

A prominent business man has been quoted as saying:

"Coming together is a beginning;
Keeping together is progress;
Working together is success."

I think that by our coming here and interchanging information as we are doing today, we are well on our way toward developing a rapport of team work that can meet with nothing but success.

CONTRACT PERFORMANCE

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Reflectone certainly considers it a privilege to participate in this third annual Naval Training Device Center Industry Conference. This meeting is a splendid environment for reviewing the administrative and technical areas of today's procurements of increasingly complex equipment. The USNTDC personnel are to be congratulated for assuming their responsibilities to the maximum level by conducting this valuable forum.

Contractor performance is my topic today, and I am certain this subject is close to the hearts of everyone in this room. There are few factors more gratifying to each of us than the accomplishment of top-notch performance on a contract.

When one reflects on the element of contractor performance - contractor performance in its fullest total meaning -- they will readily conclude that it is certainly a profound topic. Many vastly different types of professions are represented by all the people associated with a contract. Quite understandably, each of these professional groups has their own set of values and measures; their own set of priority sequences and final objectives, and hence ambitions, to attain these goals. Which is as it should be, for pride is essential to superior work; essential to superior contract performance.

It is, unfortunately, probably a rare contract that has been performed to the complete satisfaction of absolutely every government and industry person associated with such a program. *How many contracts can we recall that have produced optimum results in profit, technical achievements, and all of the other contract requirements and objectives conceived.* This situation is somewhat justified by the fact that we continue, unrelentingly, to further the state of the art of all of the sciences which form our research and operational environments. It must be acknowledged that constantly working on the threshold of new discoveries and daily pursuit of the "state of the art" borderlines, is hardly a conservative approach toward a one thousand percent batting average in contract performance achievements. The benefits, however, resulting from these ambitions are certainly manifested in every service, and every branch of the military arsenal inventory today.

Both the government and industry can observe with pride the dramatic progress that has occurred, and continues to exist, in every technical discipline required for each conceivable

type of military mission. Perhaps, then, we may conclude that although each and every contract may not be ideally performed, our total technical momentum as a nation has been gratifyingly rapid.

However, in everyday practice, government and industry must, of course, be concerned with the individual contracts. Administration must be directed accurately toward the specifics of each and every requirement. The relatively new government system of contractor performance evaluation reporting, CPE, can well be a significant improvement in communications, and hence such proper and urgent administration. Reporting's principal enemy is complacency, and this, of course, occurs within both government and industry. Particularly early in the contract, the government is perhaps prone to minimize the contractor's observations and requests. In turn, it is not uncommon for the contractor to assume that certain initial ills may cure themselves. If we can treat these small brushfires with at least some of the urgency devoted to major crises, part of the insidious characteristics of contract administration ills can be eliminated. Intense devotion and thorough analysis of contract reporting, as a routine practice, can be a splendid objective for all of us.

Improved communications is certainly a factor that is constantly under the consideration of each of us, and, overworked as the topic is, we must continue to improve this vital element of government-industry relationship. Perhaps improved communications are gained by understanding the other fellow's responsibilities, the other fellow's objectives, the other fellow's problems. Perhaps this can even lead to a better understanding of our own jobs. For example, can we really state that the government technical people have no interest in the contractor's treasurer's view on profit? Conversely, can the corporate controller be immune to product reliability? That answer is, of course, no. And, therefore, another objective wherein we may register improvement is the effort to eliminate any provincial attitudes toward each of our functions, and better relate our responsibilities to the overall progress and contract goals. Astute administrative flexibility can greatly enhance contract performance.

The contract constitutes the team objective of the mutually agreed upon goals. CPE is a system which offers an element of measure to assess how competently this team achieves its goals. CPE is a dual tool to improve communications and hence all the factors which contribute to successful contract fulfillment. Therefore, CPE has dual perception -- CPE has the potential of measuring both team members. Consequently, on a strictly objective basis, I believe that the system of CPE, Contractor Performance Evaluation, should be renamed to Contract Performance Evaluation and the format accordingly modified in a manner to accommodate the evaluation of both the contractor and the government. This expanded analysis scope of CPE would then permit a more logical and complete assessment of our military contracts.

Government and industry are a team - a team which has been united by the contract and one with compatible goals. Each and every one of these goals is equally essential. The military must, of course, have the finest equipment, and have it available in accordance with their schedules, and with proper support. The contractor must have the data and other items obligated by the government, and must have the cost environment which is conducive to a profit. Even the Russians have ceased their interminable battle against profit and have finally submitted to the basics of human physiology which dictate that incentive must be rewarded. We must never forget that the profit system is the very foundation of the industrial might of the United States.

Over the years, government-industry contract performance in this country has been very close to excellent, as evidenced by our military arsenal inventory, and this is a splendid tribute to the government agencies such as USNTDC and all of industry. Excellence in contract performance will continue to be the key-note of our business.