


# The Ethical Imperative and Courage to Cancel

*Eugene A. Razzetti*

Looking back on an association of more than 40 years with the military (27 years spent on active duty) and a more than 50-year career in management, including time at the Pentagon; and then (most recently) reading the farewell writings of Under Secretary of Defense for Acquisition, Technology, and Logistics Frank Kendall, I am forced unenthusiastically to several conclusions:

**Razzetti**, a retired U.S. Navy captain, is a management consultant and military analyst. He authored five management books, including *The Executive's Guide to Corporate Responsibility Management* and *MVO 8000* and has served on the advisory boards of two business schools.

**The Ethical Imperative:  
Lives are at stake—  
either make the program work or  
make it go away!**



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- Some Department of Defense (DoD) acquisition problems come from Congress and can thwart the best efforts of the most conscientious program managers.
- The same practices and procedures that characterize the successful management of acquisition programs can (and should) lead unapologetically to a decision to cancel those same programs.
- Technical and programmatic problems, sooner or later, have legal and ethical implications.

In 1982, as a young commander in the Pentagon and earlier having squandered my Navy career at sea, I tried to kill an overly bloated program for a mine countermeasures system. The program was devoid of meaningful milestones, the contract devoid of meaningful sanctions, and the vision devoid of meaningful reality. The delivered product would not have performed as required and sailors relying on it would have been endangered. The only indicators trending upward for the bloated program were its cost and the completion date. The Chief of Naval Operations wanted to kill it. Funds were tight, and we had many smaller, more cost-effective, “bread and butter” programs that could have used those funds. We wanted to put the funds to better use, for predictable and measurable benefits.

The prime contractor, who had established a plant in the home state of a member of the Senate Armed Services Committee, complained to the senator. Predictably, the senator directed that we put the funding back. Funding for the sensible but unglamorous programs was not his concern.

In 2006, as a military analyst for the Center for Naval Analyses (CNA), I worked on a program intended to develop sensors for detecting chemical and biological agents and to deploy those sensors in strategic ports of embarkation/debarkation (in the Middle East). The program was literally a “401k” for contractors, systems commands and “scientists” of all types. But it potentially endangered the lives of soldiers, sailors and Marines. Field testing results were deceptive, and contractors tried lowering the bar to skew test results in their favor.

My decision briefing to my bosses at CNA ended with a slide bullet that read: “We have an Ethical Imperative to withdraw our support from the program.” I had never thought to use

that term before. Management agreed, and we helped to drive a stake into the heart of a shameless, wasteful and potentially dangerous program—in the meantime saving our own reputations.

### **The Ethical Imperative and the Best Guidance You Could Ever Want**

When Adm. James D. Watkins was tapped to return to Washington as Chief of Naval Operations, he brought back with him (then) Vice Adm. Lee Baggett, Jr., to become Director of Naval Warfare. Watkins’ guidance to Baggett to improve performance of programs in the contentious and often antagonistic branch was: “Either make it work or make it go away.” Unsurprisingly, Baggett made it work. Watkins’ guidance had a profound influence not only on an important branch of the Navy, but also on an unimportant young commander in the Pentagon’s trenches. “Make it work or make it go away.” What wiser guidance could ever be given, and what more welcomed guidance could ever be received?

### **Ethics in Program Management**

For our purposes, consider “ethics” as a systematic reflection on rules and issues—the way people act and the rules that form the basis of their actions. Most of us endeavor to do what we believe is right. To drive safely for the benefit of pedestrians is ethical; to drive safely because it is the law is to fear a penalty and/or punishment. Ethics come from within a person’s moral sense and desire to preserve his or her self-respect. Legal requirements come from outside the individual. Organizational ethics (which I call Corporate Responsibility Management) institutionalize reflection on those rules and issues, and then create and control all of its processes to ensure that the organization in question performs to established ethical standards.

To operate “legally” is to operate in conformance with all established laws and regulations applicable to the mission of the organization. Laws and regulations are created by governments to protect their citizens.

