



DoD Business Transformation: An Urgent Need

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World-Class Enterprises Have an “Enterprise Information System” to Manage Their Operations

DoD has over 4,000 different, non-integrated Business Systems!

Increase in the Inventory of DoD Business Systems, 2003-2005

Domain	Apr 2003	Feb 2005
Acquisition	143	179
Financial Management	752	600
Human Resources	665	713
Installations & Environment	128	473
Logistics	565	2,005
Enterprise Information Environment	21	40
No Domain*	0	140
Total	2,274	4,150

* A specific domain was not assigned to these systems.

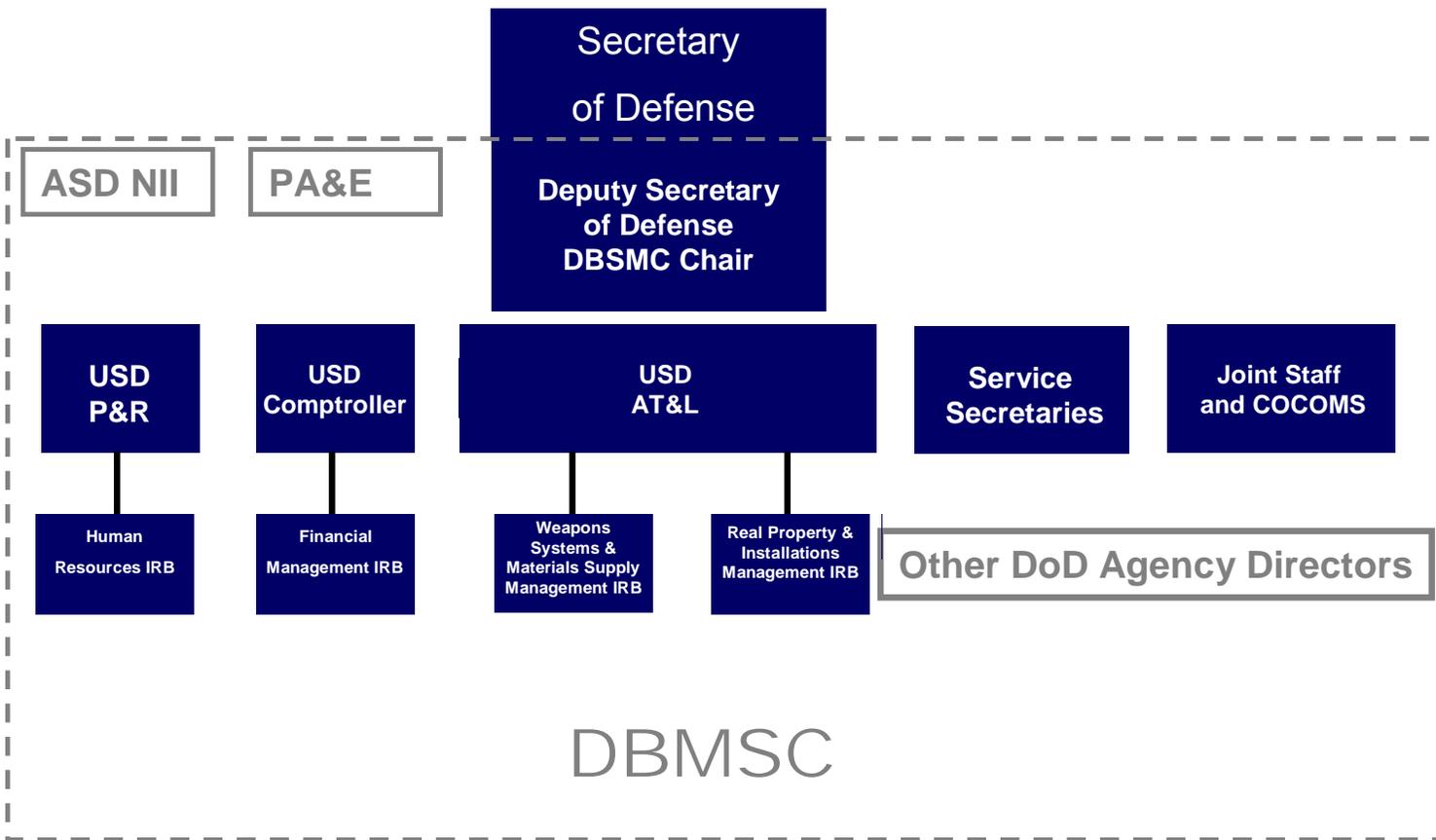
Source: GAO-05-723T,17



A Basic Management/Leadership Principle is “Unity of Command” (Authority and Responsibility)

- **DoD Business Transformation is:**
 - Overseen by a large Committee (all of whom have other full-time jobs)
 - There is significant ambiguity about Operational Responsibility (between Deputy Chief Management Officer; USD (AT&L); Functional USDs; Service Enterprise Program Managers; ASD(NII); Deputy UnderSec. Business Transformation; Director, BTA; Defense Business Program Acquisition Executive; etc.

