



Department of Defense Strategic Management Plan FY 2012 – FY 2013



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Message from the Deputy Secretary of Defense



SEP 20 2011

The mission of the Department of Defense is to protect the American people and advance our national interests. The challenges facing the United States are immense, but so too are the opportunities. The 2010 Quadrennial Defense Review (QDR) set forth priority objectives for the Department to meet these challenges and seize opportunities: prevail in today's wars; prevent and deter conflict; prepare to defeat adversaries and succeed in a wide range of contingencies; preserve and enhance the All-Volunteer Force; and reform the business and support functions of the Defense enterprise. This Strategic Management Plan (SMP) establishes management goals for business operations linked to the Department's overarching strategic goals and objectives.

As the Department's Chief Management Officer, I am pleased to present an SMP that contains strategic goals collaboratively developed by the Department's senior leaders. We are strongly committed to improving our business practices to deliver efficient and effective support to the Warfighter, thereby proving ourselves to be prudent stewards to the American taxpayers. The Nation expects no less.

A handwritten signature in black ink, appearing to read "W. J. Lynn, III".

William J. Lynn, III
Deputy Secretary of Defense

OSD 10720-11



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Section One: Introduction

The Quadrennial Defense Review (QDR) is the strategic plan for the Department of Defense. It sets out the priority objectives for the Department and the major actions to be taken to accomplish these objectives. It also highlights a number of business and management improvements that are intended to enable greater effectiveness.

In order to help defend and advance our national interests, the Department of Defense balances resources and risk among five Strategic Goals:

1. Prevail in Today's Wars

“We must ensure the success of our forces in the field—in Afghanistan, Iraq, and around the world. Along with our allies and partners, we have renewed efforts to help the governments of Afghanistan and Pakistan disrupt, dismantle, and defeat Al Qaeda and eliminate its safe havens within both nations...as the responsible drawdown of the U.S. military presence proceeds, U.S. forces will continue to play important roles advising, training, and...work[ing] with partners and allies to locate and dismantle terrorist networks.” (QDR 2010)

2. Prevent & Deter Conflict

“Preventing the rise of threats to U.S. interests requires the integrated use of diplomacy, development, and defense, along with intelligence, law enforcement, and economic tools of statecraft to help build the capacity of partners to maintain and promote stability. Such an approach also requires working closely with our allies and partners to leverage existing alliances and create conditions to advance common interests.” (QDR 2010)

3. Prepare to Defeat Adversaries & Succeed in a Wide Range of Contingencies

“If deterrence fails and adversaries challenge our interests with the threat or use of force, the United States must be prepared to respond in support of U.S. national interests. Not all contingencies will require the involvement of U.S. military forces, but the Defense Department must be prepared to provide the President with options across a wide range of contingencies...” (QDR 2010)

4. Preserve & Enhance the All-Volunteer Force

“Given the continuing need for substantial and sustained deployments in conflict zones, the Department must do all it can to take care of our people - physically and psychologically. To reflect the urgency that the Department’s leadership places on these issues, the QDR has striven to include them as core components of our policy, planning, and programming considerations.” (QDR 2010)

“Our policies, programs, and oversight activities will support this ultimate goal. “Care for Our People” embodies those policies and programs that promote well-being where our Service members, their families, and civilian personnel can thrive in their careers, social and community engagements, finances, and health.” (USD P&R Strategic Plan FY12-16)

5. Reform the business and support functions of the Defense enterprise

“A centerpiece of this defense strategy is its focus on reforming how the Department operates. Our operations in Iraq and Afghanistan and the projections of a complex future environment demand more agile, innovative, and streamlined processes and institutions...” (QDR 2010)

Strategic Management Plan

Amplifying the QDR’s call for business improvements, this Strategic Management Plan (SMP) establishes specific business goals that directly support the Strategic Goals of the QDR, as well as further articulates changes needed in the Department’s business domain, while ensuring unity of effort across the enterprise. This SMP covers a two year period, Fiscal Years 2012-2013 and includes seven overarching business goals:

- 1. Strengthen and right-size the DoD total workforce**
- 2. Strengthen DoD financial management**
- 3. Build agile and secure information technology capabilities**
- 4. Increase the buying power of the DoD**
- 5. Increase operational and installation energy efficiency**
- 6. Re-engineer/use end-to-end business processes**
- 7. Create agile business operations that support contingency missions**

Each business goal is supported by key initiatives needed to achieve the business outcome. Goal owners will oversee and monitor the progress of these activities through established internal mechanisms that govern business activities. For example, the Financial Improvement and Audit Readiness (FIAR) Governance Board, which is co-chaired by the USD(C)/CFO and the DoD DCMO, oversees the Department’s financial auditability efforts in support of Goal 2.

The Defense Business Systems Management Committee (DBSMC), chaired by the Deputy Secretary of Defense, integrates all activities related to business operations and performance management across the Department. It is through the monthly meetings of the DBSMC that the Department coordinates efforts to advance business initiatives throughout the enterprise by monitoring performance. Background information on the statutory requirements for the SMP is provided in Appendix One. A description of each goal and its associated initiatives is contained in Section Two of this document, while measures and milestones for each goal/initiative are contained in Appendix Two.