Table 1 describes the workaday preoccupations of program managers and staffs. Since (theoretically at least) our laws reflect our ethical beliefs, you can adhere to both and violate both simultaneously. An ethics-centered organization has an

**Table 1. Legal and Ethical Problem Areas in Program Management**

Problem Area	Legal	Ethical
Vision and Mission Development	✓	✓
Strategic Planning	✓	✓
Financial Management	✓	✓
Contract Management	✓	✓
Technology	✓	✓
Configuration Management	✓	✓
Research and Development	✓	✓
Risk Management	✓	✓
Supply Chain Management	✓	✓
Data Analyses	✓	✓
Training and Qualification	✓	✓
Vendor Management	✓	✓

Tables and figures by the author

organizational “character” and strategy, taking very seriously not only its mission but also its responsibility to employees, customers and the community.

Ethical violations may not result in punishment; legal violations carry punishment to the violators. When program managers uncover legal problems, they create, de facto, an ethical imperative to take corrective action. Accordingly, it is virtually impossible to have only a legal problem or only an ethical problem.

**Critical Thinking and Sound Judgment**

In his final article in the January-February 2017 issue of *Defense AT&L*, Kendall also wrote about the need for critical thinking and sound professional judgment. To that, we now add Ethical Imperative and create what you could call the three musketeers of program management. Like the slogan of Alexandre Dumas’ courageous “Three Musketeers” of old: “One for all and all for one.”

Critical thinking, according to Wikipedia, demands the ability to:

- Recognize problems, and find workable means for meeting those problems.
- Understand the importance of prioritization and order of precedence in problem solving.
- Gather and marshal pertinent (relevant) information.
- Recognize unstated assumptions and values.
- Comprehend and use language with accuracy, clarity and discernment.

- Interpret data, to appraise evidence and evaluate arguments.
- Recognize the existence (or nonexistence) of logical relationships between propositions.
- Draw warranted conclusions and generalizations.
- Test one’s conclusions and generalizations.
- Reconstruct one’s patterns of beliefs on the basis of wider experience.
- Render accurate judgments about specific things and qualities in everyday life.

In sum: “Critical thinking is a persistent effort to examine any belief or supposed form of knowledge in the light of the evidence that supports or refutes it and the further conclusions to which it tends.”

Sound professional judgment means our capacity to assess situations or circumstances wisely and to draw sound conclusions. This involves applying relevant training, knowledge and experience within the context provided by pertinent professional and technical standards, as applicable, in making informed decisions about appropriate courses of action.

Outside auditors (like me) are reminded continually of the requirement under international standards such as International Standards Organization 9000 to apply a structured skepticism throughout the audits. Auditing, in this sense, is institutionalized and structured critical thinking and refers to the appropriate application of professional skepticism.

**Vision vs. Reality**

Another part of Kendall’s article concerned vision vs. reality and how important it is for a product or system to address the threats and employ the capabilities of the real world.

Figure 1 describes the transition of visions and missions into actionable systems and equipment through a series of sound program management processes. It also serves to remind the reader that conformity with sound management processes, de facto, creates an optimal environment for sound ethical decision making.

Requirements analysis, for our purposes, means determining the needs or conditions to meet new or altered project requirements. Robust requirements analyses are essential to the success of a DoD acquisition program. The structure and outcome of the analyses must be documented, measurable and capable of being verified and validated. Most importantly, the analyses must create actionable intelligence related to program needs and opportunities. Analyses must be clear, complete, consistent and unambiguous. The findings of the (needs and) requirements analyses form the heart and soul of the contract, especially as reflected in the design, statement of work, and all the measurable goals and objectives. Milestones dates must be enforceable and enforced.

