

DEFENSE BUSINESS BOARD



**DEFENSE BUSINESS BOARD**  
Quarterly Public Meeting  
21 July 2016

# DBB Public Meeting Agenda

1:00– 1:05 PM:\* Opening statement from Designated Federal Officer

1:05 – 1:20 PM: Presentations on:

- ***“Logistics as a Competitive War Fighting Advantage”***  
by Arnold Punaro, Task Group Chair
- ***“Best Practices for the Business of Test and Evaluation”***  
by Bill Phillips, Task Group Chair
- ***“Future Models for Federally Funded Research and Development Center Contracts”***  
by Phil Odeen, Task Group Chair

1:20 – 2:00 PM: Presentation of and Deliberations on:

- ***“Future Issues Facing the Department”***  
*led by Chairman Michael Bayer*

2:00 – 2:10 PM: Public Comments/Statements (as time permits)

2:10 – 2:20 PM: Board Vote on ***“Future Issues Facing the Department”***

2:20 – 2:30 PM: Future Work – ***Michael Bayer, Board Chair***

2:30 PM: Adjourn Public Meeting

\*Note: All times are tentative and subject to adjustment



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**Presentation on:**  
**Logistics as a Competitive War**  
**Fighting Advantage**

# Logistics as a Warfighting Advantage

## Task Group Members

- MGen(Ret) Arnold Punaro(Chair)
- Mr. John O'Connor
- Mr. Bill Phillips
- CDR Garrett Campbell, USN

## The Task

Recommend those actions the Department should take to optimize our logistics enterprise and to address other matters which jeopardize logistics as a real warfighting advantage

## Current Status

Interviews complete, data evaluation, red teaming and finalizing of recommendations

## Out Brief

Oct 20, 2016

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**Presentation on:**  
**Best Practices for the Business of Test  
and Evaluation**

# Test and Evaluation (T&E)

## Task Group Members

- Mr. Bill Phillips (Chair)
- Mr. Sandy Apgar
- Mr. Lon Levin
- Capt Tom Koch, USMC
- Lt Col Tony Cianciolo, ANG

## The Task

Evaluate the Department's test and evaluation processes and facilities; explore methods to save money and create process efficiencies

## Current Status

TG has spoken with service and OSD T&E executives; several pending interviews with industry; intent to talk with select service chiefs, SOCOM

## Out Brief

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**Presentation on:  
Future Models for Federally Funded  
Research and Development Center  
Contracts**

# FFRDC

## Task Group Members

- Mr. Phil Odeen (Chair)
- Mr. Taylor Glover
- Mr. Jerry Hultin
- Lt Col Tony Cianciolo, ANG
- Maj George Delong, USAF

## The Task

Recommend an appropriate future model and focus for DoD sponsored FFRDC contracts

## Current Status

Interviews completed; working on analysis & data collection

## Out Brief

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# Future Issues Facing the Department Deliberations

# Task

“...develop, from a private sector business perspective, a series of topic papers germane to the Department’s current and incoming senior executives and leaders focusing on effectively managing a large-scale enterprise through transition.”

“...opinions and recommendations should offer advice on the unique challenges and opportunities of a management position within an enterprise as vast and diverse as the DoD.”

*Terms of Reference – Issues Facing the Department  
Deputy Secretary of Defense, Robert O. Work, signed June 2, 2016*



# DBB Transition Report

## Guiding Principles

Transition Report Characteristics	Understanding the Environment
➤ In DBB areas of expertise	➤ Lessons learned from past transition reports
➤ Avoid partisan topics	➤ Mistakes to avoid
➤ Precise not philosophical	➤ Identify what worked well
➤ 3-4 page paper per topic	➤ What are the big levers to achieve results?

# Intent

- Given the time consideration of this study, Board members will deliberate and vote in public session only on the proposed structure of its recommendations to the Department on Future Issues Facing the Department
- The structure that is approved in the public session will be presented to the Secretary and Deputy Secretary of Defense for consideration and guidance on dissemination.
- This report will provide the substantiating data and material for its recommendations in a prose form.

# Future Issues Facing the Department

## Proposed Report Structure

### **PREFACE**

#### **CHAPTER 1.0. ITEMS REQUIRING IMMEDIATE ATTENTION**

- Focus the Effort
- Build the Strongest Team

#### **CHAPTER 2.0. NEAR-TERM OBSTACLES THAT COULD HAMPER LONG-TERM SUCCESS**

- Recognize the reality of Budget Constraints to Instill Fiscal Discipline and Drive Change
- Manage Personnel and Infrastructure Cost
- Maximize Agility and Add Flexibility to the Department's Institutional Enterprise

#### **CHAPTER 3.0. ORGANIZE THE DEPARTMENT FOR SUSTAINED CHANGE**

- Improve the Speed and Effectiveness of the Business Enterprise
- Focus the Secretary's Time on the Most Strategic Objectives
- Track Performance to Improve Accountability
- Align the Services and Defense Agencies to the Secretary's Agenda
- Develop Meaningful Selection Criteria for the Key Positions

