possible. First, they would need to conduct a "needs assessment." Then they had educational processes to follow to properly storyboard the curriculum. After that, they might be able to deliver training in twelve to eighteen months. Eighteen months? The resulting exchange went something like this:

'Wait, I said we needed it in three months.'

'Not possible, twelve months is the minimum, you just do not understand education and how we must do things.'

'But our people must be trained in three months to be able to do their jobs.'

'Doesn't matter, it'll still take us at least twelve months.'

“Obviously, I knew that I had to find a different way to train our people. And as Chief of Air Force Contracting, I did.

“After this experience, any time I was in a meeting at the Pentagon and the subject of DAU came up, I would say that if the schoolhouse could not provide training when we needed it, we don’t need them. I would suggest it was time to make a change. I wasn’t the only one; Ken Oscar, the head of Army Contracting, had the same experience. In my and others’ views, they didn’t execute their mission, they didn’t listen to their customers, and they didn’t listen to their stakeholders. We believed that ‘They must have a hearing problem.’

“This was repeated enough times and to enough people that a more critical look at DAU’s performance occurred. As I would later discover, the senior leadership was already starting to look for ways to improve, but I’ll save that part of the story for a little later in the next chapter” (Frank Anderson).

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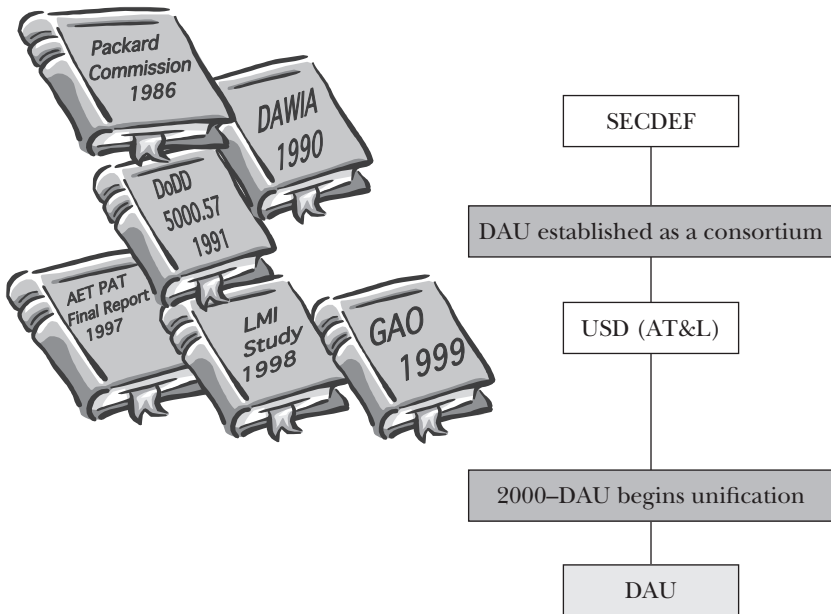
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## RETHINKING DAU

As we mentioned, various congressional commissions, government studies, Department of Defense reports, and GAO reports found problems with the Consortium’s organization and mission execution (Figure 1.1). Of these critiques, the most compelling and later cited studies were the Acquisition, Education, and Training Process Action Team (AET PAT) Final Report of 1997, the Logistics Management Institute Report of 1998, and the GAO Best Practices Report of 1999. These reports offered a number of recommendations for improving the university, including the following:

- Restructure DAU as a unified institution, with a single leader and a direct line of authority.

FIGURE 1.1. STUDIES HAVE LED TO IMPROVEMENTS IN TRAINING THE DoD AT&L WORKFORCE.



- Organize this new institution within a corporate university framework with centralized functions that would result in increased efficiency and the elimination of duplicative functions.
- Significantly expand the use of technology-based learning in order to reach a broader student population in a more cost-effective manner.
- Embrace the role of change agent, challenge the status quo, and facilitate action rather than incentivize inaction.
- Evaluate staff members and develop a truly world-class faculty with an appropriate mix of academicians and practitioners.

Clearly, fundamental and wide-reaching change was necessary. The entire community felt that DAU must be more than a collection of schoolhouses; it must be viewed as an investment whose return is visible and valuable to all its stakeholders.

