
DSMC Launches New Workshop in International Acquisition Management

By

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Every day the newspapers are filled with articles about our relationships with our many allies. Every year we develop hundreds of defense related agreements with these same allies. But until the Defense Systems Management College (DSMC) launched its Advanced International Management Workshop (AIMW) in December 1989, there was no education program available anywhere for training our international negotiators in these types of agreements even though some of the agreements potentially committed billions of dollars in U.S. defense expenditures. There exists a common perception that we do not do very well in our negotiation of international defense agreements, especially those related to cooperative research and development programs. There is also a perception that we, unlike our allies, time-after-time send different, untrained people to such international negotiations. Related to this is the fact that the U.S., unlike some of our allies, has never established permanent negotiating teams. While this may be attributable, at least in part, to the vast size of our defense establishment and our personnel systems, one way that we can address this problem is through education and training. This was recognized by officials within the Office of the Secretary of Defense, which sponsored and funded the development of DSMC's new workshop.

The Advanced International Management Workshop covers all aspects of the negotiation of international defense cooperation agreements, commonly referred to as Memoranda of Understanding (MOUs). While an MOU can be developed during any phase of a defense program, the AIMW focuses on the earlier research and development phases. The various aspects of an MOU are covered in the workshop—from the nature, process, and procedures, to specific negotiation issues, such as project management, finance, industrial arrangements, contracting, acquisition strategies, technology transfer, intellectual property rights, third party sales and transfers, information security, claims and liability, resolution of disputes, integrated logistics support, cost sharing, and work sharing. Perspectives on these international agreements are provided by guest lecturers from the Office of the Secretary of Defense Industrial and International Programs, Foreign Contracting, General Counsel, International Security, and Comptroller. Representatives from the Commerce Department provide their viewpoints on the domestic industrial base impacts of these agreements, and the U.S. Office of Personnel Management addresses the role of Congress. Sessions are conducted by experienced DSMC faculty on cultural sensitivity and international negotiation. Most of the course material and course lectures were developed under contract with Information Resources Technology, Inc., of Falls Church, Virginia.

The most exciting aspect of the workshop is the classroom exercise. Students are broken out into teams, provided a realistic international scenario, and directed to prepare specific sections of a MOU, such as financial provisions, third party sales and transfers, disclosure and use of technical information, project management structure, work sharing, contractual arrangement, etc. On the last evening of the workshop, the teams are assigned national (allied) identities, and provided guidance from their governments regarding their negotiation positions. This guidance is not shared with the other teams. That evening a working dinner is held, and students begin the role play associated with their assigned national identities. This is very realistic, as much negotiation in foreign countries actually occurs in a social environment. The next day a mock negotiation session is conducted. The results are analyzed and critiqued by the instructors, the class, and outside experts. Over half of the students believed that this was the most valuable aspect of the course.

An approval rating this high for an exercise is unprecedented at DSMC. On January 10th, the Commandant of DSMC received a letter from Eleanor R. Spector, the Deputy Assistant Secretary of Defense (Procurement), in which she stated: "My staff informs me that the success of the workshop exceeded their high expectations." She went on to say: "I am pleased that the actions necessary to establish the AIMW as a regular course offering during Fiscal Year 1990 and beyond are well underway. I believe this course will play a significant role in improving the skills of United States negotiators of international Memoranda of Understanding."

Future plans for the Advanced International Management Workshop are very exciting. The first production offering is scheduled for the week of 18-22 June, 1990. Three regular offerings are planned for FY 1991 at DSMC. Interested, potential students should submit their applications quickly, as we expect these offerings to be as oversubscribed as the December pilot class. The workshop is open to mid-level military officers, government civilians, and industry equivalents currently in or entering positions of responsibility in international or potentially international defense programs. Students for the pilot offering came from the Army, Navy, Air Force, Defense Security Assistance Agency, Office of the Secretary of Defense, and the Defense Systems Management College. Industry utilized its allotted spaces well. Companies represented were the Boeing Aerospace & Electronics Organization and Rockwell International. Regrettably, we cannot accommodate allied students at this time. Future plans also call for producing a guidebook on negotiation strategy for international defense cooperation MOUs. Comments and inquiries are welcome. The Course Director is Mr. Richard Kwatnoski; he may be reached on (703) 664-6121.

ABOUT THE AUTHOR

Mr. Richard Kwatnoski has been a professor of engineering management on the faculty of the Defense Systems Management College for over three years. He is currently assigned as the Course Director for the Advanced International Management Workshop. Prior to coming to the DSMC, he spent nearly two years on the staff of the Office of the Secretary of Defense in the Offices of the Deputy Undersecretary for Technical Warfare Programs and Research and Advanced Technology. Mr. Kwatnoski has a Bachelors Degree in mathematics and a Masters Degree in Engineering Sciences.