

Department of Defense Business Initiative Council (BIC) Charter

Introduction and Background

On July 3, 2001 the Under Secretary of Defense (Acquisition, Technology, and Logistics) issued a memorandum formally announcing the formation of the Business Initiative Council (BIC). The stated mission of the BIC is to improve the efficiency of the Department of Defense (DoD) business operations by identifying and implementing business reform actions which allow savings to be reallocated to higher priority efforts (i.e., people, readiness, modernization, and transformation). Such savings will be retained by the services for their reallocation. The Under Secretary has set this initiative as a top priority for DoD. The Joint Staff and the Secretaries of Military Departments have joined him and pledged their commitment to provide the steadfast leadership to improve the DoD's business practices so that the U.S. military can maintain their position as the best equipped, best trained, and best supported forces in the world. This BIC Charter defines the task, approach, structure/participants, and the deliverables required in the execution of the overall BIC reformation efforts.

Task/Approach

The BIC efforts will be conducted within a total systems approach, with individual reforms identified, reviewed, and executed within the context of an integrated business model for DoD. This approach will also allow for an assessment of the overall extent of the proposed changes to ensure that DoD has the capacity and resilience to effectively integrate the cumulative impact of the various functionally oriented changes. Drawing heavily upon past studies and the expertise of the DoD's overall workforce, the BIC efforts will be action-oriented, with the initial focus aimed at near-term reform actions (including a review of on-going reform initiatives) that can positively impact FY03 budget/execution, while defining the full scope of BIC efforts for subsequent undertakings (FY04/05). The BIC effort will be conducted in a manner that encourages and values creativity and innovation for new ideas from the workforce to improve business practices.

The BIC efforts will focus on the following objectives:

- Modernizing DoD's integrated business model, in order to improve programs and combat capability;
- Reducing cycle times and improving program stability;
- Implementing both near-term reforms (where regulations/legislation and/or resources are not barriers) and pursuing longer-range reform opportunities;
- Optimizing the opportunities already identified in on-going/completed studies, panels, and reviews to reform DoD-wide and service-unique processes;

- Partnering with industry to implement best practices, apply advanced technologies, and jointly explore new ways of doing business; and
- Ensuring that individual reforms are considered and implemented with the voice of the customer (the warfighter) reflected in each and every outcome.

This initiative will be an executive-led project, utilizing a phased approach, with participation from the Military Departments (Navy/Marine Corps, Air Force, and Army), the Joint Staff, DoD and associated Defense Agencies. In-progress reviews/decision briefs will be presented to the BIC during each phase, as well as requisite briefs to recommend the necessary budget decisions to implement business reforms. A final report documenting the results of the project will also be provided to USD (A, T, & L) at the conclusion of the last phase of the effort.

Lead responsibility for each phase of the effort will rotate among the services, with Navy leading the first phase, followed by Air Force, Army, and Marine Corps for subsequent phases. The lead service will be primarily responsible for maintaining the forward-motion of the BIC efforts for their assigned phase. This will not alter or affect the functional responsibilities of the organizations represented within the BIC structure. Operationally, the intent is to ensure that all participating services share in leading the BIC efforts, and provide a synergistic climate for the exchange of good ideas and application of functional expertise and leadership to make this reformation a success. This rotating-service approach will follow throughout the BIC structure. To ensure continuity, the next service lead "on deck" for the subsequent phase will serve as the deputy lead-service. (For example, for Phase I, Navy will have lead responsibility, and Air Force will serve as deputy).