Section Two: SMP Business Goals & Initiatives

This section details each business goal and its associated initiatives as linked to the broader goals of the 2010 QDR. Each goal is owned by a Principal Staff Assistant (PSA) who is responsible for ensuring success and reporting the progress each quarter. Additionally, the goals are structured to engage all levels of the organization in a cross-functional, holistic way—from the executives who define the strategy, to process owners who translate strategy to policy, to the line managers responsible for execution. The key outputs of this system are initiatives and measures that enhance our operations through process improvement, consolidation and automation. A complete list of these measures can be found in Appendix Two.

QDR Goals	SMP Business Goals	Goal Owner
#1 Prevail in Today's Wars	1. Strengthen the DoD Total Workforce mix (military, civilian, and contracted support) to accomplish the DoD mission and sustain superior performance in a time of constrained resources.	USD(P&R)
#2 Prevent & Deter Conflict	2. Strengthen DoD Financial Management to respond to warfighter needs and sustain public confidence through auditable financial statements.	USD(C)/CFO
#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies	3. Build agile and secure information capabilities to enhance combat power and decision-making while optimizing value.	DoD CIO
#4 Preserve and Enhance the All-Volunteer Force	4. Strengthen DOD acquisition processes spanning requirements determination, development, procurement, support and disposal to ensure that the Department's force structure is modernized, recapitalized, and sustained within available resources.	USD(AT&L)
#5 Reform the business and support functions of the Defense enterprise	5. Increase operational and installation energy efficiency to lower risks to our Warfighters, reduce costs, and improve energy security.	USD(AT&L)
	6. Re-engineer/use end-to-end business processes to reduce transaction times, drive down costs, and improve service.	DoD DCMO
	7. Create agile business operations that plan for, support, and sustain contingency missions.	USD(AT&L), USD(C)/CFO, DoD DCMO

Business Goal 1: Strengthen and right-size the DoD Total Workforce mix (military, civilian, and contracted support) to accomplish the DoD mission and sustain superior performance in a time of constrained resources.

Goal Owner: Under Secretary of Defense (Personnel & Readiness) (USD(P&R))

People are the Department’s most valuable asset and the critical ingredient in achieving the DoD mission. It is imperative to get the right workforce mix so that the ever-changing spectrum of military operations can be met with a ready talent pool, wherever that talent resides. The economy and our constrained fiscal environment make the right-sizing effort especially challenging.

This goal seeks to increase the readiness of the civilian expeditionary workforce as well as increase the size of Special Operations Forces to expand that pool of highly-developed, high-demand skills. Additionally, this goal focuses on creating a transparent, systemic decision-making process. Forecasts for the future workforce and workplace identified the need for increased emphasis on agility, flexible force structures, responsive force-shaping policies, and integrated personnel management processes. Success for this goal will result in the Services having enough of the right skills to meet mission requirements, plus a talent management system that is based upon finding the right skill to fill validated requirements - regardless of personnel category or seniority.

Sustaining the DoD workforce and readiness is a broad management portfolio and therefore calls for numerous governance venues. The Senior Readiness Oversight Council, chaired by the Deputy Secretary of Defense; the Defense Safety Oversight Council; the Military Family Readiness Council; and, the Civilian Personnel Policy Council are a sampling of bodies that ensure consistent oversight and effective policies for personnel management and support are in place.

QDR Goals	SMP Business Goal (USD(P&R))	Key Initiative(s)	Initiative Owner
<p>#1 Prevail in Today's Wars</p> <p>#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies</p> <p>#4 Preserve and Enhance the All-Volunteer Force</p>	<p>Strengthen the DoD Total Workforce mix (military, civilian, and contracted support) to accomplish the DoD mission and sustain superior performance in a time of constrained resources.</p>	<p>1. Recruit and retain the right quality skilled personnel to meet mission requirements.</p> <p>2. Improve the Readiness of the Civilian Expeditionary Workforce (CEW).</p> <p>3. Increase the number of Special Forces personnel.</p> <p>4. Develop and institutionalize a transparent, systemic, decision-making process to appropriately balance the DoD Total Workforce to ensure mission readiness.</p>	<p>USD(P&R)</p> <p>USD(P&R)</p> <p>USD(P&R)</p> <p>USD(P&R)</p>

Business Goal 2: Strengthen DoD Financial Management to respond to warfighter needs and sustain public confidence through auditable financial statements.

Goal Owner: Under Secretary of Defense, Comptroller/Chief Financial Officer (USD(C)/CFO)

Department of Defense leaders need access to timely, relevant, and reliable financial and cost information to make informed decisions. The Department recognizes that it is important for the American public to have confidence that their tax dollars are being managed responsibly. The activities included in the initiatives – especially those seeking to meet commercial audit standards – aim to deliver on this expectation.

Progress to goal is reported and monitored by a formal and regularly scheduled Financial Improvement & Audit Readiness (FIAR) governance process that involves the Deputy Secretary of Defense, Under Secretary of Defense Comptroller (USD(C)/CFO), DoD Deputy Chief Management Officer, Military Department Chief Management Officers and Financial Management/Comptrollers, and senior leaders from the functional communities. The FIAR Plan provides the strategy and methodology to integrate the Department and Component financial, acquisition, and enterprise transition plans. Additional information on the FIAR plan can be found at <http://comptroller.defense.gov/FIAR/overview.html>.