*Change Is a Constant*

Every aspect of the DoD had undergone significant change since the end of the Cold War. The post–Cold War downsizing of the defense program placed tremendous pressure on the defense budget. Many organizational structures and processes designed in the Industrial Age were unsuitable for a learning enterprise in the Information Age. Also, an enormous number of the changes in acquisition law, regulation, and procedure in the past five years had stressed the acquisition education system and challenged its ability to stay current.

Over the years, commission after commission called for reform. Many of them offered logical solutions, but not enough progress was made. This raises a good question—why was DAU slow to make the needed changes? One obvious reason is that DAU’s curricula contain the sheer complexity of all the processes and systems for equipping an organization as massive as the U.S. military. But the lack of change can’t be dismissed just because the system is large or intricate. There were a number of reasons why successful reform had been elusive. And, much like in any organization, the majority of the reasons were practical, political, and cultural.

As Secretary of Defense William S. Cohen stated in 1998, “the most prevalent impediments faced tend to be our own practices and cultures.” Many problems with reform come from a unique military culture, rigid organizational attitudes, and highly regulated processes that are very difficult to change. Anybody who has worked in large bureaucracies like the Department of Defense knows how hard it is to get things done, especially innovative practices. The grueling process of advancing proposals through multilevel reviews can slow down innovation and thus encourage the status quo. And, as if a rule, bureaucratic and complex processes can expand the need for time and resources.

All of these factors, combined with a high level of cynicism, have worked to slow, obstruct, or stop reform. Change is hard! Using some of the most inventive language ever included in a government assessment, the authors of the *Beyond Goldwater-Nichols* report wrote, “If Sisyphus had a job in the Pentagon, it would be acquisition reform.” And with a rules-laden system providing the steep mountain and constant regulatory changes creating the boulder, DAU was an integral part of the system and viewed as a key player in the reform process. But first we had to reform ourselves.



## REDESIGNING AND RETOOLING DAU

In 1999, Deputy Secretary of Defense John J. Hamre directed DAU to transform and completely reengineer their training enterprise based on the earlier report recommendations.

They wanted to reduce the cost and time of training and improve the reach and quality of courses. Dr. Jack Ganzler believed that a unified structure with a strategy-driven, resource-constrained training concept would enable DAU to save money and improve quality. He instructed DAU to

- Unify under a single leader as a corporate university
- Employ technology-based learning to reach more students in a cost-effective manner
- Establish a case-based training environment to improve critical thinking skills
- Cultivate strategic partnerships to expand training resources

He was confident these changes would have far-reaching effects on the acquisition workforce and, ultimately, the military. The new DAU would be more efficient and more responsive. The corporate university model would enable DAU to better accomplish direct mission support, focus on enhancing workforce capabilities, and ensure that all training activities were aligned with DoD strategic goals.

“The transformation of DAU using a corporate university model began in early 2000. That was just about the same time that everyone realized the first problem—the very idea of a government corporate university was revolutionary. No one had actual experience. There was no one to turn to with questions. There was no obvious person or safe choice to lead the transformation. And strangely enough, that’s about the time I stepped into the story. I had been one of DAU’s most vocal critics, and I didn’t know anything about training, but I knew and understood the DoD business model and I had a clear view of DAU from a customer perspective. This turned out to be a great asset. I viewed my role as the strategic link between the university and the senior leadership team and our ultimate customer, the 128,000 employees who use our learning asset. Lesson one: Alignment is ‘job one!’” (Frank Anderson).

## CHANGE IN SENIOR LEADERSHIP

In November 2000, the Republicans won the White House, which meant a new President, Secretary of Defense, and Under Secretary of Defense, Acquisition, Technology, and Logistics. This meant the strong possibility of new priorities and a shift in direction. Would the new team have the same focus on people and the learning environment? The answer came quickly. The new key player was the Honorable Michael Wynne, who was a graduate of the U.S. Military Academy, a previous faculty member at the Air Force Academy, and eventually the Under Secretary for AT&L. He understood the learning environment and culture. One of his first tasks was to lead an assessment of DAU. He endorsed our reengineering strategy, accelerated the pace of change, and became the “e” champion and our strongest supporter. Lesson two: the senior leadership team, not the chief learning officer, must own the learning program!

