

# DEFENSE BUSINESS BOARD

## Meeting Minutes

May 6, 2020

1:00 – 5:00 PM

The Defense Business Board (DBB) is a federal advisory committee within the Department of Defense (DoD) operating pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal regulations. The DBB meets quarterly and held its third session for fiscal year 2020 on May 6, 2020. The agenda included a scheduled public (open) session from 2:40 – 5:00 PM. The meeting was conducted virtually via Zoom Meeting. Public participants were invited to join via a dedicated conference telephone line.

### DBB Members (voting) (15 present)

Michael Bayer (Chair)

Atul Vashistha (Vice Chair)

Steve Blank

Christopher Burnham

Paul Dolan

Scott Dorn

Chris Gopal

Paul Madera

Mike McCloskey

John O'Connor

Dina Powell

Arnold Punaro

David Van Slyke

David Venlet

David Walker

### DBB Staff (non-voting)

Ms. Jennifer Hill, Executive Director & Designated Federal Officer (DFO)

Mr. Webster Bridges III, Deputy Director

Mr. Steve Cruddas, Operations Manager

Col Charles Brewer, USMC, US Marine Corps Military Representative to the DBB

CAPT Jeffrey Plaisance, USN, US Navy Military Representative to the DBB

COL Julie Thomas, USA, US Army Representative to the DBB

COL Kevin Boates, USA, (RFPB), Special Assistant to the CMO Assessment Task Force

Col Darrin Paladino, USAF, (RFPB), Special Assistant to the CMO Assessment Task Force

Ms. Lynne Schneider (OCMO), Special Assistant to the CMO Assessment Task Force

Ms. Jennifer Bowles (ODCAPE), Special Assistant to the CMO Assessment Task Force

Mr. John Eberhardt (OUSDC), Special Assistant to the CMO Assessment Task Force

### Public Attendees

The DBB received forty-five requests from the public to participate in the open session, and all were admitted. A list of the public attendees is attached as an addendum to these minutes.

### ADMINISTRATIVE SESSION

At 1:00 PM, the meeting began with all members and staff in audio and visual communication. Ms. Hill welcomed the DBB members and introduced the Board Chairman, Mr. Bayer. Mr. Bayer welcomed the four newly sworn in members to the DBB and they were individually introduced. Mr. Bayer then provided a brief overview of the meeting's agenda and outlined expectations for the day's sessions.

From 1:15 – 2:00 PM, the Hon. Lisa Hershman, DoD Chief Management Officer, addressed the members of the DBB providing updates on reform efforts and DoD actions on COVID 19.

From 2:00 – 2:30 PM, Mr. Jim Traficant, Partner, Pinkston Group, provided a presentation on a unique use of data.

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Following Mr. Traficant's presentation, the DBB recessed for a short break.

### OPEN MEETING SESSION

At 2:40 PM, Ms. Hill announced the public session of the meeting, and introduced Mr. Bayer.

Mr. Bayer welcomed members of the public who were participating with the audio connection only, and with separate access to the discussion materials before the Board. Mr. Bayer thanked the members and staff on their outstanding efforts in supporting the study. Mr. Bayer provided introductory comments to the study, and then introduced Major General Arnold Punaro (USMCR, Ret), one of the Co-Chairs of the study's task force.

Chairman Bayer, TF Co-Chair Arnold Punaro, TF Co-Chair Atul Vashistha, David Van Slyke, and David Walker presented the study in the following order:

- Mr. Punaro Provided an overview of the study and its methodology, covering slides 1-8.
- Mr. Vashistha Provided a summary introduction to our strategic imperative on the 'burning platform' section beginning on slide 9.
- Mr. Bayer Briefed the China overview on slides 10-14.
- Mr. Walker Briefed fiscal and economic challenges faced by our country and the DoD on slides 15-18.
- Mr. Punaro Provided an overview of defense-wide spending activity on slides 19-23.
- Mr. Van Slyke Provided an overview of the assessment, the six statutory tasks, and the DBB study's methodology on slides 25-28.
- Mr. Walker Briefed statutory task number one on CMO effectiveness, slides 29-31.
- Mr. Van Slyke Briefed statutory task number two on the views of the Under Secretaries and the CMOs of the military departments, slide 32.
- Mr. Vashistha Briefed statutory task number three on the culture of the DOD, slides 33-34.
- Mr. Walker Briefed statutory task number four, the views of the GAO, slides 35-37.
- Mr. Vashistha Briefed statutory number five, which is the best practices in the private and public sector, slides 38-39.
- Mr. Walker Briefed the DBB's examination of how several of our major allies, the United Kingdom and Australia, deal with transformation in their organizations, on slide 40.
- Mr. Van Slyke Briefed statutory task number 6, which is responsibilities and authorities of the CMO versus other key Department leaders on slide 41.
- Mr. Walker Briefed the DBB findings, observations, and summary assessment as required by the statute in slides 42-43.
- Mr. Punaro Provided an overview on the Defense Agencies and Field Activities (DAFAs) and the Defense Working Capital Fund in slides 44-60
- Mr. Punaro Provided an overview of the DBB's recommendations on organizational alternatives in slides 61-64
- Mr. Walker Provided a detailed explanation of the Principal Undersecretary for Defense for Business Transformation in slides 65-66.