QDR Goal	SMP Business Goal (USD(C)/CFO)	Key Initiative(s)	Initiative Owner
<p>#5 Reform the business and support functions of the Defense enterprise</p>	<p>Strengthen DoD Financial Management to respond to Warfighter needs and sustain public confidence through auditable financial statements.</p>	<ol style="list-style-type: none"> Execute the Financial Improvement and Audit Readiness (FIAR) strategy and plans to achieve audit readiness by Fiscal Year (FY) 2017. By FY 2012, once detailed supporting documentation is finalized, the DoD will ensure processing of Joint Urgent Operational Needs reprogramming to meet a goal of approval within two (2) congressional calendar months. By FY 2012, the DoD will achieve a commercial payment/improper payment of 0.11 percent or less. By FY 2013, the DoD will complete 16 interim FIAR Plan milestones, which include validations of entities where ERPs have been integrated, MDAPs, FBWT Reconciliations, and Existence and Completeness. 	<p>USD(C)/CFO</p> <p>USD(C)/CFO</p> <p>USD(C)/CFO</p> <p>USD(C)/CFO</p>

Business Goal 3: Build agile and secure information technology (IT) capabilities to enhance combat power and decision-making while optimizing value.

Goal Owner: Department of Defense Chief Information Officer (DoD CIO)

We are a nation at war, and our adversary uses every opportunity to penetrate our critical infrastructure to deny, disrupt, deceive or destroy our ability to manage information. DoD leaders recognize that information is a strategic asset and are striving to establish a robust, reliable, rapidly scalable, and interoperable infrastructure. Additionally, the Department must provide a synchronized and responsive capability for the DoD Information Enterprise. All this must be accomplished while protecting and defending information and information systems against an active and determined adversary.

Initiatives to achieve this goal are guided by the DoD IT Enterprise Strategy and Roadmap, which are governed by the DoD CIO Executive Board. The Board and the Plan seek to synchronize activities through the Joint Capabilities Integration Development System (JCIDS), the Defense Acquisition System (DAS) and the Planning, Programming, Budgeting & Execution (PPBE) processes.

QDR Goal	SMP Business Goal (DoD CIO)	Key Initiative(s)	Initiative Owner
<p>#5 Reform the business and support functions of the Defense enterprise</p>	<p>Build agile and secure information capabilities to enhance combat power and decision-making while optimizing value.</p>	<ol style="list-style-type: none"> Execute the DoD IT Enterprise Strategy and Roadmap. Strengthen the oversight of Information Technology investments. Integrate cyber security across the DoD Information Enterprise. Develop long term strategy to provide for and protect mission critical access to radio frequency spectrum. 	<p>DoD CIO DoD CIO DoD CIO DoD CIO</p>

Business Goal 4: Increase the buying power of the DoD acquisition system and processes spanning requirements determination, development, procurement, and support to ensure that the force structure is modernized, re-capitalized, and sustained within available resources.

Goal Owner: Under Secretary of Defense, Acquisition Technology and Logistics (USD(AT&L))

To obtain greater efficiency and productivity in defense spending, USD(AT&L) directed the acquisition workforce to undertake action in the following five areas called the “Better Buying Power Initiative:”

1. Target affordability and control cost growth;
2. Incentivize productivity and innovation in industry;
3. Promote real competition;
4. Improve tradecraft in services acquisition; and,
5. Reduce non-productive processes and bureaucracy.

This is critical as efforts to re-capitalize the force in an environment of constrained resources must reassure American taxpayers that we are constantly striving to achieve the best value in all of our acquisitions.

Examples of specific actions in this area include: mandating affordability be treated as a requirement at all program milestone decision points; managing according to what programs “Should Cost,” not according to historical estimates of what they “Will Cost;” improving guidelines used to evaluate profit and cost relationships, and amending cash flow policies to leverage favorable cash flow to improve contractor performance; and, promoting competition and streamlining the review process.

Governing the Better Buying Power initiative are the Service and Component Acquisition Executives, Program Executive Officers and Program Managers who currently have oversight responsibility of the Major Defense Acquisition Programs (MDAPs) and Major Automated Information Systems (MAIS). Annually, on November 1, a report on progress for these initiatives will be provided from each Service and Component to USD(AT&L). Additional information may be found at <https://acc.dau.mil/initiatives>.