Structure of the DBSMC

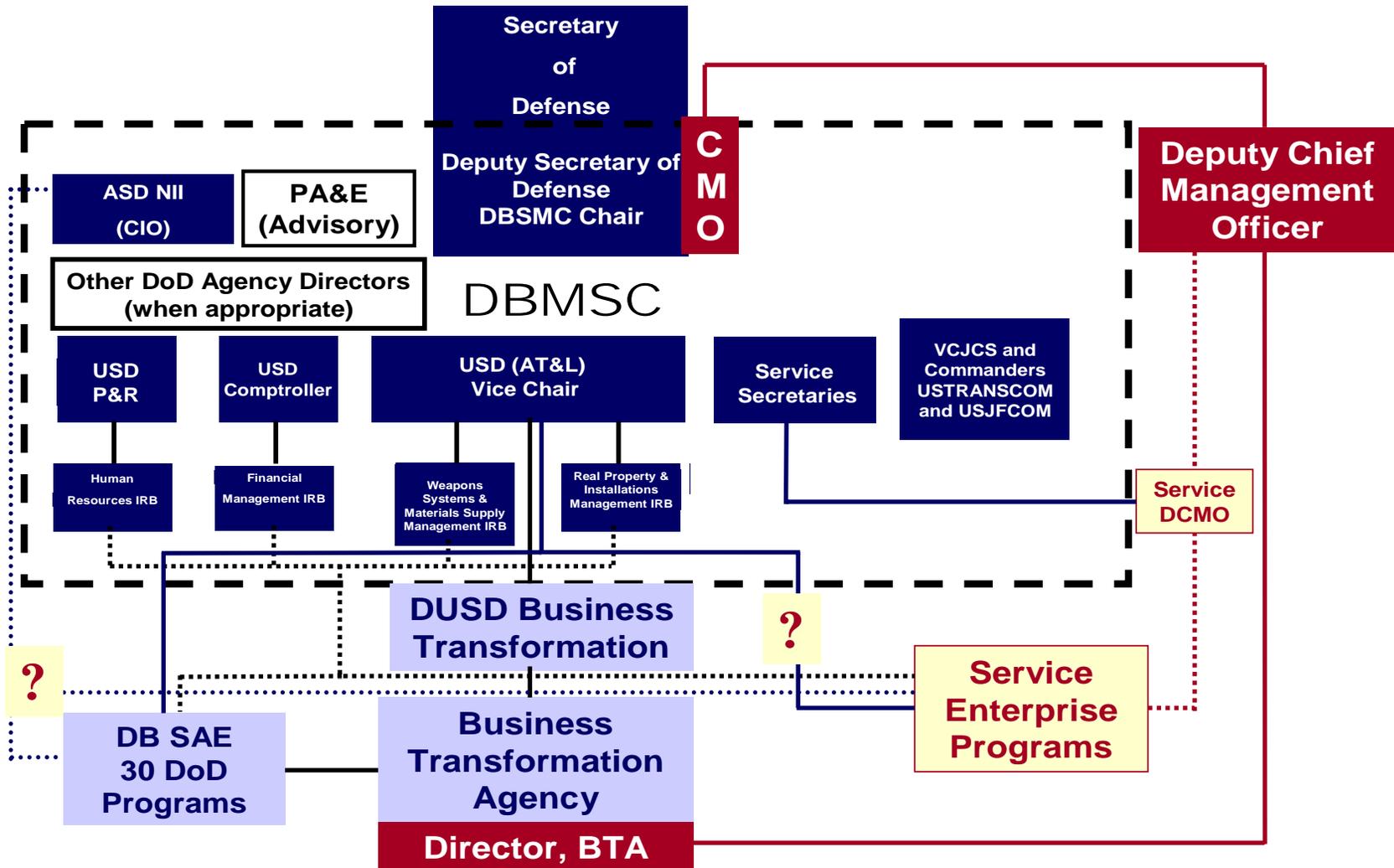


DBSMC = Defense Business Systems Management Committee
ASD NII = Assistant Secretary of Defense (National Information Infrastructure)