The four phases of the BIC efforts are described below. While the effort is broken into specific phases, the intent is to commence immediate implementation of reforms following approval by the BIC, whenever that occurs throughout the overall BIC effort. At the conclusion of each phase, the timing and activities of the following phase will be examined and re-baselined, as may be appropriate

- **Phase I (Jul - Sep 01): Scoping of the Business Initiative.** Two-fold effort to: (1) research and identify near-term "quick-hits," and make recommendations for immediate implementation (including development of or changes to requisite policies/directives/budget decisions); and (2) recommend longer-term business reform initiatives for further analysis/action. Navy will lead with Air Force as deputy lead service.
- **Phase II (Oct 01 - Mar 02): Exploration of Long-Term Initiatives.** Commence action and begin implementation on reform opportunities resulting from down-selection in Phase I (i.e., those with most broad-sweeping benefit and highest returns on investment). Identify and investigate any barriers preventing full implementation, propose solutions, and develop action plans for implementation, including identification of long-term functional/process custodians within the Department, and actions to address resource

implications of reforms. Define a set of reform metrics to be used to measure the effectiveness of reforms (including feedback from the warfighter, and achievement of projected savings) during the execution phase. Air Force will lead with Army as deputy lead service.

- **Phase III (Apr –Sep 02): Implementation of Long-Term Opportunities.**
Commence execution phase for long-term reform opportunities by functional/process custodians, including leadership support in the pursuit of regulatory/statutory relief and Congressional support towards improved business practices, and programming/budget actions needed to address resource implications of selected reform opportunities. Provide reports and results regarding progress and outcomes of reform actions. Army will lead Phase III with Marine Corps as deputy lead service.
- **Phase IV (Oct 02 – Mar 03): Continuation of Reform Implementation:**
Follow-on work effort to tasks described in Phase III. Additionally, document and present final report of BIC efforts to USD (A, T, & L). Marine Corps will lead Phase IV with OSD as deputy lead organization.

Structure/Participants

Attachment (1) to this charter depicts the overall organizational structure supporting the DoD BIC. It consists of the following elements:

Business Initiative Council (BIC): The BIC will serve as the corporate board of directors for this initiative. As such, they will establish the overall DoD business reformation objectives and strategic direction, champion the implementation of this initiative across DoD, and hold the participating organizations responsible and accountable for positive results and stated outcomes. It will be comprised of the following principals:

- Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(A,T,& L): the Honorable Edward Aldridge, Jr
- Secretary of the Navy (representing Navy/Marine Corps Team): the Honorable Gordon England
- Secretary of the Air Force: the Honorable Dr. James Roche
- Secretary of the Army: the Honorable Thomas White
- Vice Chairman of the Joint Chiefs of Staff: Gen Richard Myers, USAF

Business Initiatives Executive Steering Committee (ESC): The ESC will be responsible for developing project guidelines, plans, and direction, and ensuring that individual reforms are integrated within a total systems approach. Additionally, they will ensure that the voice of the customer (the warfighter) is considered throughout the conduct of the project. The ESC membership will include the following principals:

- USD(A,T,&L): Dr Nancy Spruill, Director for Acquisition Resources and Analysis; and Mr. Allen Beckett, Principal Assistant Deputy Under Secretary of Defense (Logistics and Material Readiness)
- Navy: VADM Joseph Dyer, Commander, Naval Air Systems Command
- Marine Corps: Lt Gen Gary McKissock, Deputy Commandant, Installations and Logistics
- Air Force: Lt Gen Joe Wehrle, Deputy Chief of Staff for Plans and Programs
- Army: LTG Kevin Byrnes, Deputy Chief of Staff for Programs
- Joint Staff: Lt Gen Bruce Carlson, Director for Force Structure, Resources, and Assessments

Joint Integration and Support Team (JIST): The BIC and ESC will draw support from a JIST for the necessary analysis, coordination, facilitation, and support needed for the project. This includes developing and recommending to the BIC ESC a set of guidelines, an assessment methodology, and information requirements to ensure that individual reforms that are examined/developed by the BIC functional/process boards are considered and implemented within a total systems approach. This Team will be comprised of BIC Executive Directors from the OSD, Joint Staff, and the Military Services, and their supporting staffs. Additionally, the DoD and Service Acquisition Reform Offices will assist the JIST in research and analysis of identified and potential reform opportunities. The JIST membership will include the following principals:

