



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

JUN 22 2015

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS BOARD

SUBJECT: Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

The Department of Defense is facing a rapidly proliferating and diversifying portfolio of security threats and an erosion of its technological superiority at a time of significantly reduced resources. These pressures demand a cultural adaptation which values and rewards sound, innovative thought, facilitated by partnering with experts outside our traditional ecosystem, in order to improve the speed of our problem solving ability and enhance capability implementation.

I am establishing a Task Group under the Defense Business Board (DBB) to study and provide recommendations on how the Department can rapidly implement a framework of formal engagement with globally innovative business leaders in order to drive outside perspective and initiate key partnerships to materially improve the pace of innovation into the Department.

Specifically, the Task Group will:

- Examine the Navy's late 1990's Revolution in Business Affairs Program as a baseline of lessons learned and develop recommendations on new ways to expose the Department's flag and SES leaders to areas of emerging technology and business thought leadership, and recommend the appropriate scale of the program.
- Examine the Secretary of Defense Corporate Fellowship Program (SDCFP) and provide recommendations on ways to enhance program selection, increase the breadth of external host organizations, extend the partnership reach and focus, better align the Fellows with emerging Force of the Future and Innovation outreach efforts, optimize utilization post-fellowship, and recommend the appropriate scale of the Program.
- Develop options for expanding the partnering power of SDCFP by increasing the permeability of DoD in bringing senior commercial "fellows" into the Department for senior level tours within the DoD's Institutional and Operational elements to leverage their expertise and create enhanced bi-directional learning and exchange (e.g., Department of the Treasury Hamilton Fellows) and recommend the appropriate scale of the program.

The DBB will provide its findings and recommendations to the Secretary of Defense or the Deputy Secretary of Defense, no later than July 23, 2015.

As a subcommittee of the DBB, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal statutes and regulations, this Task Group shall not work independently of the DBB's charter and shall report its recommendations to the full DBB for public deliberation and approval. The Task Group does



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not have the authority to make decisions on behalf of the DBB, nor can it report directly to any federal representative. The members of the Task Group and the DBB are subject to 18 US Code Section 208, which governs conflicts of interest.

A handwritten signature in black ink, appearing to read "R. [unclear]". The signature is written in a cursive style with a large initial letter.