QDR Goals	SMP Business Goal (USD(AT&L))	Key Initiative(s)	Initiative Owner
<p data-bbox="217 373 418 600">#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies</p> <p data-bbox="217 617 418 844">#5 Reform the business and support functions of the Defense enterprise</p>	<p data-bbox="472 321 711 905">Strengthen DOD acquisition processes spanning requirements determination, development, procurement, support and disposal to ensure that the Department's force structure is modernized, recapitalized, and sustained within available resources.</p>	<ol data-bbox="764 321 1219 1136" style="list-style-type: none"> 1. Implement and enforce affordability based constraints on program acquisition and sustainment costs. 2. Improve Acquisition processes to reduce costs and improve productivity for major defense acquisition programs (MDAPs), major automated information systems (MAIS), and services. 3. Increase the use of competition to control costs of goods and services. 4. Improve the Department's rate of successful execution of buying plans reflected in the FYDP. 5. Increase the ROI on S&T spending. 6. Identify and preserve essential capabilities in the US defense industrial base. 7. Provide incentives to industry to seek economies that drive down DoD procurement and life-cycle costs. 8. Increase the productivity of each Military Department's Acquisition System. 	<p data-bbox="1268 352 1386 384">USD(AT&L)</p> <p data-bbox="1268 478 1386 510">USD(AT&L)</p> <p data-bbox="1268 604 1386 636">USD(AT&L)</p> <p data-bbox="1268 699 1386 730">USD(AT&L)</p> <p data-bbox="1268 783 1386 814">USD(AT&L)</p> <p data-bbox="1268 867 1386 898">USD(AT&L)</p> <p data-bbox="1268 972 1386 1003">USD(AT&L)</p> <p data-bbox="1268 1087 1386 1119">USD(AT&L)</p>

Business Goal 5: Increase operational and installation energy efficiency to lower risks to our Warfighters, reduce costs, and improve energy security.

Goal Owner: Under Secretary of Defense, Acquisition Technology and Logistics (USD(AT&L))

Energy security is critical to national security. Energy security for the DoD means having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet operational needs. The Department’s energy portfolio includes the energy used at military installations in the United States and overseas, as well as the energy used by military forces in execution of their day-to-day missions. Concerns of increasing costs, availability, security and extended supply lines to transport energy resources into operational environments all contribute to a pressing need to increase energy efficiency. Important initiatives include reducing warfighter consumption, increasing facility efficiencies, increasing the use of renewable energy, and removing excess or obsolete square footage to eliminate unneeded energy costs.

The Senior Sustainability Council is a cross-cutting governance activity co-led by the Deputy Under Secretary of Defense, Installations & Environment (DUSD(I&E)) and Director of Operational Energy Plans & Programs (DOEP&P), reporting directly to the Senior Sustainability Officer of the Department. This Council includes representation from all Components of the Department to integrate and align energy campaign plans. The recently published Operational Energy Strategy provides guidance to achieve operational energy efficiencies in support of this overarching goal. Additional information can be found at http://energy.defense.gov/OES_report_to_congress.pdf.

QDR Goals	SMP Business Goal (USD(AT&L))	Key Initiative(s)	Initiative Owner
<p>#1 Prevail in Today's Wars</p> <p>#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies</p> <p>#5 Reform the business and support functions of the Defense enterprise</p>	<p>Increase operational and installation energy efficiency to lower risks to our Warfighters, reduce costs, and improve energy security.</p>	<ol style="list-style-type: none"> 1. Improve DoD's capability to measure and verify individual facility energy use. 2. Improve the timeliness and accuracy of DoD's facility energy business decisions by exposing effective data to every authorized user in an automated and integrated manner. 3. Reduce the risk from potential disruptions to the commercial grid to improve the energy security of installations. 4. Pursue DoD procurement or lease of plug-in electric vehicles (PEV) for non-tactical fleet. 5. Expand the use of 3rd party financing for energy projects (ESPC/UESC, PPAs, and EULs). 6. Effectively manage Operational Energy (OE) use to reduce consumption. 	<p>USD(AT&L)</p> <p>USD(AT&L)</p> <p>USD(AT&L)</p> <p>USD(AT&L)</p> <p>USD(AT&L)</p> <p>USD(AT&L)</p>

Business Goal 6: Re-engineer/use end-to-end business processes to reduce transaction times, drive down costs, and improve service.

Goal Owner: Department of Defense Deputy Chief Management Officer (DoD DCMO)

Adjusting to today's more fiscally constrained environment requires us to think differently as we execute business processes across the Department. Business operations must be viewed through a cross-functional, integrated enterprise lens, rather than the traditionally stove-piped approach. Responding to this imperative, we have reoriented the management of our business operations around end-to-end processes that reflect *how* we execute our business today (across functions and across organizations). This end-to-end perspective will facilitate informed enterprise-wide decisions – about processes, capabilities and investments – that result in interoperable, non-duplicative solutions. The end-to-end framework identified in the Business Enterprise Architecture (BEA) is a business lifecycle model that the Department is using to frame and extend the business environment.

Coupled with an end-to-end perspective, conducting appropriate business process reengineering (BPR) throughout a defense business system's acquisition or modernization lifecycle is crucial to improving performance and achieving results. Executing BPR will also help the Department rationalize its defense business systems portfolio, improve its use of performance management, control scope changes, and reduce the cost of fielding business capabilities. Additional information can be found at <http://dcmo.defense.gov/bpr.html>.

The Department is applying this end-to-end, performance-based approach to numerous business support processes across the enterprise, such as the hiring and clearance processes. Assessing progress against these goals is the responsibility of the Defense Business Systems Management Committee (DBSMC). Additional information can be found at <http://dcmo.defense.gov>.