## A GOVERNMENT CORPORATE UNIVERSITY

Clearly, the government is not a corporation. We’re not controlled or limited by the same pressures: we’re not trying to make a profit, we don’t have direct competitors, and we’re not traded publicly or beholden to shareholders. Those are significant differences. But, like many training or educational concepts, the idea of a corporate university is flexible. Corporate universities come in many different sizes and configurations. Some are small, some are large, some work out of a single location, and some are spread across the globe. There isn’t a single trait or quality that defines a corporate university, but there are a few generally accepted characteristics that differentiate corporate universities from traditional training organizations. Corporate universities are

- Learning enterprises rather than training departments
- Overseen and managed by a governing board that includes the right senior executives
- Led by a CLO that has the responsibility for managing the organization’s investment in learning
- Primarily focused on job-based practitioner training and organizational performance

- The change agent that ensures that a corporation stays up to date on technological advancements and global competition

The corporate university model seemed to be the perfect framework for a transformation into the efficient, agile enterprise envisioned by the various congressional commissions and government studies. With the DoD AT&L community as our training universe and the Under Secretary of Defense Acquisition, Technology and Logistics as the right senior leader at the right level, we needed to start linking training to the business needs of the corporation and the strategic goals of our leadership. But nothing like this had been done before. We had no guidelines and no road map. We knew the plan offered a unique opportunity to rebuild DAU, but we also knew that improvement had to be immediate.

## GUIDING PRINCIPLES

As a start, we chose to embrace a few basic philosophies that reflected the larger goals of our senior leadership.

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### *Do Business More Like a Business*

In the past, meeting workforce needs was fragmented and not necessarily focused on contributing to the corporate (DoD AT&L) goals. DAU’s mission was now expanded to give it an integrated approach to all learning, development, and career management in order to meet the workforce needs. Now we would focus on those measures of performance that would make DAU more cost effective and promote customer satisfaction. This didn’t mean we could or should operate exactly like a private corporation, but we knew we needed to adopt key attributes that would instill the acquisition workforce with the same cultural values that have made the U.S. economy a world leader.

*Create a Culture of Continual Transformation*

A major role of corporate universities is as an agent of change. We knew that without fundamental change, without a true revolution in training practices, there could be no revolution in Department of Defense acquisition practices. But we also knew that there would be no single moment when DAU was completely “transformed.” Rather, we would be building a culture of continual transformation.