Due diligence can be defined as “investigation by or on behalf of an intended buyer, to check that the offeror has



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the desired assets, capabilities, technologies, brand rights, contracts, and other attributes required by the buyer and claimed as provided by the offeror.” Put another way, all the facts are available and have been verified. Areas for vendor due diligence audit and/or verification include (to mention the big ones):

- Environmental and occupational safety and health compliance
- Corporate security (including cyber and information systems security)
- Manufacturing quality and competence
- Adherence to federal and state laws and regulations
- Budget monitoring and controls
- Supplier and supply chain management
- Code of ethics and standards of conduct

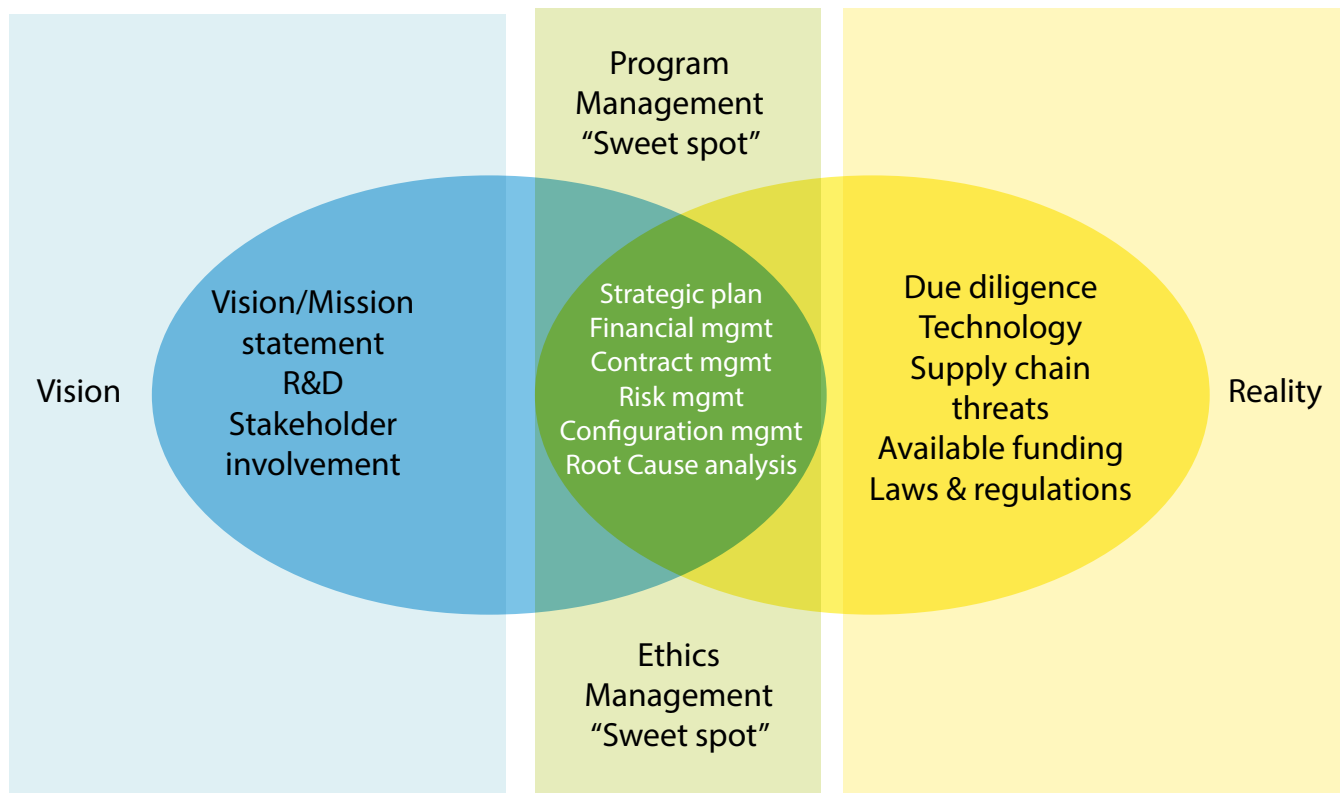
- The ability of investigate root causes of failures
- A robust set of internal controls
- Engineering and configuration management
- Capacity for growth or expansion.

