

Chairman's Address



Summer has arrived. The weather is a little warmer, the sun is peeping through the clouds and people are looking forward to their holidays. For SCAF this means planning and preparing for our Annual Conference in September which marks the start of our 2011/12 Society year. We have a great list of national and international speakers from Industry, Academia, Consulting and two key figures from the Ministry of Defence's cost and economic communities. The conference will be held at the Royal Institution for Naval Architects in London. Registration details can be found inside this newsletter and I would recommend early registration to avoid disappointment.

In November, SCAF together with the European Aerospace Cost Engineering Group (EACE) are supporting the Association of Cost Engineers who are celebrating their 50th anniversary and will be holding a joint two day conference and workshop at the Ricoh Arena in Coventry.

The start of 2012 will see us back in Bristol for the annual "Cost Challenge". Last year's challenge based on the International Society of Parametric Analysts (ISPA) Renew Your Training (RYT) format saw presentations from five teams contributing in a participative training session with the added benefit of top-level critique by senior government and industry executives. These workshops have been very popular with attendees gaining knowledge and improved understanding of costing issues.

The 2012 ISPA Conference and Training Workshop will be held on 14-16 May in Brussels. The Space Systems Cost Analysis Group (SSCAG) meeting will be held during the 2nd half of the week. Both meetings will be supported by SCAF.

I look forward to seeing you at our future events, please come and find me and let me know what you like about SCAF but more importantly what improvements you would like to see made.

SCAF 2011 Annual Conference

Our Annual Conference will be held on 20th September 2011 at the Royal Institution of Naval Architects, Victoria, London. The conference theme is "**Transforming and Improving Cost and Time Estimating for the next Decade**". Inside you can find details on the event and I would encourage all to register as early as possible to avoid disappointment.

SCAF Reception

Our Summer Reception at the end of June proved to be as popular as ever. These receptions provide members and their guests with an opportunity to get together at an unique venue and learn about historic events and how they have influenced the world we live in today.

The venue for this year's reception was no exception. The great engineer, Isambard Kingdom Brunel and his Great Western Railway was the theme. The exhibits in the museum were the cream and really brought everything to life.

Society Elections

We have received several returns in response to our call for nomination to the SCAF Committee. My thanks to all those who have submitted their names and indeed to those who are stepping down at the end of the year.

Future Events

Later in the newsletter we provide details on our planned events for the future. Please make a note in your diaries for those planned for 2011 and 2012.

Arthur Griffiths

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SCAF Summer Reception – June 28th 2011 – The Museum of the Great Western Railway (STEAM)

What a wonderful venue and another fantastic day for the SCAF Summer Reception. David Udden from the Museum staff welcomed us all and spoke firstly about Isambard Kingdom Brunel and his achievements and legacy before going on to describe the museum, the exhibits and the plans for the day.

His brief illustration of Brunel typified the character of this charismatic man. Brunel was one of the most versatile and audacious engineers of the 19th century, responsible for the design of tunnels, bridges, railway lines and ships.

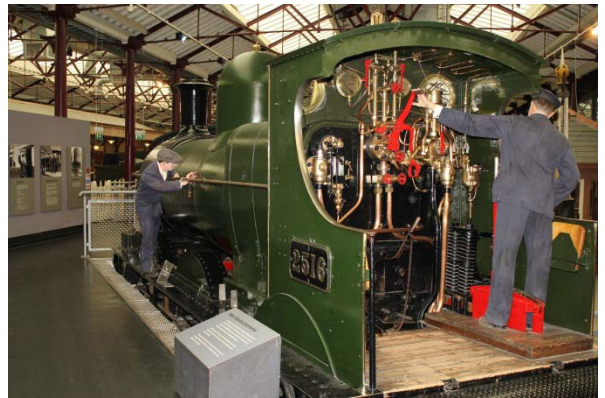
Born on 9 April 1806 in Portsmouth. His father Mark was a French engineer who had fled France during the revolution. Brunel was educated both in England and in France.

When he returned to England he went to work for his father. Brunel's first notable achievement was the part he played with his father in planning the Thames Tunnel from Rotherhithe to Wapping completed in 1843. In 1831, Brunel's designs won the competition for the Clifton Suspension Bridge across the River Avon. Construction began the same year but it was not completed until 1864.

