



# Department of Defense INSTRUCTION

NUMBER 1322.23

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DCMO

SUBJECT: Secretary of Defense Corporate Fellows Program (SDCFP)

- References:
- (a) DoD Directive 1322.23, "Secretary of Defense Corporate Fellows Program (SDCFP)," February 22, 2005 (hereby cancelled)
  - (b) DoD Directive 5105.82, "Deputy Chief Management Officer (DCMO) of the Department of Defense," October 17, 2008
  - (c) Section 2013 of Title 10, United States Code
  - (d) Deputy Secretary of Defense Memorandum, "Functional Transfer of Secretary of Defense Corporate Fellows Program (SDCFP) Oversight Responsibilities," August 25, 2009

1. PURPOSE. This Instruction reissues Reference (a) as a DoD Instruction, in accordance with the authority in References (b), (c), and (d), to establish policy and assign responsibilities for the SDCFP.

2. APPLICABILITY. This Instruction applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (hereinafter referred to collectively as the "DoD Components").

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. The SDCFP operates under the oversight and supervision of the Deputy Chief Management Officer (DCMO) for matters concerning program management of the SDCFP and associated responsibilities. (See Enclosure 1.)

b. The Director, SDCFP, and administrative support personnel comprise a special program at the National Defense University (NDU). The Director, SDCFP, reports to the President, NDU, on administrative matters.

5. RESPONSIBILITIES. See Enclosure 2.

6. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. EFFECTIVE DATE. This Instruction is effective upon its publication to the DoD Issuances Website.



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Enclosures

1. Procedures
  2. Responsibilities
- Glossary

ENCLOSURE 1

PROCEDURES

1. The Department of Defense, as an institution, will be more capable of meeting future challenges because the officers coming from this program are familiar with innovation and transformation issues of personal concern to the Secretary of Defense and which will likely confront future DoD senior officers. During their time in this program and later in their careers, SDCFP members are expected to continue to network among themselves, top DoD officials, and contacts made during their tours. This program builds a unique cadre of officers who understand not only the profession of arms, but also the nature of the strategic problems facing the Department of Defense, and the organizational and operational opportunities made possible by revolutionary changes in information and other technologies. These officers will be at the forefront of transforming defense strategy, military forces, and the supporting infrastructure. Specifically, the SDCFP shall establish a cadre of military leaders who:

a. Have an appreciation for how revolutionary changes in corporate long range planning, organizational and management innovation, and information and other technologies influence American society and business and how they may manifest themselves in ways affecting the culture and operation of the Department of Defense over the next decades.

b. Are able, during their assignment to SDCFP and throughout their careers, to conceive compelling operational and organizational innovations, and options derived from these revolutionary changes in information and other technologies.

c. Motivate and lead their Military Services toward innovative responses to revolutionary changes in information and other technologies, and challenge others to address these matters, thereby improving operational and organizational thinking throughout the Department of Defense.

2. The SDCFP consists of a minimum of two officers from the active duty components of each of the Military Services, in grades O-5 or O-6, who demonstrate high general or flag officer potential. Reserve and Guard officers and officers from the United States Coast Guard who meet the same criteria may also participate, for a maximum total of 16 officers each year. These officers must have distinguished themselves in a variety of operational command and staff positions.

3. The SDCFP members shall meet regularly to discuss their experiences and periodically meet with the Secretary or Deputy Secretary of Defense, other senior OSD and Military Department civilian personnel, and general and/or flag officers to report their observations and document their observations and recommendations in individual written reports, common findings, and group briefings.

4. The SDCFP shall select sponsoring institutions leading the revolution in business affairs and have a reputation for insightful long-range planning, organizational innovation, and adaptation.

The selection of sponsoring institutions will place special emphasis on corporations and other institutions that:

a. Successfully manage and exploit the revolution in information and other technologies, reshaping their organizational structures and methods of operation to remain competitive in a dramatically changed global business environment.

b. Are characterized by a strong strategic planning capability, constant innovation, and continuous efforts to exploit the principles behind time-based competition and cultivation of corporate organizational agility.

c. Are able to significantly advance an assigned officer's understanding of how the information revolution is influencing American society and business in ways that may influence the culture and operation of the Department of Defense and how it might organize, equip, train, and experiment to fight in the future.

5. The SDCFP does not duplicate existing training and/or education or fellowship programs in the Department of Defense (such as individual Military Service Training and/or Training with Industry programs or the DoD Fellowship Program) and will not be used to produce acquisition specialists or technologists.

6. The officers selected for SDCFP report for duty to the SDCFP office on or about July 1 to begin approximately 1 month of in-processing and orientation courses. When they are completed, SDCFP members report to their sponsoring institutions to begin their training assignment. Officers are available for transfer to their next assignment in June of the following year.

7. Military officers who satisfactorily complete a SDCFP assignment may receive Senior Service School education credit and incur the same active duty service obligation their respective Military Service imposes for this education level. This obligation is served concurrently with any outstanding service obligation.