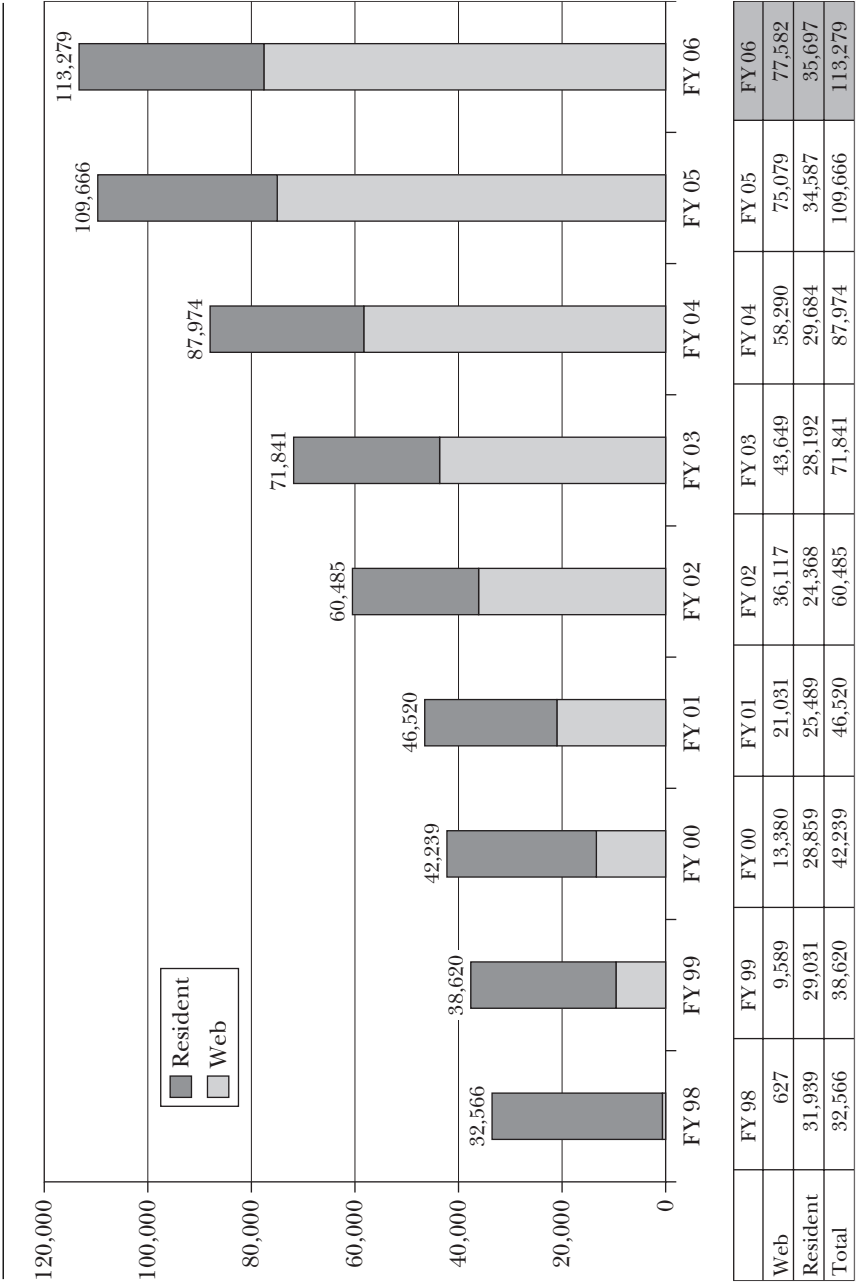
*Get in the Foxhole with the Customer*

To rapidly transform our learning environment and improve efficiency, we needed to move our campus locations to major buying centers. Co-locating with the DoD AT&L workforce would significantly improve DAU’s ability to deliver business solutions by allowing us to work directly with our business units and field organizations while also providing our customers with improved learning solutions. In addition, this co-location would improve quality of life by reducing time away from the job or home, as well as lowering student travel costs.

## TRANSFORMATION SNAPSHOT

Prior to 2000, we were merely a place where students came to be trained. In six years, we became a critical part of the community. In that time, we’ve modernized DAU internal business practices and curricula; regionalized and forward-based our campuses closer to our major customers; and created an integrated, overarching learning strategy. We’ve centralized our management and support functions in Fort Belvoir, Virginia, and reengineered to increase the speed of course development. We’ve reduced faculty and staff from 643 to 540, while increasing the number of students trained and improving the quality of education. We’ve expanded learning beyond the classroom by rapidly deploying training to the job site in order to improve awareness of important policy changes. And we’ve partnered with other academic institutions, government agencies, and private-sector organizations to enhance the career development of the DoD AT&L workforce. Subsequently, DAU’s strategic value has now grown far beyond supplying training, and every year, we’re reaching more and more of the workforce (Figure 1.2).

FIGURE 1.2. REACHING THE WORKFORCE.



|          | FY 98  | FY 99  | FY 00  | FY 01  | FY 02  | FY 03  | FY 04  | FY 05   | FY 06   |
|----------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Web      | 627    | 9,589  | 13,380 | 21,031 | 36,117 | 43,649 | 58,290 | 75,079  | 77,582  |
| Resident | 31,939 | 29,031 | 28,859 | 25,489 | 24,368 | 28,192 | 29,684 | 34,587  | 35,697  |
| Total    | 32,566 | 38,620 | 42,239 | 46,520 | 60,485 | 71,841 | 87,974 | 109,666 | 113,279 |

When we reflect back on our progress, we're amazed by what all the people in our organization have accomplished. Every year, we think it will be impossible to top the achievements of the previous year. But every year, we know we must. Not just for ourselves, but also to ensure superior troop readiness. By training the AT&L workforce to bring the best technology to the field in an efficient and timely manner, we know we help improve both the safety and the combat capability of American troops worldwide.

