

DEFENSE BUSINESS BOARD



An Assessment on the Creation of an Under Secretary of Defense for Business Management & Information

January 21, 2016

Task Group

The Members

- Mr. Mark Ronald (Chair)
- Ms. Cynthia Trudell
- Mr. Howard Cox
- Capt James D'Itri, Jr. (DBB staff)

The Task

“...establishing a Task Group under the DBB to study and provide recommendations on **whether the position should be consolidated and elevated, assess the advantages and disadvantages of doing so, and such other matters as the DBB determines relevant.**”

- USD(BM&I) ToR, signed 10 Aug 15

The driver behind this exploration was §901(a) of the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291)

Framework

- With the legislative intent to increase efficiency and effectiveness of business management within the DoD; reorganization of the senior leadership structure of OSD should coincide with the department's current need to reduce the overall size and number of layers within the bureaucracy
- The DoD is a large, complex and multi-dimensional organization and with the current environment must have the capability to have tighter alignment and responsiveness with other government agencies
- Modifying the leadership structure of any organization as large and complex as the DoD is challenging and with any major change the leadership must work to achieve balance between leverage and agility
- To fully explore the advantages and disadvantages of the legislation, the Task Group is working to:
 - Understand the existing DoD structure, and how it arrived at this point
 - Understand private sector best-practices/schools of thought relating to organizational management and business transformation efforts
 - Analyze applicability to the DoD model
 - Formulate findings and recommendations



Background

- **Prior efforts**

- Previous legislation
- DBB reports
- GAO reports
- IDA report
- Others

“...combine the Deputy Chief Management Officer and the Chief Information Officer position into **a new Under Secretary of Defense position** placed in the **order of precedence before** the Under Secretary for Acquisition, Technology and Logistics.”

- Joint Explanatory Statement, Public Law 113-291

- **The legislation directs implementation effective February 1, 2017**

- Beginning of a new administration
- Explicitly allows for leadership continuity
- Implicitly allows DoD enough time to “get it right”



Completed Interviews + Research

- **Professor Ethan Bernstein**, Harvard Business School
- **Hon. Rudy deLeon**, 27th U.S. Deputy Secretary of Defense
- **Hon. Eugene Dodaro**, U.S. Comptroller General
- **Hon. Gordon England**, 25th U.S. Deputy Secretary of Defense
- **Hon. Michèle Flournoy**, CEO, Center for a New American Security / former U.S. Under Secretary of Defense for Policy
- **Hon. Robert Gates**, 22nd U.S. Secretary of Defense / former President, Texas A&M University
- **Hon. John Hamre**, President & CEO, Center for Strategic and International Studies / 26th U.S. Deputy Secretary of Defense
- **Ms. Amy Kates**, Managing Partner, KatesKesler Organizational Consulting

- **Hon. Kenneth Krieg**, former U.S. Under Secretary of Defense for Acquisition, Technology, and Logistics
- **Hon. Peter Levine**, Deputy Chief Management Officer, U.S. Department of Defense
- **Hon. William Lynn III**, Chairman & CEO, DRS Technologies / 29th U.S. Deputy Secretary of Defense
- **Ms. Indra Nooyi**, Chairman & CEO, PepsiCo
- **Ms. Phebe Novakovic**, President & CEO, General Dynamics
- **Hon. William Perry**, 19th U.S. Secretary of Defense
- **Mr. Robert Rangel**, Senior Vice President of Washington Operations, Lockheed Martin
- **Mr. David Tillotson**, Assistant Deputy Chief Management Officer, U.S. Department of Defense
- **Hon. David Walker**, former U.S. Comptroller General

Former and Present Senior Government Officials; Industry CEOs;
Academia and Consultants

Way Ahead

- Complete interviews and research
- Articulate findings
- Develop recommendations