The work for which Brunel is probably best remembered is his construction of a network of tunnels, bridges and viaducts for the Great Western Railway. In 1833, he was appointed their chief engineer and work began on the line that linked London to Bristol. Impressive achievements during its construction included the viaducts at Hanwell and Chippenham, the Maidenhead Bridge, the Box Tunnel and Bristol Temple Meads Station. Brunel is noted for introducing the broad gauge in place of the standard gauge on this line.

As well as bridges, tunnels and railways, Brunel was responsible for the design of several famous ships. The 'Great Western', launched in 1837, was the first steamship to engage in transatlantic service. The 'Great Britain' (a previous SCAF reception venue), launched in 1843, was the world's first iron-hulled, screw propeller-driven, steam-powered passenger liner. The 'Great Eastern', launched in 1859, was designed in cooperation with John Scott Russell, and was by far the biggest ship ever built up to that time, but was not commercially successful.

A celebrated engineer in his era, Brunel remains revered today, as evidenced by numerous monuments to him. Brunel died of a stroke on 15 September 1859.



The realistic wax models around the exhibition really brought the museum to life.

Presentations were also made to committee members who were standing down this year. These were:

Max Murray-Brooks who had been our Secretary for 8 years and is taking on greater responsibility within the Defence Science and Technology Laboratory.

Brian Tanner who is retiring from BAE Systems and looking forward to spending more time as a volunteer with the National Trust as well as getting married to fiancé Penny in September.

Eric Phillips who has taken early retirement from DAS Ltd who with his wife Linda has taken a summer working vocation in France and will be returning to the consultancy world later this year.

We thank them all for their contribution and support over the years and look forward to seeing them at SCAF events in the future.



The Cheltenham Flyer onetime the World' Fastest Train

2011 Annual Conference

Tuesday 20th September

Royal Institution of Naval Architects

Victoria, London

Theme: “Transforming and Improving Cost and Time Estimates for the Next Decade”

The Comprehensive Spending Review published in October 2010 set out how the Government would carry out Britain’s deficit reduction plan. There was an urgent priority to secure economic stability at a time of continuing uncertainty in the global economy and put Britain’s public services and welfare system on a sustainable long term footing. The Spending Review made choices with particular focus to reducing costs and wasteful spending. As a result of these choices, departmental budgets have been cut by an average of 19 per cent over four years.

The ability to generate reliable cost and time estimates is a critical function necessary to support Defence expenditure. Without this ability, organisations are at risk of experiencing cost overruns, missed deadlines, and performance shortfalls - all recurring problems that project audit assessments too often reveal. Furthermore, cost increases and schedule delay often mean that the government cannot fund as many programmes as intended or deliver them when promised. This conference examines and discusses the steps currently being undertaken to improve the quality and confidence in the estimates being presented to senior officials. The conference speakers are at the forefront of this transformation process and will be discussing lessons learned as well as current cost estimating understanding. Our conference speakers include:

- **Neil Davies** – Chief Economics Advisor, Ministry of Defence
- **Dr Tim Sheldon** – Head of Cost Assurance & Analysis Service, Ministry of Defence
- **Dan Galorath** – Founder and Chief Executive Officer, Galorath Incorporated
- **Bob Barton** – Managing Director, NiteWorks
- **Hans Pung** – Vice President, RAND Europe and **Sarah Jilbert**, Independent Cost Consultant
- **Professor Trevor Taylor** – Royal United Services Institute for Defence and Security Studies
- **Mark Jones** – PhD Researcher, Airbus UK and Cranfield University
- **Paulo Ponzio** – Cost Engineering Group, European Space Agency

Registration and Costs

Registration and coffee will be available from 09.00. The Conference will commence at 09.45 am. The costs for the Conference is £150.00 per delegate. These costs include all refreshments, a buffet lunch and **FREE** attendance to all future SCAF organised events until August 2012.

To register, please email: ndmorrill@dstl.gov.uk

Or call 023 9253 7271

SCAF Workshop – *Estimating for Collaboration and Partnerships* – June 7th Ashton & Lea Golf Club, Preston

Our last workshop of this Society year (ends Aug 2011) was held at Preston for the second year running. Once again we had an excellent day with good weather, wonderful views overlooking the 18th green and a fantastic group of speakers. The day coincided with the golf club's "Seniors Open Tournament" and the fine weather was appreciated by all. Small wonder that the venue organisers approached us for dates in 2012. Our thanks to all the speakers who shared with the group their many years experience of estimating in a multi-national environment.