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## TODAY'S DAU

Because of this responsibility to our nation's troops, we continue to innovate, leverage technologies, adapt best practices, and provide a fully integrated learning environment. We currently offer certification training, assignment-specific training, performance support, continuous learning opportunities, and knowledge sharing. We supply experience, just-in-time expertise, analysis, advice, knowledge, and information in the form of targeted training and process and performance consulting. This year DAU will

- Provide over thirteen hundred offerings
- Offer over one hundred different courses
- Provide 2.3 million hours of e-learning
- Graduate over 113,000 students working in ninety different countries

In addition, we're building new performance support tools and adding a career management function. Because of our world-class faculty, strategic curriculum, and agile course delivery, everyone who comes in contact with DAU receives the same great experience anywhere and at any time.

## WORLD-CLASS FACULTY

Our 540 full-time faculty and staff members are subject matter experts and practitioners in thirteen different career fields that encompass a broad range of specialties such as the following:

- Program management
- Contracting
- Life cycle logistics
- Business, cost estimating, and financial management
- Information technology
- Test and evaluation
- Facilities engineering
- Purchasing
- Production, quality, and manufacturing

Our faculty members bring the latest in cutting-edge process improvements to the acquisition system. By being on the front lines of today's complex procurements, they maintain exposure to field techniques. They can immediately infuse our learning and training offerings with real-world lessons and solutions.

## STRATEGIC CURRICULUM

DAU offers an array of learning products and services across many technical career fields. We provide a highly structured sequence of courses needed to meet mandatory and desired training standards. These requirements may be met in several ways, including the successful completion of DAU courses, the fulfillment program, or the equivalency program.

All of DAU's courses and curricula are provided to our workforce in a DAU catalog, which comes both online and as a published hardcopy. Training requirements are outlined in DAU's online catalog located at [www.dau.mil](http://www.dau.mil). In many cases, prerequisite courses are identified; students are expected to be competent in prerequisite knowledge and skills. Using DAU's online catalog, the AT&L workforce members can identify the training, education, and experience required for their career field and career level and the sequence of courses to meet those requirements.

## AGILE COURSE DELIVERY

DAU courses are offered in a variety of modes—resident (in which the student attends class at one of our training sites) and local (in which the instructor teaches at locations having sufficient numbers of students to support a class). Some courses are also offered in part or entirely online.

### *Classroom Courses*

Each DAU campus is fully equipped to accommodate student needs. Classrooms are furnished with state-of-the-art equipment to enhance the student's learning experience. We have five campuses strategically located in areas where there is a high concentration of DoD AT&L workforce members (Figure 1.3):

- West Region—San Diego, California (serves a workforce of 26,000)
- Midwest Region—Wright Patterson Air Force Base, Kettering, Ohio (serves a workforce of 20,000)
- South Region—Huntsville, Alabama (serves a workforce of 27,000)
- Mid-Atlantic Region—Patuxent River, Maryland (serves a workforce of 23,000)
- Capital and Northeast Region—Fort Belvoir, Virginia (serves a workforce of 37,000)

