You are the Program Manager (PM) for a national defense program. You just received from the acquisition executive an Acquisition Decision Memorandum (ADM) terminating the program. The ADM states that you have 9 to 12 months to close out the program office. It also directs you to brief the acquisition executive within 30 days on the path forward. Now what? How do you transition and shutdown a program effectively and efficiently?

This occurs more often than one might think. It is not always a program. It could be a rapid prototype technology demonstrator, a component of a system-of-systems program, a training device, or a system whose time has gone. What do you do with the technology? What about the facilities, special equipment or tools and any residual parts? More importantly, how will you manage the transition of the personnel? Program managers (PMs) must consider all of these questions and more to develop an efficient and effective strategy for transitioning the program assets and maximizing Department of Defense (DoD) benefits.

During times of fiscal constraints, our leadership looks for ways to effectively and efficiently manage resources available to the DoD’s acquisition programs. One way is to cancel a program and distribute the resources to other programs.

*Unger* is a professor of Program Management at the Defense Acquisition University-South Region’s Huntsville, Alabama, campus. He holds a master’s degree in Acquisition Management and is Level III certified in Program Management and Test and Evaluation. *Riley* is a DAU-South professor of Program Management in Huntsville, holds a master’s degree in Acquisition Management and is Level III certified in Program Management, Test and Evaluation and Information Technology. *Adams* is a retired Program Management professor at DAU-South.
DoD has canceled a number of programs due to budget constraints, such as the Comanche helicopter (Army); Crusader self-propelled howitzer (Army); Expeditionary Combat Support System (ECSS) (Air Force); Expeditionary Fighting Vehicle (EFV) (Marines); Non-Line of Sight Launch System (NLOS-LS) (Army/Navy); surface-to-air missile Medium Extended Air Defense System (MEADS) (United States/Germany/Italy); (Army); and the Global Combat Support System (GCSS) (Air Force).

The situation in the first paragraph prompted a discussion about program transitions or terminations amongst several acquisition professionals at the Defense Acquisition University (DAU). The DoD and the military Services provide plenty of guidance on establishing, executing and supporting programs. The acquisition workforce must comply with the various directives, instructions, regulations, pamphlets and guidebooks of the complex acquisition activities. These activities include developing acquisition master plans, strategies, budgets integrated master schedules, test plans and other strategies to monitor and track program progress in terms of cost, schedule and performance. Integrating these activities helps to ensure a program’s success. However, little guidance is provided on how to transition a canceled program.

The outcome of the discussion established a Smart Shutdown Program Support (SSPS) Team of DAU professors of Adams, Riley and Unger. Our champion for this effort was the Late Honorable Claude M. Bolton, Jr.

“I wish such processes [Smart Shutdown] had existed when I was an Air Force PEO [program executive officer] and later as the Army’s Acquisition Executive where I had to terminate over 70 programs and their associated contracts,” Bolton, a former Air Force PEO and Army Acquisition Executive, said. “Once terminated, these programs required significant time and effort to accomplish the shutdown to ensure it was done in the best interest of the warfighter, the DoD and the taxpayer.” This reinforced the fact that neither the DoD nor the Services have formal transition processes to guide PMs on how to shut down a program.

The Government Accountability Office (GAO) also reported on the lack of guidance or assistance for PMs in effectively managing a program shutdown and transition. The PM (or designee) was left to his or her own discretion as to what to do, whom to notify, and how to coordinate all of the impacts. GAO highlighted this in GAO report (14-77); Canceled DOD Programs: DOD Needs to Better Use Available Guidance and Manage Reusable Assets, published March 27, 2014. This would later encourage Frank Kendall—then the Under Secretary of Defense for Acquisition, Technology, and Logistics—to issue an Oct. 7, 2014, memorandum highlighting our *Smart Shutdown Guidebook*. In that same memo, he encouraged program management personnel to take advantage of DAU’s mission assistance capabilities.