QDR Goals	SMP Business Goal (DoD DCMO)	Key Initiative(s)	Initiative Owner
<p data-bbox="219 338 418 485">#1 Prevail in Today's Wars</p> <p data-bbox="219 506 418 726">#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies</p> <p data-bbox="219 747 418 968">#5 Reform the business and support functions of the Defense enterprise</p>	<p data-bbox="472 338 704 646">Re-engineer/use end-to-end business processes to reduce transaction times, drive down costs, and improve service.</p>	<ol data-bbox="764 338 1219 894" style="list-style-type: none"> 1. Improve the supply chain end-to-end process. 2. Improve the cycle time to hire civilian employees. 3. Reduce support process transaction time at all levels. 4. Improve business operations through optimal use of defense business systems and the Business Enterprise Architecture. 5. Complete mapping of End-to-End processes ("Hire to Retire" and "Procure to Pay" in FY12-13). 	<p data-bbox="1273 369 1386 401">USD(AT&L)</p> <p data-bbox="1273 474 1386 506">USD(P&R)</p> <p data-bbox="1273 579 1386 611">DoD DCMO</p> <p data-bbox="1273 705 1386 737">DoD DCMO</p> <p data-bbox="1273 831 1386 863">DoD DCMO</p>

Business Goal 7: Create agile business operations that plan for and sustain contingency missions.

Goal Owners: Under Secretary of Defense, Acquisition Technology and Logistics (USD(AT&L)), Under Secretary of Defense, Comptroller/Chief Financial Officer (USD(C)/CFO) and Department of Defense Deputy Chief Management Officer (DoD DCMO)

In contingency missions, business operations take on a unique role with unique requirements that set them apart from normal business operations. To that end, one of the Enterprise's defense business goals is to create agile business operations that plan for, support, and sustain contingencies.

Today, defense business operations provide support for the warfighter as well as playing an integral role in the commander's campaign plan. To provide flexible and responsive support to the warfighter, systems must be able to function under low-bandwidth and other restrictive conditions. To maximize effectiveness and efficiency of business operations, we must adapt processes and systems to function in demanding austere environments.

As part of the campaign plan, business operations can be leveraged to enhance stability and support economic growth. By understanding what is being spent, with whom, and where, we can ensure that activities across the acquisition continuum - requirements, obligations, entitlements, and disbursements - reinforce campaign objectives. This business goal maximizes operational effectiveness while attaining additional efficiencies and agility in response to the environment inside the theater of operations.

Contingency business operations must evolve and eventually integrate with other global DoD business operations. The same governance found in Business Goal 6 oversees efforts in this area. Systems supporting contingency business operations are required to pass an Investment Review Board and report to the DBSMC on progress. The DBSMC will continue to monitor performance to targets in this key area. This unity of effort also ensures that best practices and lessons learned from the current contingency environment is brought forward into future operating environments.

QDR Goals	SMP Business Goal (DoD DCMO, USD(AT&L), USD(C)/CFO)	Key Initiative(s)	Initiative Owner
<p>#1 Prevail in Today's Wars</p> <p>#2 Prevent and Deter Conflict</p> <p>#3 Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies</p> <p>#5 Reform the business and support functions of the Defense enterprise</p>	<p>Create agile business operations that plan for, support, and sustain contingency missions.</p>	<ol style="list-style-type: none"> 1. Institutionalize operational contract support. 2. Establish complete visibility on contingency business operations to achieve accountability and build a comprehensive common operating picture. 3. Adapt business processes to include operational criteria in order to execute the COMISAF/USFOR-A campaign plan. 	<p>DoD DCMO</p> <p>USD(AT&L), USD(C)/CFO, DoD DCMO</p> <p>USD(AT&L), USD(C)/CFO, DoD DCMO</p>

Section Three: Assessing Performance in Meeting the Goals of the Department of Defense

Framework for Aligning DoD Strategic Goals to Business Operations

Enterprise business operations draw from a host of strategic guidance to ensure their ability to enable the Department’s mission and optimize support to the warfighter. Beginning with the National Security Strategy to the QDR, and cascading through other directives issued by the Secretary of Defense, Under Secretaries of Defense and the Joint Chiefs of Staff, the SMP knits together the myriad business initiatives that underpin these larger, National Security goals.

To ensure these goals are supported by resources and executable plans, the Department submits, as part of the President’s Budget, an Annual Performance Plan that reflects the strategic goals, objectives, and performance targets for all DoD mission areas (<http://comptroller.defense.gov/Budget2012.html>).

To ensure accountability for achieving these goals, the results of the Annual Performance Plan, and other DoD-wide and DoD Component-specific performance plans serve as the basis for the Organizational Assessment. The Organizational Assessment is conducted annually, in accordance with Section 4315 of Title 5, USC and Office of Personnel Management (OPM) implementing instructions, as part of the Senior Executive Service’s performance-based evaluation process. In this way, the Annual Performance Plan goals are linked both to individual executive performance and to the Department’s top-level goals. Figure 3.1 (below) illustrates the relationship of the SMP to other DoD documents and the performance evaluation process.



Figure 3.1 Relationship of SMP to other DoD Documents

Performance Governance

Goal owners employ established governance forums to set strategy, establish performance targets and monitor progress of business initiatives. The Defense Business Systems Management Committee (DBSMC), which reviews performance and holds leadership accountable for progress, integrates efforts across all these forums. Combined, the DBSMC and the associated governing bodies form the mechanism through which DoD leaders review business priorities.

