



Highlights of [GAO-05-70](#), a report to congressional committees

Why GAO Did This Study

Because future threats the nation may face are uncertain, and with many competing demands on its resources, the Department of Defense (DOD) has begun to transform its military capabilities, which will involve not only the acquisition of new weapon systems but also how the armed forces think, train, and fight. In 2003, DOD estimated \$263 billion would be allocated from fiscal year 2004 through 2009 for transformation efforts. In this report GAO (1) describes DOD's strategy to transform joint military capabilities; (2) assesses the extent to which DOD has established clear leadership, accountability, and a mechanism to integrate transformation efforts; and (3) assesses the extent to which DOD's framework incorporates results-oriented management tools to guide transformation efforts.

What GAO Recommends

GAO makes recommendations designed to establish clear leadership, accountability, and a more results-oriented management framework to guide DOD's transformation of military capabilities. In oral comments, the Office of Force Transformation disagreed with these recommendations but did not address the weaknesses described in this report or provide convincing evidence to show the recommendations are not warranted. Therefore, GAO continues to believe the recommendations are appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-05-70.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Janet St. Laurent, (202) 512-4402.

MILITARY TRANSFORMATION

Clear Leadership, Accountability, and Management Tools Are Needed to Enhance DOD's Efforts to Transform Military Capabilities

What GAO Found

DOD has taken positive steps to design and implement a complex strategy to transform U.S. military capabilities, but it has not established clear leadership and accountability or fully adopted results-oriented management tools to help guide and successfully implement this approach. The responsibility for transforming military capabilities is currently spread among various DOD organizations, with no one person or entity having the overarching and ongoing leadership responsibilities or the accountability for achieving transformation results. In addition, although DOD established an informal crosscutting group that meets occasionally to discuss transformation issues, this group has no charter, formal responsibilities, or authority to direct changes. GAO has previously reported that key practices for successful transformation include leadership that sets the direction of transformation and assigns accountability for results, and the use of crosscutting implementation teams, which can provide the day-to-day management needed for success. In recent testimony on DOD's business transformation, we underscored the importance of these elements and stated that DOD has not routinely assigned accountability for performance to specific organizations or individuals who have sufficient authority to accomplish goals. DOD officials believe that a single organization accountable for transformation results and a formal implementation team are not necessary because existing informal mechanisms involve key organizations that can individually implement needed changes, and an annual assessment of transformation roadmaps is prepared for the Secretary of Defense, who can direct the transformation efforts of each organization. However, in the absence of clear leadership, accountability, and a formal implementation mechanism, DOD may have difficulty resolving differences among competing priorities, directing resources to the highest priorities, and ensuring progress should changes in senior personnel occur. In addition, informal mechanisms are not sufficient to provide transparency to the process or assurance to Congress that DOD is allocating resources to address needed improvements rather than desired improvements.

While DOD's strategy to transform military capabilities is a good first step, DOD has not fully developed results-oriented management tools that can help managers effectively implement and manage major efforts, and focus on achieving results. Specifically, DOD has not revised its initial transformation goals, set in 2001, to reflect new joint concepts—thus, DOD lacks a foundation for developing other tools such as performance goals and measures and linking specific resources needed to achieve each goal. DOD faces challenges in developing these tools because the joint concepts are being developed concurrently with its plans to acquire new capabilities. But without these results-oriented tools, it will be difficult for DOD to determine the extent to which its transformation efforts are achieving desired results, to measure its overall progress, or to provide transparency for how billions of dollars in planned investments are being applied.