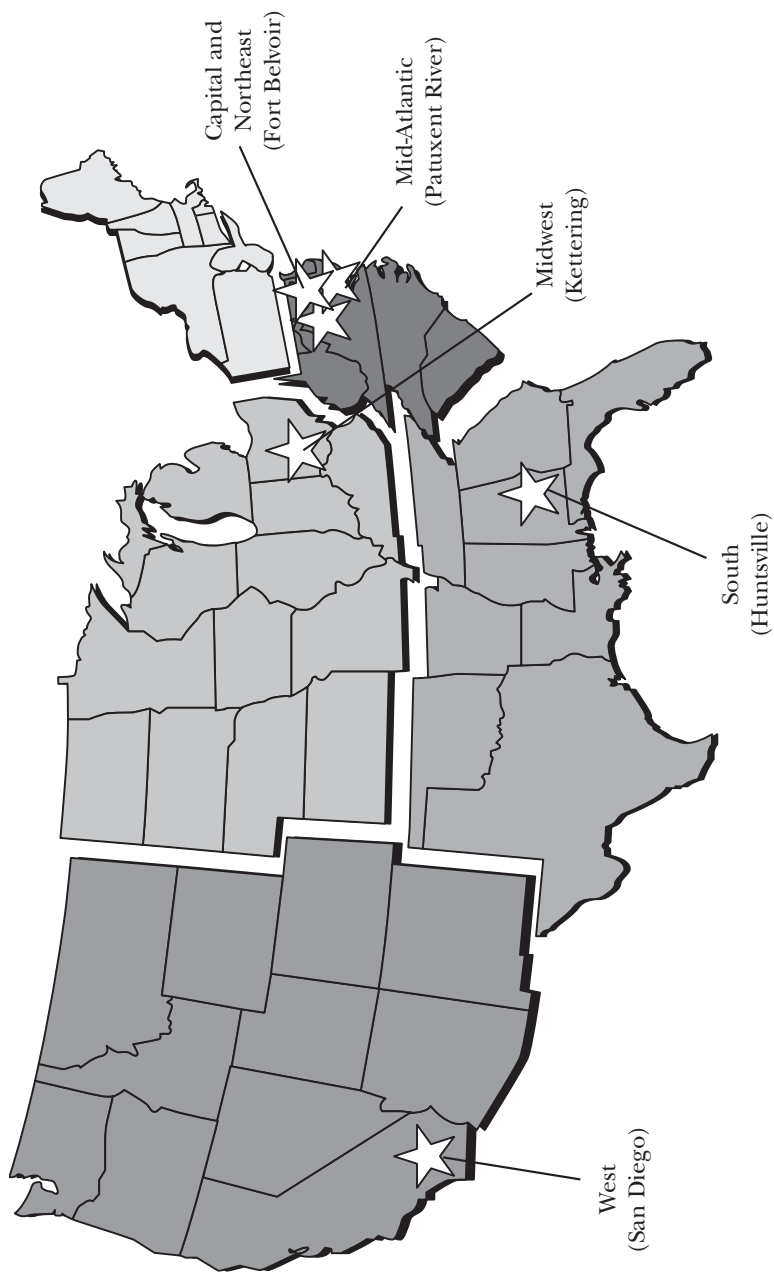
Co-locating with the workforce keeps our faculty connected to learners after the classroom experience. It also reduces student travel time and cost. We've been able to use these savings to improve our learning environment without increasing our budget. Most important, though, co-locating with our customers has allowed us to become a part of the workforce community.

### *Online Courses*

DAU currently offers many online courses. Some of these courses are taught entirely and exclusively online; others involve an online portion followed by classroom instruction. When students register for a hybrid course—part online, part classroom—completion of both parts is required to obtain full credit for certification.



FIGURE 1.3. DAU REGIONAL STRUCTURE.



All of our courseware is now developed to comply with federal disability standards. Today, practically all of our students (70 percent) are touched by e-learning or online instruction. Our ability to leverage technology has not only increased functionality and improved performance, it's been critical in our transition from an obsolete consortium to an institution that truly exemplifies training excellence.

## THE BEST OF THE BEST

The Defense Acquisition University has exceeded all expectations and become the model for training transformation in the public and private sector. DAU is now recognized as the “Best of the Best” (Figure 1.4). Since 2002, we've been recognized and honored by many experts and organizations as a best-practice learning enterprise. During this time, our awards have included two USDLA Distance Learning Awards, seven Corporate University Best-in-Class Awards (including two Best Overall Corporate University Awards), three Corporate University Exchange Awards, selection to *Training* magazine's Top 100, three *Chief Learning Officer* magazine awards for best practices, and two American Society of Training and Development BEST Awards (first place among eighty-three organizations worldwide in 2004).