Funding Review & Approval of Business Operations

Through the PPBE process, the Department allocates resources to capabilities deemed necessary to accomplish the Department's missions. The funding proposed in the President's Budget submitted to Congress is a critical outcome of the PPBE process. The ultimate objective is to provide Combatant Commanders with the optimal mix of forces, equipment, and support attainable within established fiscal constraints. The PPBE process contains the procedures to review and approve plans and budgets for changes in DoD missions and business operations.

Additionally, the National Defense Authorization Act (NDAA) for FY05, Section 332, established requirements to advance the Department's business systems modernization efforts. Specifically, it established the DBSMC and Investment Review Boards (IRBs) to certify business systems modernizations exceeding \$1 million, as well as provide investment management oversight and control. This legislation drove the development of the Business Enterprise Architecture (BEA) to guide and constrain business investments and the Enterprise Transition Plan (ETP) to implement it.

Conclusion

This Strategic Management Plan constitutes the Department's approach to achieve its goals for business operations in furtherance of the Department's overarching strategic goals and objectives. The SMP incorporates priorities from the QDR, while reflecting current cross-functional Strategic Business Goals. The SMP features performance goals, measures, and initiatives that resolve enduring management challenges on a long-term improvement path, while also promoting activities that can more quickly achieve positive change. All these initiatives are leading indicators of success for important enterprise outcomes. In providing clear, measurable targets for business programs and operations, the SMP will enable executive leaders to make data-driven decisions in the best interests of both the Department and the Nation.

Appendix One: Statutory Requirement for the SMP

This appendix provides useful context and important background information for the SMP.

Authority of the Strategic Management Plan

The SMP is the “plan describing the performance goals and measures for improving and evaluating the overall efficiency and effectiveness of the business operations of the Department of Defense and achieving an integrated management system for business support areas within the Department of Defense, consistent with section 904 of Public Law 110-181 (NDAA 2008).”

FY 2008 NDAA §904 Requirements
Performance goals and measures for improving and evaluating the overall efficiency and effectiveness of business operations
Key initiatives to be undertaken in meeting performance goals and measures
Procedures to monitor the progress toward meeting performance goals and measures
Procedures to approve plans and budget for changes in business operations
Procedures to oversee all budget requests for defense business systems

Definition of Business Operations

The SMP uses a definition of business operations as the “...policies, processes, information, and systems relating to the end-to-end financial, logistical, facility management, human capital, acquisition, administrative, and other such functions of the Department of Defense that support the warfighter, consistent with sections 162 and 165 of Title 10.”

Appendix Two: Business Goals, Initiatives and Measures

Business Goals

The Department defines a business goal as a statement of aim or purpose that is included in the Strategic Management Plan. Business Goals articulate clear statements of what the agency wants to achieve to advance its mission and address relevant national problems, needs, and challenges. Business Goals focus on those business operations that support the overall Department Goals. Key leadership in the Department collaboratively develop the Business Goals. The Deputy Secretary of Defense, who serves as the DoD Chief Management Officer (CMO), and the Under Secretaries of Defense with primary responsibilities for business operations, identify measures which are leading indicators of success. The DoD Deputy Chief Management Officer (DCMO) is responsible for the measurement criteria to better synchronize, integrate, and coordinate the business operations of the Department to ensure optimal alignment in support of the DoD warfighting mission. The Business Goals of the SMP, as well as selected Key Initiatives and supporting measures, follow.

Key Initiatives

Key initiatives are those priority activities selected by the Principal Staff Assistants and codified by the Deputy Secretary of Defense designed to achieve specific goal outcomes. While the Department has a multitude of initiatives ongoing at any given time, the SMP captures those most directly linked to achieving outcomes aligned with the Department's strategic direction for business operations.

Measure(s)

A measure is a standard or basis for comparison; an assessment using quantitative data or sometimes qualitative data, tracked incrementally over a specified period.

Key Enablers for Achieving Success

Rigorous and disciplined application of continuous performance improvement (CPI) methodologies is critical to realizing the goals set forth in this plan. The Department employs trained CPI practitioners to bring about the desired outcomes. Given the challenging economic conditions, constrained budget levels and increasing demands, it is even more crucial to fully engage the Department's performance improvement experts on our strategically aligned initiatives. The conditions lend themselves to form joint teams to cross organizational boundaries and solve enterprise-wide problems.

Funding Status of FY12 and 13 Goals, Initiatives and Measures

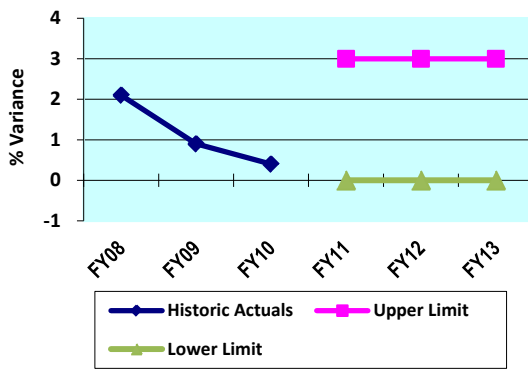
The FY13 Budget will be submitted in February 2012. Any Goals, Initiatives or Measures listed for FY13 reflect planning targets and initiatives that are not yet funded. In addition, the FY 2012 targets, milestones, and initiatives are also subject to change as a result of the forthcoming budget review. The phrase "FY 13 Planning Milestone" is included where applicable.