- OUSD (A,T, & L): Mr. Phil Rodgers and CAPT David Newberry
- Navy: RDML(S) Robert Cowley
- Marine Corps: Col David Clifton
- Air Force: Mr. Ronald Orr
- Army: MG Jerry Sinn
- Joint Staff: RADM Stanley Szemborski

Process/ Functional Boards (P/FBs): Seven multi-service/department process/functional boards will conduct the work-efforts of this project, within the framework of the guidelines, assessment methodology and information requirements of the BIC ESC. Working collaboratively and in coordination with the JIST, the boards will: (1) identify/recommend comprehensive near and long-term process opportunities that are actionable and measurable; (2) highlight regulatory/legislative barriers and enablers; and (3) develop action plans to implement and institute approved reforms including the identification of the functional/process custodians, resource requirements, integration efforts with other reforms, and deployment enablers (policies, instructions, directives, tools, and communication and training of the workforce). The seven process/functional boards will be comprised of process/functional executives and long-term stakeholders, and are listed below (board memberships are identified in Attachment (2) to this charter):

- Acquisition Management
- Installations and Logistics
- Resource Management
- Information Technology
- Research and Engineering
- Test and Evaluation

- Manpower and Personnel

Deliverables

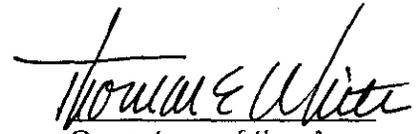
- Comprehensive list of reform opportunities (both near-term/long-range)
- Recommended list of "quick-hit" opportunities and attendant action plans
- Recommended list of long-term opportunities and attendant action plans
- Identification of regulatory or statutory barriers (and/or enablers) to reform opportunities and proposed changes there to/for
- Estimated budget/resources needed to fully implement reform opportunities
- Comprehensive set of business process metrics to assess reform effectiveness
- In-progress reviews to the BIC during and at the completion of each phase
- Final report documenting the Business Initiative project for the record

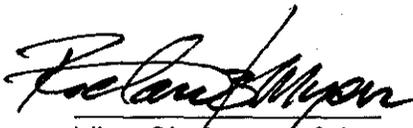
Charter Implementation /Duration

The tasking described in this DoD Business Initiative Council Charter will commence upon the joint signature of the Secretaries of Military Departments and the Vice Chairman of the Joint Chiefs of Staff, and the approval of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (A, T, & L)). This project will be conducted in accordance with the phased approach and schedule outlined above, but the charter will remain in effect until the overall effort is deemed complete by USD(A, T, & L). In executing the tasking described in this charter, the BIC and the supporting ESC and JIST have the authority to contact other members of OSD, the Joint Staff, and the Military Services to acquire information useful to the outcome of this project.