USTRANSCOM = U.S. Transportation Command
VCJSC = Vice Chair Joint Chiefs of Staff
USJFCOM = U.S. Joint Forces Command



Ambiguous Lines of Authority



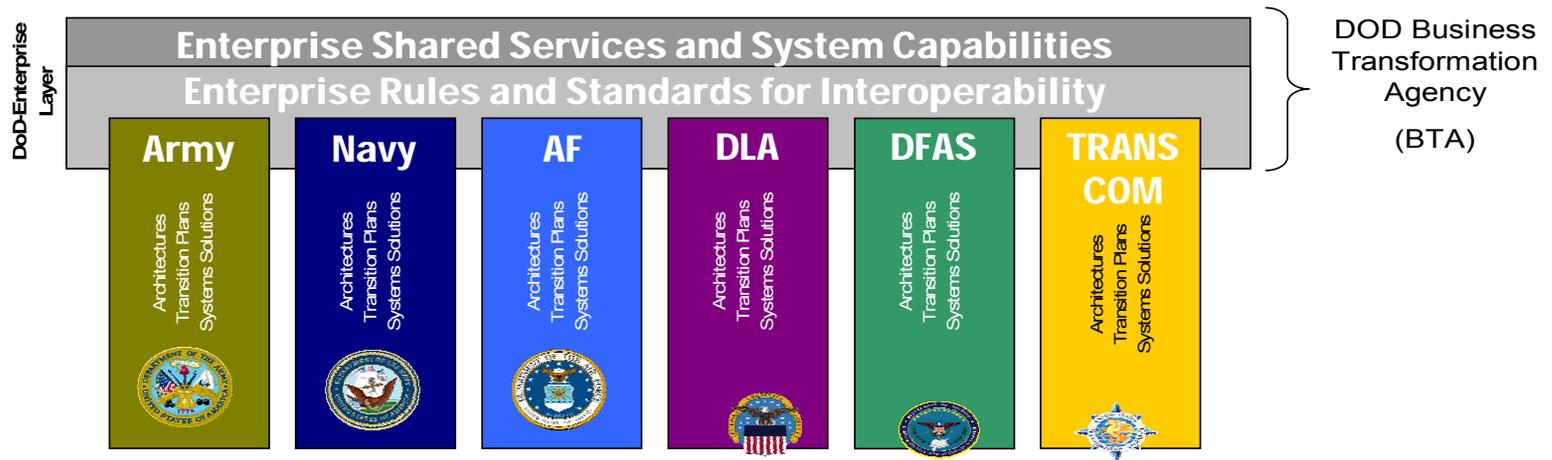


The Controlling Laws Are in Conflict

- Goldwater-Nichols: USD (AT&L) is the “Acquisition Czar” responsible for all acquisitions
- Clinger-Cohen: CIO (who is the ASD (NII)) is responsible (directly to Sec. Def.) for all Information Systems
- NDAA FY 2008 (Sect 904): Makes the Deputy Chief Management Officer responsible for all management systems acquisitions

