



## **TRANSITION TOPIC:**

# Defense Management Models

**TASK:** Assess optional Defense Management Models and identify factors that will drive the next Secretary's management approach

## **TASK GROUP:**

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# Defense Business Board

## **ISSUE:**

- The Secretary's organizational model and leadership approach will significantly impact the effectiveness of the Department. Management processes and must be responsive to national security challenges and provide sound information and analyses to make informed decisions

## **IMPORTANCE:**

- The next SECDEF must have a management approach that anticipates/responds to key national security and management challenges, expands DoD's organizational capacity, and fits his personal and management style
- New growing challenges, such as tighter budgets, cyber threats and asymmetrical warfare, demand a responsive, agile and synchronized management approach that capitalizes on the skills of a myriad of people and organizations



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## DISCUSSION:

- Different Secretaries have had very different management models/ approaches, in part driven by their personality/management style
- Role of SecDef/Deputy and OSD has evolved
  - Secretary's role shifted over time between limited (1940s) to strong (1960s) authority
  - OSD staff, in acquisition and policy functions, has expanded its role and influence
- Models have differed based on the world situation, past events, and primary threats
  - 1940 and 1950s – focused on improved coordination and integration of the Services and operating forces
  - Events drove change: SPUTNIK (DDR&E), MISSILE GAP (Civil Defense Office) and asymmetric warfare/terrorism (USD/Intel)
  - Goldwater/Nichols (1980s) increased the role of the COCOMs and strengthened role of CJCS to provide independent and coherent military advice
- Factors driving the next Secretary's management approach (see later charts)
  - Fiscal/budget outlook, threats/military challenges, and Homeland Security role
  - The nature of the interagency/NSC process will also impact staffing and structure



## **DISCUSSION:**

- Structural weaknesses in several management systems have repeatedly surfaced over decades. They need early and sustained attention:
  - Poor management and information systems (finance, personnel and logistics)
  - Weak requirements process and inadequate cost estimating tools continue to impact decision making
  - Lack of clear authority and accountability (who is responsible?)
  - Response time and speed of effort are issues across management system usually react, not anticipate
  - Declining capability of the career workforce due to poor recruiting, increasing numbers of retirements, and personnel reductions



## RECOMMENDATIONS:

1. Adopt a management model that:
  - a. Focuses on the management issues and national security challenges facing DoD (see attached chart)
  - b. Clearly reflects the Department's top objectives
  - c. Provides clear authority and accountability to key subordinates
  - d. Fits the personal management style of the new Secretary
2. Analyze critical management processes and strengthen as necessary:
  - a. Determine which management systems support the Secretary's management model
  - b. Provide meaningful metrics, and reporting systems to measure and track them
  - c. Focus on areas of known weaknesses such as finance, personnel, and logistics
3. Secretary/Deputy must give priority to strengthening the Department's Human Resources. No organization or set of management processes will be effective without capable, motivated and empowered people :
  - a. Must attract, retain and motivate quality people for both the career and political positions.
  - b. Strengthen career personnel numbers and talent in such functions as acquisition, systems engineering, and R&D



## Management Issues:

|                                 | <u>Importance</u> | <u>Likelihood</u> | <u>Organizational Capacity</u> |
|---------------------------------|-------------------|-------------------|--------------------------------|
| Deep Budget Cuts                | CRT               | High              | Med                            |
| Deep Force Cuts                 | High              | High              | Low                            |
| Weapon Costs/Schedules          | CRT               | High              | Low                            |
| People Cost Increases           | High              | High              | Med                            |
| Capability Requirements         | High              | High              | Med                            |
| Zero Base Force Structure/Roles | Med               | Med               | Med                            |
| Network Centric/ Cyber Threats  | CRT               | CRT               | Low                            |
| Basic Management Systems        | Med               | High              | Low                            |
| Efficient Responsive Mgmt       | Med               | Med               | Low                            |
| Intense Interagency Process     | Low               | Med               | Med                            |

Critical=CRT    High    Medium=Med    Low



## National Security Challenges:

|                                 | <u>Importance</u> | <u>Likelihood</u> | <u>Organizational Capacity</u> |
|---------------------------------|-------------------|-------------------|--------------------------------|
| Increased WMD Threats           | CRT               | High              | Med                            |
| Sharp Increase in Terrorism     | Med               | High              | Med                            |
| Missile Defense                 | CRT               | High              | Med                            |
| Expanded Chinese Mil Capacity   | High              | Med               | Low                            |
| Increased Regional Threats      | High              | High              | High                           |
| Aggressive Russia               | Med               | Med               | Low                            |
| Expanded Homeland Security Role | Med               | Med               | Low                            |
| Broader Post Conflict Role      | Med               | Low               | Med                            |

Critical=CRT    High    Medium=Med    Low