Secretary of the Navy


Secretary of the Air Force

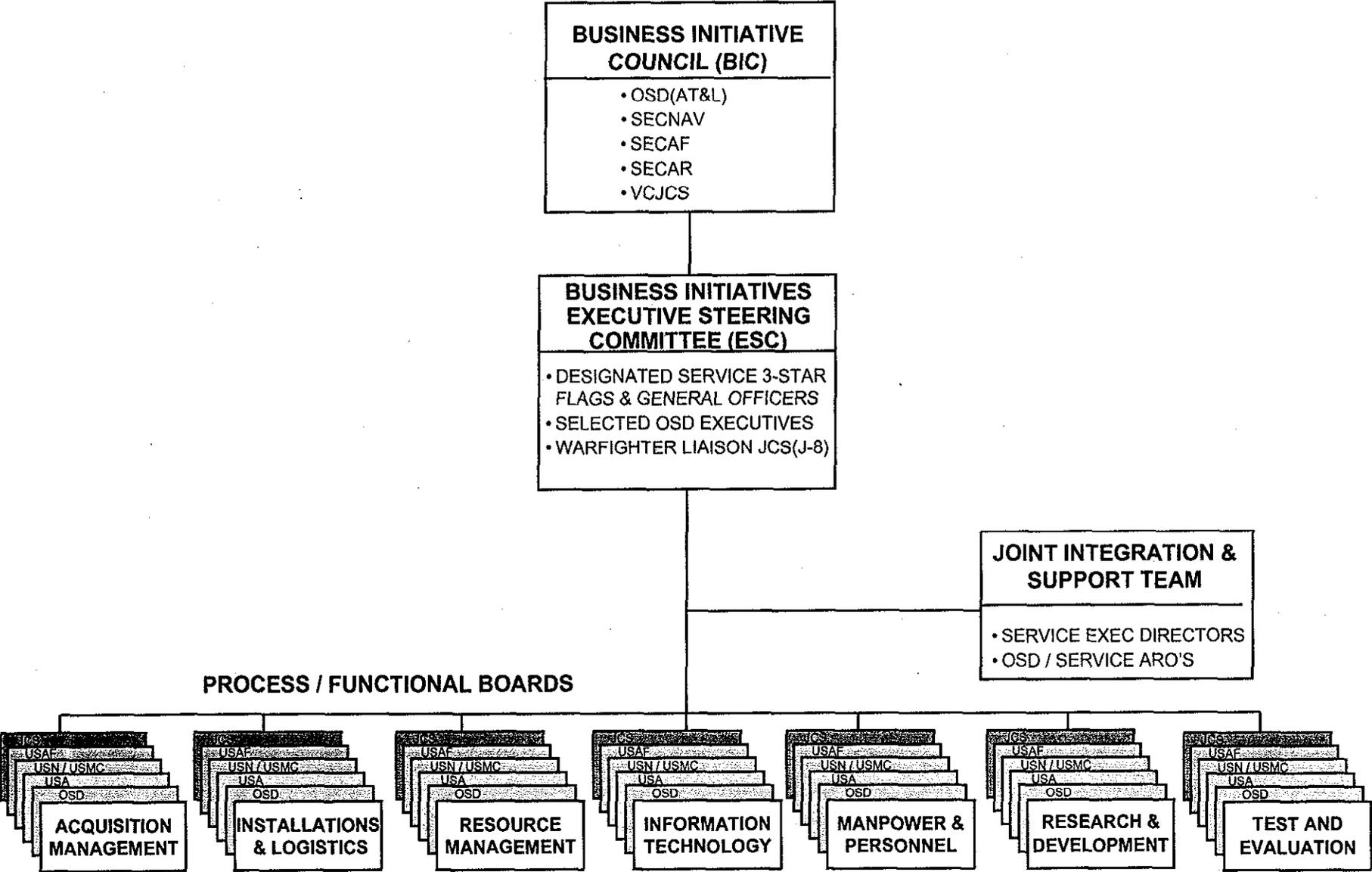

Secretary of the Army


Vice Chairman of the
Joint Chiefs of Staff

August 9, 2001
Approval date


Under Secretary of Defense for
Acquisition, Technology, & Logistics

DOD BUSINESS INITIATIVES STRUCTURE / PARTICIPANTS (ATTACHMENT (1))



BIC FUNCTIONAL/PROCESS BOARDS:
PRINCIPAL MEMBERSHIPS (ATTACHMENT (2))

1. Acquisition Management

- Navy: Mr. James Woodford, 703-602-5506, jwoodford@ar.navy.mil
- Air Force: Col Michael Kalna, 703-588-7240, michael.kalna@pentagon.af.mil
- Army: Mr. Donald Damstetter, 703-697-0387, donald.damstetter@saalt.army.mil
- Marine Corps: Mr. Richard Bates, 703-784-0301, batesrw@mcsc.usmc.mil
- OSD/Defense Agencies: Ms Mona Lush, 703-695-5166, mona.lush@osd.mil ;
Ms Leantha Sumpter, 703-697-6399, leantha.sumpter@osd.mil ;
Mr. John Godbey, 703-767-6902, GodbeyJ@ncr.disa.mil
- JCS: Col Harry McClellan, 703-697-7525, mcclelhw@js.pentagon.mil