SMP Business Goal 1: Strengthen and right-size the DoD Total Workforce mix (military, civilian, and contracted support) to accomplish the DoD mission and sustain superior performance in a time of constrained resources.

Key Initiatives:

1. Recruit and retain the right quality skilled personnel to meet mission requirements. (USD(P&R))

Measure: 4.2.1-2P: Percent variance (3% to 0%) in Active Component (AC) end-strength.



Measure Owner: USD(P&R)

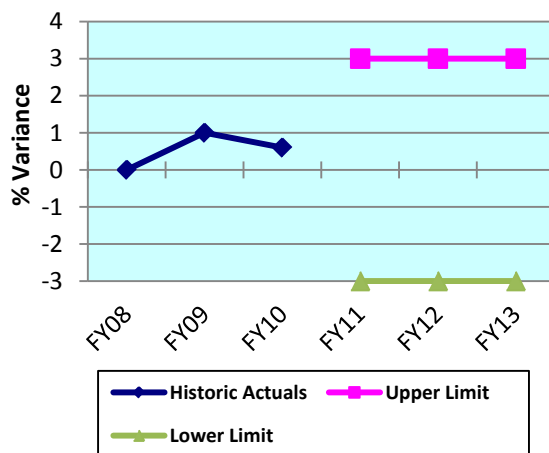
FY 12 Milestone: Variance NTE 3% above SECDEF/NDAA-prescribed end strength for fiscal year.

FY 13 Planning Milestone: NTE 3% above SECDEF/NDAA-prescribed end strength for fiscal year.

Contributing DoD Components:

- Army, Navy, Air Force

Measure: 4.2.2-2P: Percent variance (3% to -3%) in Reserve Component (RC) end-strength.



Measure Owner: USD(P&R)

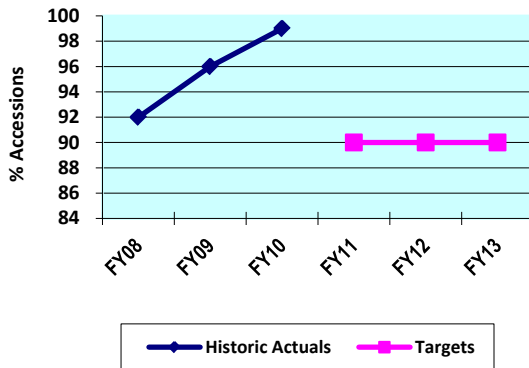
FY 12 Milestone: Will not vary by more than 3% from the SECDEF/NDAA-prescribed end-strength for fiscal year.

FY 13 Planning Milestone: Will not vary by more than 3% from the SECDEF/NDAA-prescribed end-strength for fiscal year.

Contributing DoD Components:

- Army, Navy, Air Force

Measure: Percent of Tier 1 (High School Diploma Graduates (HSDG)) non-prior service AC accessions; no less than 90% of non-prior service AC accessions will be Tier 1 HSDG.



Measure Owner: USD(P&R)

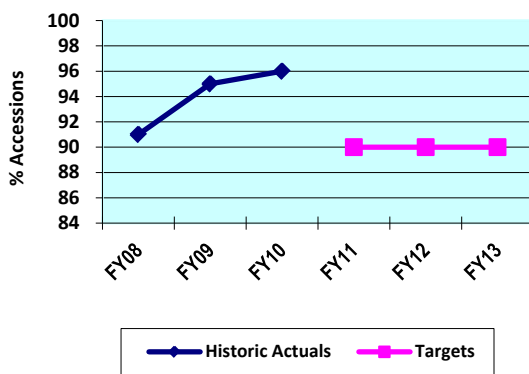
FY 12 Milestone: 90%.

FY 13 Planning Milestone: 90%.

Contributing DoD Components:

- Army, Navy and Air Force

Measure: Percent of Tier 1 HSDG non-prior service RC Accessions; no less than 90% of non-prior service RC accessions will be Tier 1 HSDG.



Measure Owner: USD(P&R)

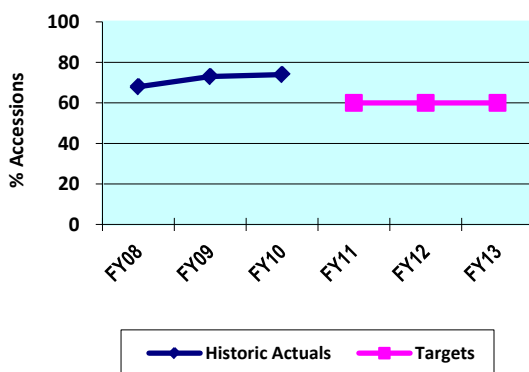
FY 12 Milestone: 90%.

FY 13 Planning Milestone: 90%.

Contributing DoD Components:

- Army, Navy and Air Force

Measure: Percent of Category I-III A non-prior service AC Accessions; no less than 60% of non-prior service AC accessions will be Category I-III A.