The workshop was opened with a presentation from **Tony Vart**, Head of Estimating, UAV Future Capability, BAE Systems who spoke on Collaborative Perspectives for BAE Systems. Using the examples of joint programmes on Jaguar, Tornado, Typhoon, JAS39/Gripen, F35 and now UAV's this was a presentation full of lessons learned.

Eric Huybrechts, Deputy Director, OCCAR-EA took this a stage further in his presentation speaking on 10 years experience as an international management organisation for co-operative defence equipment programmes. This presentation also gave lot of examples across the many defence sectors. Eric also demonstrated the linkage between national agencies, international industries and mutual benefits.

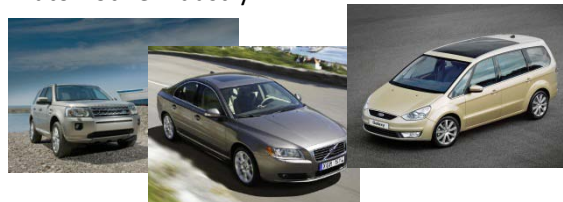
Max Murray-Brooks, Policy and Capability Studies Department, Defence Science and Technology Laboratory took the opportunity to provide the audience with an update on NATO's Research Study on Collaborative Influences. He did this by presenting headline presentations from NATO Nations involved in the study. A fascinating insight into how other Nations view the world of collaborative projects.

Following an excellent lunch **Andy Nolan**, Chief of Software Improvement and **Satpaul Sall**, Software Technologist both from Software Centre of Excellence at Rolls-Royce described a "Journey of Estimation". This extremely interesting talk was about improving the accuracy of cost estimating, demonstrating that the tools work and can be migrated and used in other domain business areas to improve capability and business efficiency. A really enthusiastic and well thought out presentation.



Another great workshop at Preston

Having discussed defence systems, processes and techniques for most of the day our next speaker **Bob Mills**, Senior Manager Cost Estimating, Jaguar Land Rover gave us something entirely different but with a similar read across by providing us with a view of Collaborative Initiatives in the Automotive Industry.



3 different vehicles, 3 different styles and 3 different manufacturers – but all made through collaboration

A very lively Round-Table discussion followed the presentations facilitated by **Brian Tanner**, BAE Systems.

Once again the visit to Preston demonstrated the keen interest of our northern members with attendees from as far afield as Glasgow, Newcastle and Manchester joining the locals from Warton and all the Southerners who made the trip.

Our thanks to everyone for making this a very interesting, beneficial and definitely a learning workshop.

2011 SCAF Committee Elections

Nomination Forms for election to the SCAF Management Committee have been received from the following members.

- Arthur Griffiths, Retired Managing Consultant
- Dave Hedley, Principal Consultant, BMT Reliability Consultants Ltd
- Neil Morrill, PCS Manning, Training and Cost Team, Defence Science and Technology Laboratory
- Dale Shermon, Senior Principal Consultant, QinetiQ
- Dr Paul Wood, Principal Consultant, BMT Hi-Q Sigma
- Dr Paul Baguley, Cranfield University
- Karen Sparks, Technical Director, Atkins
- Mark Wright, Cost Assurance and Analysis Service, Ministry of Defence
- Andrew Pearson, Rolls-Royce plc – Submarines

The committee exists to promote the professional interests of its members by arranging seminars, workshops and an Annual Conference. Announcements on the 2011-12 committee will be made at the Annual Conference in September.

Assumption Note: Effect of Size & Age on Upkeep Costs

Upkeep period costs tend to be point values due to the small population of warship types. It follows that in concept studies for new warships the Upkeep costs are, typically, arbitrarily varied by either an acquisition cost based CER or by some physical parameter.

In an attempt to find more robust assumptions a review of published data has been carried out on the following data sources:

- SCEA Publication 2003 - Ship Scheduled Overhaul Costs Over Time
- SCEA Publication 2004 - Operating and Support Costs Over Time.
- DoDCAS Conference 2004 - Total Fleet Level Analysis
- Naval Research Logistics Quarterly Vol 10 Issue 1 March 1963: Some Factors That Affect the Overhaul Cost of Ships: An Exercise in Statistical Cost Analysis.
- Estimating Operating and Support Cost Models for US Naval Ships: Naval Post Graduate School, Dec 1993

The results make interesting reading but the real question to be answered is 'Does the relationship derived many years ago based on then current technology, infrastructure and contracting policy have any relevance today?' An impossible question to answer except to say that it offers one approach to be compared with answers derived by other means.

A full transcript will be published in the next edition of the newsletter.