A DoD decision to make a major purchase, acquisition or investment should reflect a comprehensive and structured due diligence process, custom-tailored for the specific undertaking. Regardless of the outcome, you will have given it your best shot.

### Program Essentials

Table 2 lists fundamental acquisition program management requirements. Strength in all of them is essential; weakness in any of them should make a program fair game for critical review and possible cancellation. Moreover, the same DoD

**Figure 1. Vision vs. Reality**



people expected to manage programs successfully should be encouraged to make their voices heard when cancellation is indicated.

The last row is the “Ethical Imperative.” The program is satisfactory (SAT) if management recognizes and fosters it and unsatisfactory (UNSAT) if it does not exist.

### Bullet-proof, Bullet-prone, Bullet-worthy

Programs, either at their inception or early in their implementation, predictably fall into one of three categories:

- Bullet-proof because there is an unimpeachable vision, based on unimpeachable needs and requirements assessments, and they contain realistic goals and actionable objectives and milestones.
- Bullet-prone because the vision is convincing, but does not reflect the needs and requirements assessments, and/or the metrics are lacking.
- Bullet-worthy because even the most basic criteria described above are not measurably being met.

Figure 2 illustrates the ongoing necessity to monitor programs and to act forthrightly when action is necessary. Where is your program right now, and why? The breakdown of the bars is for illustration only, as are the notional areas being measured. The points to remember are:

- The soldier, sailor, airman or Marine—not the member of Congress—is the primary stakeholder
- Constant vigilance is the order of the day.

### Rounding Up the Usual Suspects

Troubled programs don’t get that way overnight. The signs are there, and they become more visible with each missed milestone. Program managers and staffs know how to identify problems but often have difficulty making them known to (or accepted by) higher authorities, especially if the only way out appears to be canceling the program.

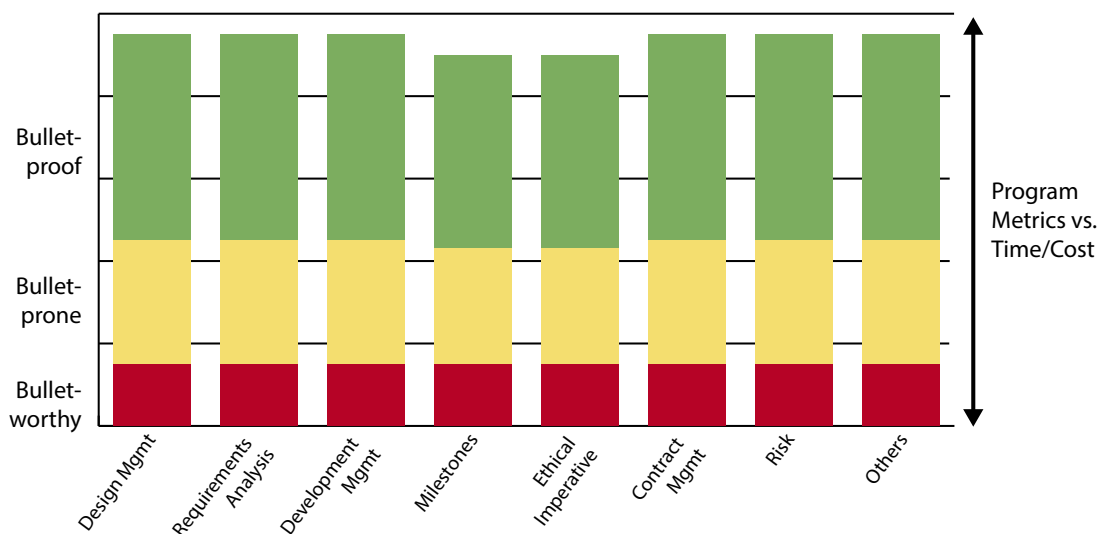
It is likely that many of the problems discussed thus far will be evident in a troubled program. It is just as likely that program managers can show in a documentable way when something started to go wrong and predict-

