Defense Business Board Members

Michael J. Bayer, Chairman Frederic W. Cook, Vice Chairman Denis A. Bovin Howard E. Cox **Henry N. Dreifus Carly S. Fiorina** James K. Haveman **Dennis F. Hightower** Mel M. Immergut **Madelyn P. Jennings** James V. Kimsey **Bruce E. Mosler** Philip A. Odeen William R. Phillips **Arnold L. Punaro** Mark H. Ronald **Atul Vashistha Joseph R. Wright** Dov S. Zakheim

DEFENSE BUSINESS BOARD

Business Excellence in Defense of the Nation

www.defenselink.mil/dbb

Phyllis L. Ferguson, Executive Director Kelly S. Van Niman, Deputy Director COL Kevin A. Doxey, USA, Military Assistant Col Dale R. Marks, USAF, Military Assistant Debbie K. Duffy, Staff Assistant

DEFENSE BUSINESS BOARD

Key Priority:

Reverse the trend of ballooning costs in the Major Defense Acquisition Programs.

Actions:

- Focus on fundamental drivers, not on fixing symptoms, to include addressing human capital issues
- Maintain metrics for each re-baselining decision to track/monitor drivers of cost growth
- Set and then propagate the cultural change necessary to reverse behavior
- Hold industry executives accountable to the same objectives and supporting metrics as the Department
- Develop joint management tools to fix and manage the authority, responsibility, incentives, and accountability across the relevant parts of DoD and industry

FOCUSING A TRANSITION

KEY PRIORITIES FOR THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY AND LOGISTICS



JANUARY 2009

Key Priority:

Exercise bold leadership and strong fiscal discipline to maximize combat effectiveness with available resources.

Actions:

- Move beyond fiscal prudence by creating a governance structure and responsibility for the DoD community to reduce costs and become more outcome-focused
- Identify "trade-space" early. Items previously viewed as "non-discretionary" can no longer be sacrosanct
- Expand efforts to drive efficiencies, reduce waste in the Department's overhead, and shift freed resources to the war fight
 - Align the "tail" to the "tooth"
 - Aggressively address waste and unnecessary duplication
 - Encourage financial transparency
 - Measure performance against enterprise goals
 - Free workforce from overhead and shift resources to the war fight with clear, motivating incentives to reward best practices performance

Key Priority:

Ensure necessary joint warfighting capability is delivered to Combatant Commanders in a timely manner.

Actions:

- Seek opportunities to put capability requirement decisions in the hands of users (Combatant Commanders) responsible for operational execution
- Explore opportunities to restructure and streamline the Joint Capabilities Integration Development System
 - Encourage restructuring Joint Requirements Oversight Council as a board vs. a committee, chaired by Vice Chairman of the Joint Chiefs of Staff
 - Use value-added standards to reduce costs and time-to-field
- Expand "joint capabilities management" to consider the full scope of responsibility from pre-conflict through post-conflict resolution
- Fully integrate Joint Requirement Oversight Council decisions into the acquisition process
- Embody original intent of David Packard's Commission to reduce cost overruns on defense acquisition programs, and expand to include lessons learned

Key Priority:

Align the manufacturing and service suppliers with the Department to optimally meet the Department's mission requirements.

Actions:

- Develop, implement and articulate a clear strategy and action plan to improve the overall strategic relationship with industry
 - Advocate export control policies that focus on protecting critical technologies while keeping pace with technological advancements and global markets
- Strengthen communications with the global supplier and industrial base
 - Engage industry officials in the early stages of the capabilities requirements process to avoid unrealistic program goals and to assist industry in setting research and development priorities and capital investments
 - Include service contractors/suppliers in the Department's communications to the greatest extent possible
- Ensure the necessary human resources, training and standards are available to support effective DoD-industry relations