2. Installations & Logistics

- Navy: CAPT Donald Hoffmann, 703-601-1633, Hoffmann.donald@hq.navy.mil ;
LCDR Bill Bailey, 703-601-4383, bailey.bill@hq.navy.mil
- Air Force: Col Michael Ford, 703-697-6939, mike.ford@pentagon.af.mil
- Army: Col Dana Rota, 703-695-6616, dana.rota@hqda.army.mil ;
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Ms Merlene Scales, 703-692-9861, scaleml@hqda.army.mil ; Ms Helen Goff, 703-695-6568, helen.goff@hqda.army.mil
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Mr. Andy Campbell, 703-695-6824, campbellah@hqmc.usmc.mil
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- JCS: Col Scott West, 703-697-1535, westsg@js.pentagon.mil ;
CDR Mike McPeak, 703-697-5036, mcpeakmb@js.pentagon.mil

3. Resource Management

- Navy: Mr. Ed Cochrane, 703-692-4822, cochrane.edward@hq.navy.mil
- Air Force: Mr. Robert Stuart, 703-695-1877, robert.stuart@pentagon.af.mil
- Army: Dr. Robert Raynsford, 703-697-7629, robert.raynsford@hqda.army.mil
- Marine Corps: Col Robert Weidert, 703-614-2590, weidertm@hqmc.usmc.mil
- OSD/Defense Agencies: Mr. Steve Tabone, 703-697-8580, stephen.tabone@osd.mil ;
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- JCS: Col Jeff Doerr, 703-614-6488, doerrjl@js.pentagon.mil ;
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4. Information Technology

- Navy: Mr. Hun Kim, 703-602-4412, kim.hun@hq.navy.mil ;
Mr. Dave Wennergren, 703-604-7050, wennergren.dave@hq.navy.mil
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- Army: Ms Miriam Browning, 703-695-5489, miriam.browning@hqda.army.mil
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- OSD/Defense Agencies: Mr. Paul Grant, 703-604-1477, paul.grant@osd.mil ;
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- JCS: Col(S) Patrick Phillips, 703-695-6032, phillipw@js.pentagon.mil

5. Manpower & Personnel

- Navy: Dr. Linda Doherty, 703-695-8181, doherty.linda@hq.navy.mil
- Air Force: Mr. David Mulgrew, 703-697-0485, david.mulgrew@pentagon.af.mil
- Army: Ms Sarah White (Manpower) 703-695-9652, sarah.white@hqda.army.mil ;
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Mr. Bill McAlpin, 703-607-6427, mcalpinw@ncr.disa.mil

- JCS: CAPT Jeff Despain, 703-614-6336, despaijw@js.pentagon.mil

6. Research & Engineering

- Navy: Dr. Daniel Viccione, 202-781-1724, viccionedm@navsea.navy.mil
- Air Force: Mr. Ryan Bradley, 703-588-7830, ryan.bradley@pentagon.af.mil
- Army: Dr. Michael Andrews, 703-601-1500, michael.andrews@saalt.army.mil
- Marine Corps: Mr. Edward Lerner, 703-784-4563, lernerem@quantico.usmc.mil
- OSD/Defense Agencies: Mr. Daniel Petonito, 703-681-5451, daniel.petonito@osd.mil ; Mr. John Nowakowski, 703-735-8497, NowakowL@ncr.disa.mil
- JCS: CAPT John Costello, 703-697-7525, costeljm@js.pentagon.mil

7. Test & Evaluation

- Navy: Mr. George Ryan, 703-601-1823, ryan.george@hq.navy.mil
- Air Force: Mr. David Hamilton, 703-693-9885, david.hamilton2@pentagon.af.mil
- Army: Dr. John Foulkes, 703-695-8995, john.foulkes@hqda.army.mil
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