**Table 2. DoD Program Essentials**

Program Essentials	SAT: Manage It	UNSAT: Cancel It
Program commitment at the top	✓	✓
Milestones	✓	✓
Metrics	✓	✓
Due diligence engrained in program	✓	✓
Vision and Mission vs. Reality	✓	✓
Stakeholder influence	✓	✓
Separate/related program interference	✓	✓
Contractor competence/motivation	✓	✓
Congressional involvement	✓	✓
Risk Management strategy	✓	✓
Requirements analyses	✓	✓
Benchmarking/gap analyses	✓	✓
Configuration management	✓	✓
Supply chain	✓	✓
Contract structure (Cost Plus, Fixed Firm Price)	✓	✓
Contractor Code of Ethics and Standards of Conduct	✓	✓
ETHICAL IMPERATIVE—ALL PARTIES	✓	✓

ably determined the outcome. This does not mean that the program manager’s findings and recommendations, however quantifiable or actionable, will be accepted at the top of the totem pole.

**Figure 2. A View of the Bullet Paradigm**



# Not inappropriately, the decision to cancel can only be made if there is the courage to cancel.

Table 3 includes (cynically) historical causes that could have delayed, extended, weakened or otherwise trashed DoD programs, as seen by the outside world. Look at the possible causes and see if you can find the right one—and good luck proving it.

## The Courage to Cancel

Not inappropriately, the decision to cancel can only be made if there is the courage to cancel. The decision to cancel is the result of asking questions like these—and getting the wrong answer:

- Is the program on track (with sound metrics, milestones realistic/met)?
- Is the contractor qualified and motivated, or did it just book the business?
- Have all the legal and ethical obligations been met?
- Does the program “vision” reflect reality?
- Is there excessive influence from stakeholders and higher authorities?
- Does the threat of protest or lawsuit permeate program operations?
- Is the program risk excessive and/or unmitigated?

We have covered the justification for a decision to cancel. The courage to proceed after that has to come from the individual program managers and their chains of command. Take courage and good luck.

## Summary

Put this sign over your desk:

***The only thing necessary for evil to triumph is for good men to do nothing.***

—Edmund Burke

The effect it will have on your staff and your visiting contractors will be immediate and visible.

It was, is, and will always be great sport to kill a program that does not measure up to requirements, especially when it is being sustained for the wrong reasons.


Faithfully and diligently, program managers scrutinize their processes. In doing so, they predictably either reinforce or expose the underpinnings of their programs. When program

**Table 3. Outsider View of What Went Wrong**

Causes of Potential Program Failure	Can't Be	Must Be
Unethical/unscrupulous/unqualified contractor(s)	✓	
Congressional interference/direction	✓	
Systems Command bureaucracy and intransigence	✓	
Lack of milestone enforcement/discipline	✓	
Lack of top level support and due diligence	✓	
Vision, mission, operations capabilities unclear/specious	✓	
Threat of protest and/or lawsuit by contractor	✓	
Inappropriate/unenforceable contract structure; mission creep	✓	
Needs analyses inappropriate/incomplete/non-existent	✓	
Budget cut/withheld	✓	
Tailored source selection	✓	
Lack of sanctions/penalties	✓	
Fraud, waste and abuse—multilevel	✓	
INEFFECTIVE PROGRAM MANAGEMENT BY THE MILITARY		✓

managers uncover legal problems, they create, de facto, an ethical imperative to act. It is virtually impossible to have only a legal problem or only an ethical problem.

The same measuring rods that support a good program indict a bad one. The ethical imperative—that discomfiting reminder to leaders and managers that when lives are at stake you either make the program work or make it go away—is both timeless and universal.

Simple? Of course! But why then is it applied so infrequently and ignored so frequently—at least at the top? 

The author can be reached at [generazz@aol.com](mailto:generazz@aol.com).