Given that there was little guidance on shutting down a program, the SSPS Team established a path forward in an effort to expand the pool of knowledge. The team began with a question, “What are the things to consider and coordinate in order to properly shutdown the program [office]?” Additional top-level and thought-provoking questions were:

- How do you begin?
- What worked well?
- What did not work well?
- What are the implications or considerations of shutting down the effort?
- What is my timeline?
- What resources will be available to accomplish the shutdown?
- How do you manage the personnel?

Asking these questions (and others) of our senior leaders prompted responses that indicated there was a lack of guidance and/or processes for program shutdowns. Here are some of their comments:

- “There is no process in place to terminate programs. There is a lot of talk but no set or adjustable process.
Nobody had a plan even after they were told of the possibility of their program termination."
• "There were no tools available to assist in shutting down the program.”
• "There were no tools for shutdown or combining of programs I could find.”
• "There is no process in place to terminate programs.”

As the team then compiled and analyzed the data, we realized that our next challenge was to make lessons learned available to the acquisition workforce. Initially, the plan was to host the consolidated data on a DAU server accessible to the acquisition workforce. As an end state, we created Smart Shutdown Community of Practice (SS COP) where a repository of all of this information is available. The best part of the COP is that workforce members can share their experiences with others who are challenged to shut down a program. Every program that transitions, shuts down or is terminated will have its own unique strategy. The COP enables PMs to tailor their shutdown efforts as they learn from others’ lessons learned.

A key document on the SS COP is the Smart Shutdown Primer, which provides insight into shutting down a program. Initially, it was published as a guidebook that focused on six areas (considerations) when transitioning a program. The focus areas are: Personnel; Capabilities and Requirements; Technologies; Facilities, Contract(s); and Budget and Financial Management realignment. The Primer provides a framework for an effective and efficient transition or shutdown due to cancellation.

Additional assets hosted on the COP will assist the project/program management office with considerations in a number of areas impacted when a program must shut down. The DAU SS COP (formally known in the Acquisition Community Connection [ACC] as the SSPS Special Interest Area [SSPS SIA]) is a repository of the senior leader interviews, lessons learned, strawman plans and schedules as well as examples of status briefs and other tools for assisting program management personnel in this endeavor.

Information from our efforts is getting into the acquisition body of knowledge. In order to reach out to our workforce, the SSPS Team also interviewed personnel in defense-oriented publications and through the GAO, and the Federal News Radio Network; Smart Shutdown was embedded in a facilitated case study for the PMT 401 (Program Manager’s Course) students and we have provided an elective on Smart Shutdown. Lunch and Learn sessions on Smart Shutdown were conducted and programs invited us to their shutdown planning teleconferences to assist in developing shutdown transition strategies. We also facilitated workshops with program offices in order to provide assistance as they prepared for their shutdown efforts—a standing offer to any interested organization.

The SS COP feedback has been incredibly positive. Several programs directed to the SSPS COP found it to be a self-help or one-stop shop as they began their planning. Others that were just transitioning or consolidating found the information on the SSPS COP helpful. This article is yet another way to provide the workforce with tools and opportunities for better acquisition outcomes.

If a program is shut down with forethought, the impact can be minimized while providing support to other ongoing acquisition programs.

In today’s fiscally constrained environment, the acquisition leadership must make hard decisions and accept the risk of canceling programs. The workforce needs additional guidance on what to consider when shutting down programs effectively and efficiently. If a program is shut down with forethought, the impact can be minimized while providing support to other ongoing acquisition programs. A few examples:
• The technology developed in the Crusader program was reused on the NLOS-Cannon.
• The NLOS-LS was careful to collect and store system components for future reuse, which turned out to be a mobile launcher capable of launching various configurations of missiles.
• Technologies from the Comanche helicopter program were transitioned to other Army aviation platforms.

The SS COP can be an effective way of supporting objectives established by our senior leadership.

The authors can be contacted at mark.unger@dau.mil, don.riley@dau.mil and jcarisk@comcast.net.