ACostE 2011 Conference

2-3 November

The Ricoh Arena, Coventry

Theme: “50 Years of Cost Engineering and Beyond”

CALL FOR PRESENTATIONS

Earlier this year the President of the Association of Cost Engineers, Alan Barltrop announced that in celebration of their 50th year the 2011 Conference would be supported by two other leading cost engineering organisations namely the Society for Cost Analysis and Forecasting (SCAF) and the European Aerospace working group on Cost Engineering (EACE). He was delighted to welcome the support from these sister organisations and looked forward to the celebration.

The event will take place on the 2nd and 3rd November at the Ricoh Arena, Coventry City Football Club, Coventry with all the presentations taking place on the 2nd. There will also be a conference dinner on the evening of the 2nd. The second day will be dedicated to learning workshops across a range of cost related topics. If anyone is interested in sharing their experience and know-how with the rest of your fellow members of the associations the please register your interest with the addressee below. The themes for the event include but are not limited to:

- Estimation for
 - The built environment
 - Aerospace and defence
 - Software
 - Information Technology
 - Electronics
- Risk for the cost engineer
- Uncertainty in estimation
- International project estimation
- Proposal generation, the role of the cost engineer
- Forecasting complex projects
- Challenges in Project Control
- Cost Estimating for performance based contracts (e.g. Availability Contracts)
- Whole Life Costing
- Controlling Project Development Costs
- Forecasting Decommissioning Costs
- Predicting the Cost Impact of New Technology
- Modern Programme and Project Planning Frameworks, Work Breakdown Tools, Techniques and Skills
- Integrated Project Control
- Programme Management
- Project Planning for major construction projects – such as the Olympic Games 2012
- Practical Progress Reporting & Key Performance Indicators for Projects

Registration

Please register your interest by sending your abstract that should be less than 500 words in MS Word format via e-mail to Anne Fairless at the ACostE office as soon as practicable. SCAF members please note that separate discounted fees are payable to attend this event.

To register, please email: anne@acoste.org.uk

Or call +44(0)1270 764 798



Future Events

SCAF Workshops and Seminars 2011 and 2012



20 Sep 2011 Annual Conference, Royal Institution of Naval Architects, London. Our annual conference offers a wide range of topics and, over the years, has provided a platform for innovative speaking and thought gathering.



2-3 Nov 2011 "Joint Conference", The Ricoh Arena, Coventry City Football Club, Coventry. The UK Association of Cost Engineers (ACostE), the Society for Cost Analysis and Forecasting (SCAF) and the European Aerospace Cost Engineering Group (EACE) are delighted to announce this joint conference to support the ACostE's 50th Anniversary. Reduced attendance fee for SCAF members.

2012 Events

7th Feb 2012 SCAF Workshop, BAWA Bristol. Teams are invited to participate in this Annual Estimating Challenge and the information will be published soon. It is our intention to run this event as a participative training session in cost estimation based upon an ISPA conference Renew Your Training (RYT) format.

24th Apr 2012 SCAF Workshop, Royal Institution of Naval Architects, London. Theme to be advised

17-18 May 2012 SSCAG/SCAF/EACE Joint Meeting and Workshop, Brussels, Belgium. Please note that a separate fee is applicable to attend this event.

12th Jun 2012 SCAF Workshop, Ashton & Lea Golf Club, Preston. Theme to be advised

18th Sep 2012 Annual Conference, The BAWA Centre, Bristol

Networking
for the Cost
Estimating
and Analysis
Community

Other Related Events

14-16 May 2012 ISPA/SCEA Joint Conference and Training Workshop, Brussels, Belgium

SCAF is not responsible for the content of any external websites published in this Newsletter.



**Bridging relationships
in cost estimating**

For over 20 years the Society has sought to illuminate key issues in the analysis and forecasting of project costs—and to promote best practice within the cost forecasting community.

The Society provides a single point of contact for advice to those wishing to address key issues in the analysis and forecasting of costs and timescales of complex programmes.

Workshops and seminars are held at regular intervals throughout the year. A newsletter is published electronically 3 times a year.

Collaborative links with other societies has always been maintained and a library of relevant papers are available. A single annual payment entitles members to attend the all the years' programme of SCAF events. The Summer Reception is provided free to SCAF members and their guests.

SCAF is committed to providing Continuing Professional Development through the provision of its skills workshops and its support to Professional Development courses.

The Society therefore continues to provide members with exceptional value for money.

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