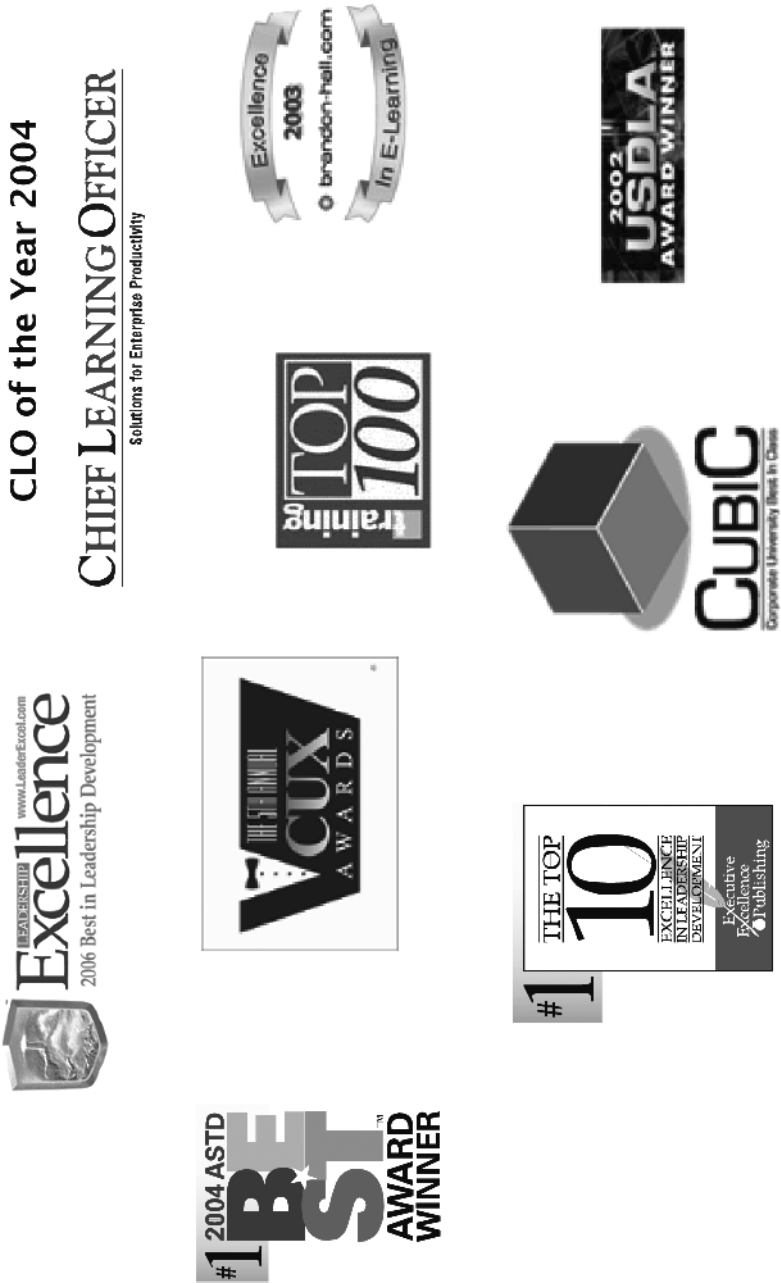
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As much as we appreciate the recognition of our peers, we also deeply value the opinion of our boss. Recently, Under Secretary of Defense Kenneth J. Kreig praised our efforts: “Training is one area where I know we are best in class. The DAU has fielded training and performance support that reaches our workforce, 24/7, around the world when and where they need it. The DoD acquisition training program provided by DAU is recognized nationally and internationally as one of the best training programs of any public or private-sector organization.”

FIGURE 1.4 BEST OF THE BEST.



**KEY TAKEAWAYS FOR UNDERSTANDING DAU AND OUR TRANSFORMATION**

- Defense Acquisitions University (DAU) is responsible for training the 128,000 members of the Department of Defense acquisitions workforce.
- On the basis of a number of commission reports, DAU was established in 1992. DAU went through a number of restructurings and reforms before adopting the corporate university model.
- Reform is difficult in large, complex organizations. True reform involves political, ideological, and financial costs. This, combined with a culture of inertia, has worked to slow or stop reform.
- As a corporate university, DAU was empowered to expand the use of technology, upgrade the knowledge and skills of its faculty, cultivate strategic partnerships, and embrace the role of change agent.
- A corporate university shouldn't be a place where people simply come to be trained; it should be an integral part of the larger community.
- We needed to adopt key attributes that would instill in the acquisition workforce the same cultural values that made the U.S. economy a world leader.
- We relocated campuses to keep faculty and learners more closely linked, save on travel time and costs, and integrate the learning organization into the workforce community.
- We should celebrate achievements, but never be satisfied. Every year needs to be more productive than the last.