Tiered “Accountability” for Business Transformation

Tiered Accountability

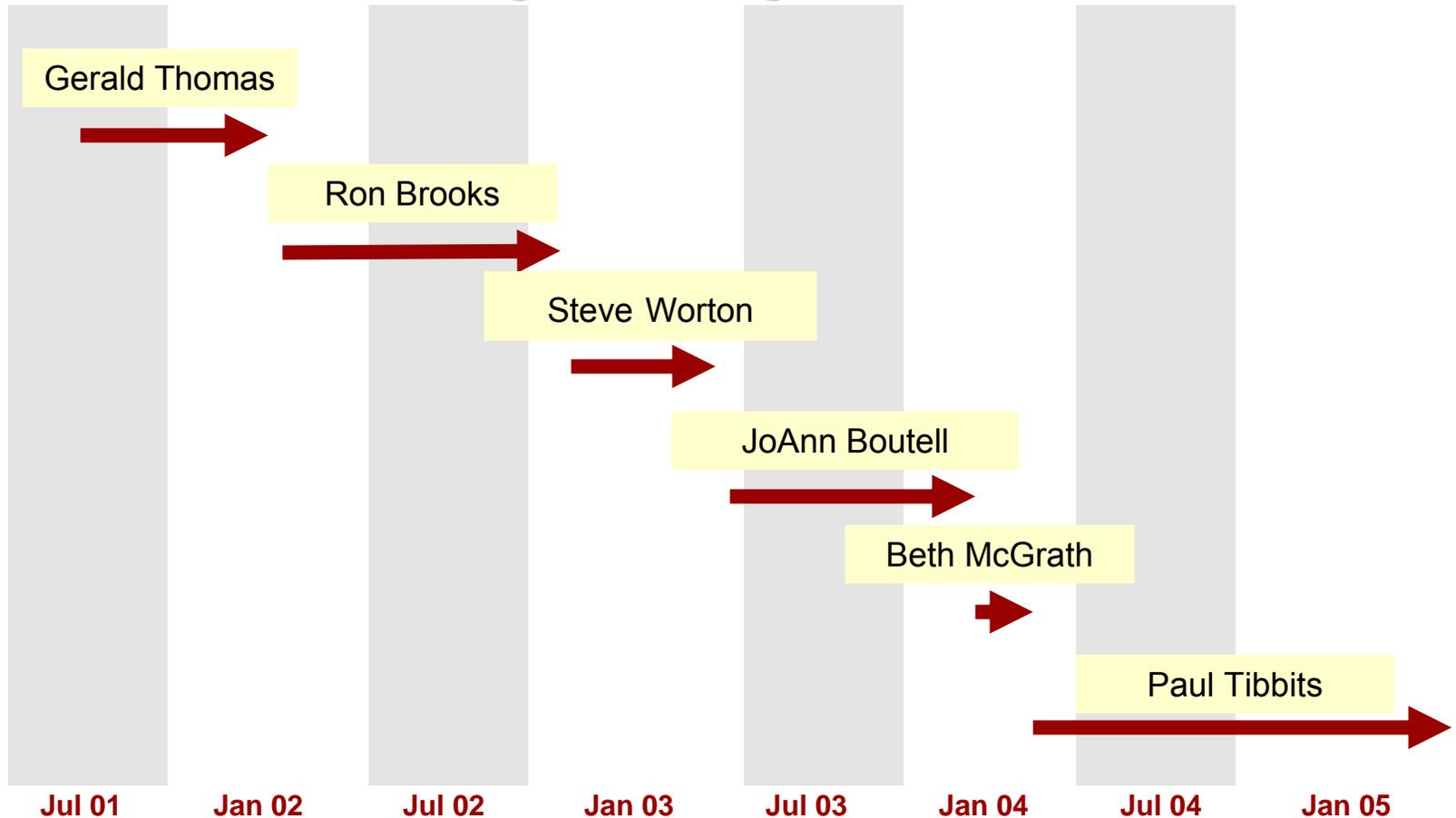


Note: DLA = Defense Logistics Agency, DFAS = Defense Finance & Accounting Service, TRANS COM = U.S. Transportation Command

But who does System T&E?

Leadership Challenges

Six Government Program Managers in Less Than Four Years



The Deputy Under Secretary for Business Transformation (Paul Brinkley) was also assigned to run Iraq Reconstruction



Lots of Attention and Lots of Resistance

DoD Business Transformation Timeline

Key Dates in the DoD Business Transformation Initiative

2001	Defense Business Board
2001	Financial Management Modernization Program (FMMP)
2003	Business Management Modernization Program (BMMP)
2005	Defense Business Transformation Agency (BTA)
2005	NDAA FY 2005 - Defense Business Systems Management Committee (DBSMC)
2006	Deputy's Advisory Working Group (DAWG)
2008	NDAA FY08 - DoD Chief Management Officer, DoD Deputy Chief Management Officer, Service Component Chief Management Officers
2008	EO13450 – Performance Improvement Officer

- Along with annual GAO negative reports
- From 2003-2005 (alone) contracted for \$440 M

So why isn't it fixed?



DoD Business Transformation Is Important!

- Impacts 5.5 Million Employees, Service Members, and Beneficiaries
- Impacts over \$400 Billion a year in acquisition goods and services
- Impacts implementation of Federal Laws and Regulations
- Impacts over \$700 Billion in assets (Buildings at 6,700 locations in 146 countries)
- Impacts readiness of 1,312 Major Weapon Systems (managing 46 million parts and supplies)

- It impacts all the critical elements of the DoD enterprise (warfighting, people, finances, assets, etc.)
- It is the key to effective and efficient management of DoD operations



For Success, The New Administration Must Focus on:

- **Leadership:** Priority; Vision; Strategy; Resources; Oversight; Caring
- **Staffing:** Sufficient numbers of highly-qualified, IT-experienced people at the top and throughout
- **Governance:** Resolve organizational and statutory barriers
- **Management:** Authority and Responsibility to get it done (from architecture and standards to resource control and T+E)

It can be done!
And, it does matter!