#### **CHAPTER 4.0. NECESSITIES FOR A SUCCESSFUL LEGACY**

- A Vision for the Future of DoD
- Create an Innovative Culture
- Build a Talent Bench
- Create a Cost and Performance Culture<sup>13</sup>

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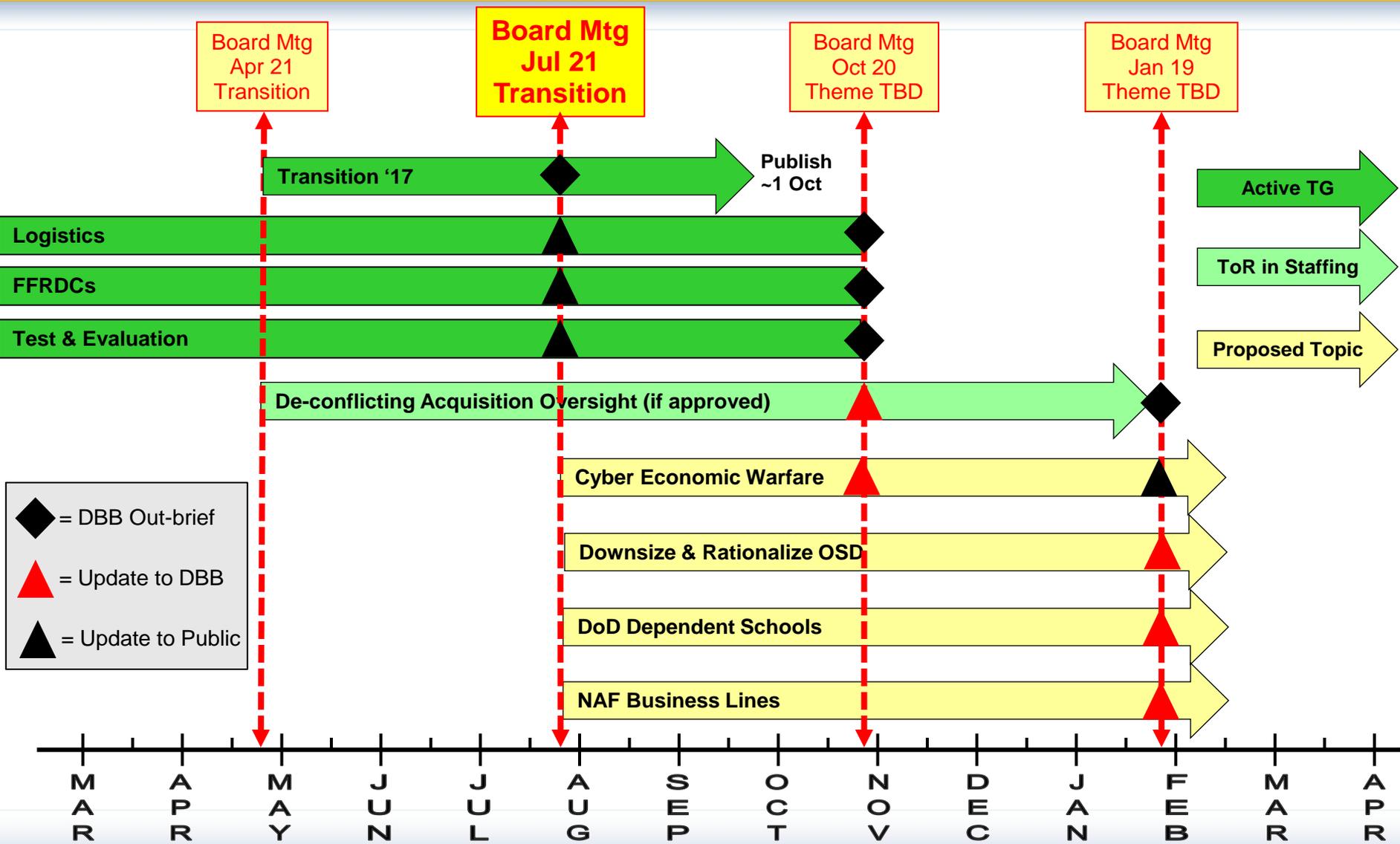
# Future Work

*Michael Bayer*  
*Chairman*

# Future Work – Potential Topics

- **De-conflicting acquisitions oversight** - Study the myriad processes of audit and management entities that oversee acquisitions in DoD – 20-year comparison of quantity/quality/overlap; how they have changed over time
- **DoD Dependent Schools** - Examine the cost vs. benefit vs. equities distribution for the total DoD population
- **Non-Appropriated Fund (NAF) business lines** - Assess the long-term financial viability of each of the NAF entities, including any needs for periodic review
- **Downsizing and Rationalizing OSD** - Assess from a private-sector aspect the impact of ongoing delayering efforts and headquarters reduction requirements

# DBB TG Timeline to January '17



# Future Work – Long-term Topics

- Impact of unchecked “people costs”
- Organizational bloat
  - Lowering the cost of institutional overhead
- Drive innovation and reduce costs in technology of weapon systems
  - Position DoD to be a leader in future technology