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- Mr. Van Slyke Provided a detailed explanation of the two-Deputy Secretary of Defense alternative, slides 67-69.
- Mr. Punaro Briefed the capabilities of the Deputy Secretary of Defense as Chief Operating Officer with enhanced capabilities, slides 70-73.
- Mr. Punaro Briefed the DBB's final recommendations for the CMO role, slides 74-81.

Public Comments. Ms. Hill asked the public session attendees if there were any questions or comments.

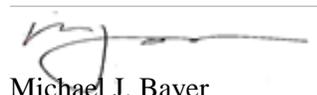
- Ms. Cathy Berrick from the Government Accountability Office (GAO) stated that the CMO position at DoD is needed to address longstanding business operations and transformation challenges, and that the GAO had previously recommended to the Secretary of Defense the option for a second deputy secretary focused exclusively on business operations as the best outcome for DoD to address and implement needed transformational changes. Ms. Berrick also emphasized that maintaining the current CMO position could be successful if appropriately resourced, empowered, and had clearly articulated responsibilities.
- Mr. Bayer thanked Ms. Berrick and the GAO for their support throughout the Study.
- There were no other public questions or comments offered.

Following public comments, the Mr. Bayer opened the floor for comments from the Board. The members were supportive and complimentary of the quality of the Task Force's work. There were no questions on the materials. Mr. Bayer then called for a motion to approve. Mr. Punaro made the motion for the Board to accept the Task Force's study and recommendations. Mr. Atul Vashistha seconded the motion. Prior to voting, two new members sworn in days before, (Mr. Paul Madera and Dr. Mike McCloskey) abstained citing lack of sufficient knowledge of the matters to cast a vote.

The remaining Board members voted unanimously to accept the study's recommendations.

At 5:05 PM, Ms. Hill announced the conclusion of the open session at which time Mr. Bayer then adjourned the meeting.

By my signature, certified to be accurate and complete.



Michael J. Bayer  
Chairman  
Defense Business Board  
28 May 2020

**Addendum**  
**Defense Business Board Quarterly Meeting**  
**May 6, 2020**  
**Public Attendees (telephonically)**  
**Information on this sheet is part of the public record**

<b>Name</b>	<b>Organization</b>
Andrew L. Schaaf	Vail Technologies LLC
Andrew Mapes	Office of the Chief Management Officer
Ankur Ghia	McKinsey & Company
BrigGen David Lyons	Office of the Deputy Secretary of Defense
Caroline Vic	Office of the Deputy Secretary of Defense
Carolyn Joshua	Office of the Chief Management Officer
Cathy Berrick	U.S. Government Accountability Office
Chandru Krishnamurthy	McKinsey & Company
Chuck Prichard	Office of the Assistant Secretary of Defense (Public Affairs)
COL Jennifer Hammerstedt	Office of the Deputy Secretary of Defense
Daniel Ramsey	U.S. Government Accountability Office
Dianne Taft-Moore	Defense Counterintelligence and Security Agency
Doug Nichols	Washington Headquarters Services
Earl McCuller	Vail Technologies LCC
Eddie Yetts	Carnegie Mellon.Univeresity
Elizabeth Field	U.S. Government Accountability Office
Gregory Peck	Office of the Deputy Secretary of Defense
Heather Hopkins	Office of the Deputy Secretary of Defense
Irina Plaks	The Punaro Group
Jeffrey W. Eanes	Office of the Chief Management Officer
Karen Nowowieski	Office of the Chief Management Officer
Kirk Marshal	Office of the Chief Management Officer
Kiron Skinner	Carnegie Mellon.Univeresity
Leigh Ann Sheffield	U.S. Government Accountability Office
LTC Christopher D. Klein	Office of the Chief Management Officer

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LTC Christopher Logan	Office of the Deputy Secretary of Defense
Madeline Welter	U.S. Government Accountability Office
MAJ Michael Harrison	Office of the Deputy Secretary of Defense
Margaret A. Best	U.S. Government Accountability Office
Margaux Hoar	Center for Naval Analyses
Margeaux Van Horn	Pinkston
Nathan Burchfiel	
Odeyra "Ody" Curcic	Defense Counterintelligence and Security Agency
Peter Verga	Office of the Deputy Secretary of Defense
Raymond F. DuBois	Center for Strategic and International Studies
Robert Henke	Office of the Deputy Secretary of Defense
Robin Rosenberger	Office of the Chief Management Officer
Smitha Pillai	Office of the Chief Management Officer
Stephanie Simonich	Defense Counterintelligence and Security Agency
Steve McCain	K&L Gates LLP
Tom Davis	
Tony Bertuca	Inside the Pentagon, Inside Defense