



DEPUTY SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1010

APR 23 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Implementation of the President's Management Agenda

Last summer the President issued a Management Agenda for the Federal Government that identified five Government-wide initiatives designed to improve management and service to our citizens. These initiatives include the strategic management of human capital, competitive sourcing, improved financial management, expanded e-Government, and budget and performance integration. Progress on achieving these initiatives is charted using a Management Scorecard, which is forwarded to Congress with the Department's budget. The current status of our efforts is summarized on the attached page.

Much of the President's Agenda was already being pursued within the Department prior to the publication of the Management Scorecard. As the largest department of the federal government, we should be leaders in this effort. Moreover, full participation in the accomplishment of this Agenda will reinforce the important work we have already undertaken in these areas. I ask that you communicate the importance of this mission within your organizations and lend your full support to initiatives supporting the Agenda.

The Under Secretary of Defense for Personnel and Readiness, in coordination with the Comptroller, will coordinate the Department's efforts and track progress.

Any questions may be addressed to Mr. John G. Vonglis, 697-1898.

Attachment:
As stated



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<p style="text-align: center;">Department of Defense Status of the President's Management Initiatives</p>

- **Strategic Management of Human Capital** (*Effectively manage the Federal workforce to balance agency needs with the requirement to serve the public*)

The Department has developed a Human Resource Strategy that has been briefed to the Senior Executive Council, the Director of the Office of Personnel Management, and representatives of the Office of Management and Budget. The Department has also forwarded a Workforce Restructuring Plan to OMB, describing our organizational plans to meet workforce needs and redirect resources from Headquarters to direct service.

- **Competitive Sourcing** (*Achieve greater efficiencies through competition of sources and simplification of procedures*)

The Department of Defense has a competition goal of 226,000 positions. The Department will meet the OMB immediate goal of competing 15 percent of these positions by Fiscal Year 2003. The remaining positions will be reviewed with a focus on the core competencies of the Department. The Business Initiatives Council is overseeing this process.

- **Improved Financial Management** (*Produce accurate and timely information to support decision making by linking operational and financial systems*)

A Financial Management Modernization Program Office has been established in the Office of the Secretary of Defense to oversee development of a DoD-wide financial enterprise architecture. The Department plans to utilize a major technical support contract for a one-year effort to produce the architecture and a transition plan; contract awarded April 2002. The plan for the modernization effort has been briefed to the Office of Management and Budget and received a "Green" progress rating on the President's Management Scorecard.

- **Budget and Performance Integration** (*Integrate performance reviews with budgetary decisions*)

The Under Secretary of Defense (Comptroller) is overseeing a Department-wide effort to identify meaningful performance metrics for use in managing and justifying program resources. This effort will begin with the identification of additional metrics for use in developing the FY 2004 President's budget. Additional efforts are underway to integrate performance metrics into all phases of the Department's PPBS.

- **Expanded e-Government** (*Champion electronic government resulting in significant and obvious increases in efficiency and effectiveness*)

Of the 25 initiatives identified by the President's Management Council, 17 involve the Department's activities. The Department is exploring the possibility of taking an active leadership role in 9 of those initiatives. In conjunction with the Office of Management and Budget, the Department will improve management processes relating to the creation and description of business cases for Information Technology initiatives.

The Assistant Secretary of Defense (Command, Control, Communications and Intelligence) is also working closely with OMB toward significant progress on other scorecard elements, i.e. enterprise architecture, business cases (Form-300 reports) for IT investments and IT security.