

Membership Balance Plan
Defense Business Board

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, in accordance with chapter 10 of title 5, U.S.C. (commonly known as “the Federal Advisory Committee Act” or “FACA”) and 41 C.F.R. § 102-3.50(d), established the Defense Business Board (DBB) as a discretionary advisory committee.
2. Mission/Function: The DBB provides the Secretary of Defense and the Deputy Secretary of Defense (“the DoD Appointing Authority”) independent advice and actionable recommendations to address critical matters and challenges to accelerate adoption of effective and efficient business processes and functions, organizational management constructs, and business and organizational cultural changes within the DoD in response to specific tasking from the DoD Appointing Authority. The DBB shall examine and advise on DoD executive management, innovative business processes, and governance from private, public, and academic sector perspectives.
3. Points of View: The DBB shall be composed of no more than 21 members, who must meet one or more of the following criteria:
 - a) proven track record of sound judgement in leading or governing large, complex public- or private-sector organizations, including academia;
 - b) significant management-level (executive level managers that are titled “chief” followed by their function) global business or academic experience including, but not limited to, the areas of executive management, corporate strategy, governance, business process improvement and innovation, global business services/shared services, audit and finance, supply chain and logistics, human resources/talent management, data/analytics management and use, real property management, organizational design and optimization, energy and climate, or technology;
 - c) demonstrated performance in developing new business theories, innovation, and concepts;
 - d) career as a distinguished academic or researcher in business at an accredited college or institution of higher education; or
 - e) proven track record as an innovative leader in small and minority owned businesses.

In evaluating candidates for the DBB, the DoD considers education, life experience, and professional credentials concerning the subject matters anticipated to be tasked to the DBB. The DoD has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee provides the DoD and, more importantly, the American public with a broader understanding of the issues on which subsequent policy decisions are based. Membership shall be fairly balanced in terms of points of view represented and the functions to be performed by the DBB. The DBB’s membership balance is not static, and the DoD Appointing Authority may change the membership based upon work assigned to the DBB.

Each member is appointed to exercise his or her own judgment on behalf of the DoD, without representing any particular point of view, and to discuss and deliberate in a manner that is free from conflicts of interest. DBB members who are not full-time or permanent part-time Federal civilian officers or employees, or active-duty members of the Uniformed Services, shall be

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appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Those who are full-time or permanent part-time Federal civilian officers or employees, or active-duty members of the Uniformed Services, shall be designated pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members. The DoD, unless otherwise required by statute or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: N/A
5. Candidate Identification Process: The DoD, in selecting potential candidates for the DBB, reviews the expertise and professional credentials of individuals with extensive professional experience in the areas described in section 3 above and the subject matters to be handled by the DBB.

The DoD's selection process includes the Deputy Secretary of Defense requesting recommendations for potential candidates from senior DoD career and political officials, as well as recommendations from other executive or legislative branch officials, which are routed through the Special Assistant to the Secretary of Defense for White House Liaison. Once potential candidates are identified, the DBB's Designated Federal Officer (DFO), in consultation with the Special Assistant to the Secretary of Defense for White House Liaison, reviews the credentials of each individual and narrows the list of candidates. This narrowed list is proved to the Deputy Secretary of Defense, who strives to achieve a balance between the professional credentials of the individuals and the matters to be reviewed by the DBB. Following selection of the final list of potential candidates by the Deputy Secretary of Defense, and before formal nomination to the DoD Appointing Authority, the list of potential candidates undergoes a review by the Office of General Counsel for the Department of Defense (DoD OGC), and the Advisory Committee Management Officer for the Department of Defense (DoD ACMO) to ensure compliance with Federal and DoD governance requirements, including compliance with the DBB's charter and membership balance plan.

As part of DoD's governance review, the DoD ACMO prepares the DoD Appointment Approval Instrument for submission by the Performance Improvement Officer and Director of Administration and Management to the DoD Appointing Authority. Following approval by the DoD Appointing Authority, the candidates must complete appointment paperwork and training, to include any financial disclosure or other ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

All DBB members are appointed for a term of service of one-to-four years with annual renewals. No member, unless approved by the DoD Appointing Authority, may serve more than two consecutive terms of service on the DBB, including its subcommittees. Membership vacancies for the DBB will be filled in the same manner as described above.

6. Subcommittee Balance: The DoD, as necessary and consistent with the DBB's mission and DoD policy and procedures, may establish subcommittees, task forces, task groups, or working groups ("subcommittees") to support the DBB.

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Individuals considered for appointment to any subcommittee of the DBB may come from the DBB's membership or from new nominees, as selected by the Deputy Secretary of Defense and based upon the subject matters under consideration. In accordance with DoD policy and procedures, and the process described in section 5, the Deputy Secretary of Defense will finalize the DBB subcommittee membership, which will then be approved by the DoD Appointing Authority.

Subcommittee members shall be appointed or designated for a term of service of one-to-four years, subject to annual renewals; however, no member shall serve more than two consecutive terms of service on a subcommittee, unless approved by a DoD Appointing Authority. Subcommittee members, who are not full-time or permanent part-time Federal civilian officers or employees, or active-duty members of the Uniformed Services, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as SGE members. Subcommittee members who are full-time or permanent part-time Federal civilian officers or employees, or active-duty members of the Uniformed Services, shall be designated pursuant to 41 C.F.R. § 10-3.130(a) to serve as RGE members.

The Deputy Secretary of Defense has established three permanent DBB subcommittees. While the number of individuals appointed to each subcommittee may vary, as determined by the DoD Appointing Authority, no individual subcommittee shall have more than 15 members. Each subcommittee, when tasked in accordance with DoD policy and procedures, will provide its findings and recommendations on the subject matters described below to the DBB for its thorough discussion and deliberation at a properly noticed and open meeting, unless the meeting must be closed in accordance with one or more of the exemptions found at subsection 552b(c) of title 5, U.S.C.

- 1) Business Operations Advisory Subcommittee: This subcommittee shall provide advice on opportunities for improvements in business processes and operations inside DoD. Members of this subcommittee must have substantial experience in, but not limited to, supply chain and logistics, contract and vendor management, real property management, information technology and data management, human resources management, financial management, and renewable energy and climate.
- 2) Business Transformation Advisory Subcommittee: This subcommittee shall provide advice that assists the DoD with large scale or enterprise strategic, organizational, and management transformations and improvements. Members of this subcommittee must have substantial experience in, but not limited to, addressing current and future challenges and opportunities in business transformation, illustrating or evaluating the value and implications of new organizational constructs, impactful innovations, and improved technologies and processes from both the public and private sector ; ensuring DoD remains current on state of the art commercial innovation in regards to large scale or enterprise-wide business transformation; and large scale or enterprise-wide business transformation.
- 3) Talent Management, Culture, & Diversity Advisory Subcommittee: This subcommittee shall provide advice on the dynamics of the DoD's workforce and the application of private sector and academic best practices. Members of this subcommittee must have substantial

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experience in, but not limited to, strategic human resources management, leadership development, talent management, recruitment and retention of employees, creating a diverse and innovative workforce, upskilling and reskilling employees, and improving overall culture and attitudes.

7. Other: As nominees are considered for appointment to the DBB, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Advisory Committees, Boards, and Commissions (79 F.R. 27482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared: July 1, 2024