8. When assignment to SDCFP is complete, officers not returning to the field for command or other assignments deemed essential by their Military Services for advancement to higher grades will be assigned to positions in DoD Components involved in strategic management issues of innovation and transformation (e.g., long-range planning, net assessments, and experimentation with respect to force structure, organization, doctrine, or command and control).

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, SDCFP. The Director, SDCFP, under the authority, direction, and control of the DCMO, except for administrative matters for which the Director reports to the President, NDU, shall:

a. Organize, direct, and manage the subject program and all assigned resources, including those provided by the President, NDU. This includes a training program fully preparing SDCFP officers to:

(1) Operate and learn in a civilian business environment.

(2) Be fully aware of the challenges to the Department of Defense that may have solutions derived from this environment.

(3) Complete the program at an education level on par with their Military Service Senior Fellowship program contemporaries and fulfill those Military Service requirements necessary to warrant Senior Service School credit.

b. Research prospective sponsoring institutions and solicit their participation in the program.

c. Select, subject to the Secretary of Defense's approval, sponsoring institutions to which SDCFP members will be assigned annually and provide a list of these institutions to the Military Services by February 1.

d. Determine, in consultation with sponsoring institutions, the work plan for officers assigned to the SDCFP.

e. Make visits to sponsoring institutions to obtain progress reports from the SDCFP members, their mentors, and supervisors.

f. When a military officer's assignment to SDCFP is complete, and after the sponsoring institution provides input, submit the officer evaluation and/or fitness report, using appropriate Military Service directives and forms, for the Secretary of Defense's endorsement.

g. Develop budget requirements for program activities and operations and submit budget requests to the President, NDU.

h. Ensure that SDCFP members:

(1) Meet periodically throughout the year with the Secretary or Deputy Secretary of Defense to provide insights gained while at their sponsoring institutions and receive guidance on management topics of personal interest for further observation.

(2) Provide individual written reports and compose a collective statement as to where information and other technologies are going, how corporations are exploiting these technologies to change organizationally and operationally, and how these and other insights might be exploited to change DoD and Military Service culture and operations. SDCFP members will brief these insights, as a group, to the Secretary or Deputy Secretary of Defense; the Chairman or Vice Chairman of the Joint Chiefs of Staff; the Secretaries of the Military Departments; the Service Chiefs; the President, NDU; and other appropriate senior OSD and Military Department civilian personnel; and general and/or flag officers.

2. GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE. The General Counsel of the Department of Defense shall:

a. Provide legal, including ethics advice, such as development of appropriate memorandums of agreement with SDCFP sponsoring institutions.

b. Provide appropriate materials highlighting ethical and other restrictions for use during orientation training.

3. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments shall:

a. Recommend and nominate to the Secretary of Defense a minimum of two active duty military members from each of the Military Services within their respective Military Departments and additional Reserve or Guard officers as desired, in grades O-5 or O-6, to participate in the SDCFP. Officers nominated for assignment to the program must have demonstrated high general and/or flag officer potential. Nominations are made annually, not later than the latest date on which one of the following events occurs:

(1) April 15.

(2) The latest date any of the Military Service's formal selection process for SDCFP nominees reports out.

(3) Two and a half months after the final list of sponsoring institutions and their geographic locations is provided to the Military Services.

b. Provide administrative, personnel management, and appropriate funding for military officers assigned from their respective Military Departments to include:

(1) Funded fellowship and/or training billets for SDCFP officers.

(2) Funding required for permanent change of station travel to and/or from their assignment at a sponsoring institution and temporary duty per-diem and travel expenses en route

to attend SDCFP in-processing, orientation, and training (in the National Capital Region).

(3) Awarding Senior Service School credit to SDCFP participants, as applicable, upon satisfactory completion of their assignment and completion of their Military Service's requirements for Senior Service School credit.

(4) Transfer of security clearances as follows:

(a) Top Secret clearances, permanently certified with passing authority, to the Director, Security Division, NDU.

(b) Sensitive Compartmented Information clearances, transferred in status, if required by their assigned sponsoring institution, to the appropriate Washington area Military Service Special Security Office (SSO) and permanently certified with passing authority to the Defense Intelligence Agency SSO.

(5) Designate and identify a single point of contact within each Military Service for all matters concerning the SDCFP.

4. PRESIDENT, NDU. The President, NDU, under the authority, direction, and control of the Chairman of the Joint Chiefs of Staff, shall:

a. Provide all necessary administrative support funding for facilities, staffing, travel and/or per-diem, training, information management, and contract services.

b. Provide resource management and administration, information systems, personnel, travel, contracting, logistic, and security support.

c. Make NDU's library, internet, and other research resources available for use by the member officers.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

DCMO Deputy Chief Management Officer

NDU National Defense University

SDCFP Secretary of Defense Corporate Fellows Program

SSO Special Security Office

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Instruction.

SDCFP. A program, authorized under Reference (c), consisting of a rotating group of select officers from each of the Military Services who spend a year in training assignments at sponsoring institutions, e.g., corporations, companies, and commercial enterprises that have earned a reputation for insightful long-range planning, organizational and management innovation, and implementation of new information and other technologies.

Military Services. The Army, the Navy, the Marine Corps, and the Air Force.