Measure Owner: USD(P&R)

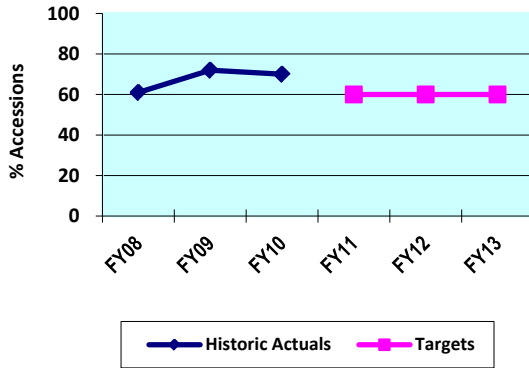
FY 12 Milestone: 60%.

FY 13 Planning Milestone: 60%.

Contributing DoD Components:

- Army, Navy and Air Force

Measure: Percent of Category I-III non-prior service RC Accessions; no less than 60% of non-prior service RC accessions will be Category I-III.



Measure Owner: USD(P&R)

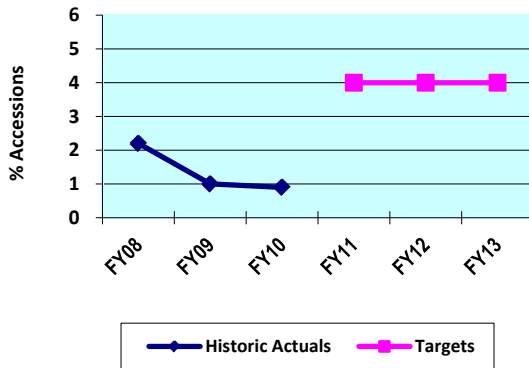
FY 12 Milestone: 60%.

FY 13 Planning Milestone: 60%.

Contributing DoD Components:

- Army, Navy and Air Force

Measure: Percent of Category IV non-prior service AC Accessions; no more than 4% of non-prior service AC accessions will be Category IV.



Measure Owner: USD(P&R)

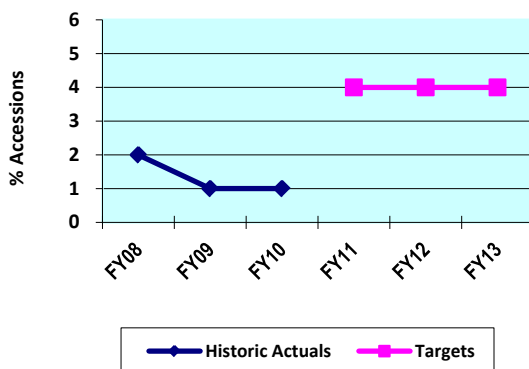
FY 12 Milestone: 4%.

FY 13 Planning Milestone: 4%.

Contributing DoD Components:

- Army, Navy and Air Force

Measure: Percent of Category IV non-prior service RC Accessions; no more than 4% of non-prior service RC accessions will be Category IV.



Measure Owner: USD(P&R)

FY 12 Milestone: 4%.

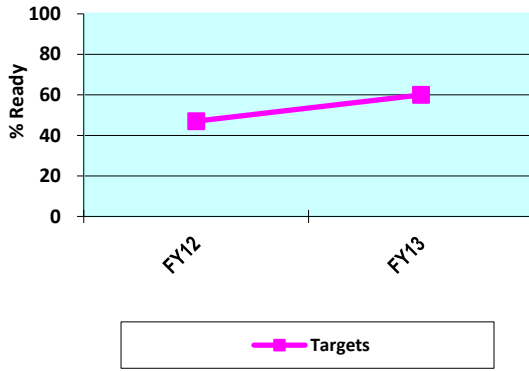
FY 13 Planning Milestone: 4%.

Contributing DoD Components:

- Army, Navy and Air Force

2. Improve the readiness of the Civilian Expeditionary Workforce (CEW). (USD(P&R))

Measure: 4.2.4-2P: Percent of Emergency-Essential (E-E) and Non-Combat Essential (NCE) Civilian Expeditionary Workforce (CEW) employees qualified as “ready” per the CEW Readiness Index.



Measure Owner: USD(P&R)

FY 12 Milestone: 47%.

FY 13 Planning Milestone: < 60%.

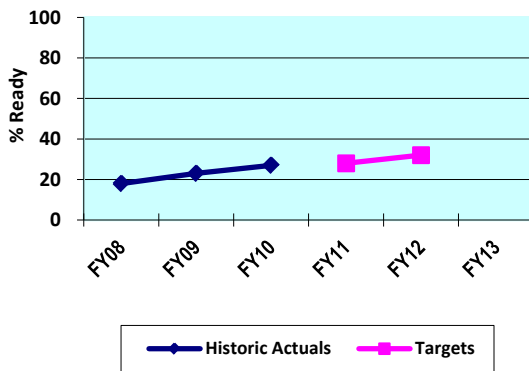
Baseline data not available.

Contributing DoD Components:

- All

3. Increase the number of Special Forces personnel. (USD(P&R))

Measure: 2.1.3-1F1: Cumulative percent increase in DoD Special Forces and Navy SEAL personnel achieved.



Measure Owner: USD(P&R)

FY 12 Milestone: 32%.

FY 13 Planning Milestone: Deleted; achieved end state.

Contributing DoD Components:

- Army, Navy

4. Develop and institutionalize a transparent systemic decision-making process to appropriately balance the DoD Total Workforce to ensure mission readiness. (USD(P&R))

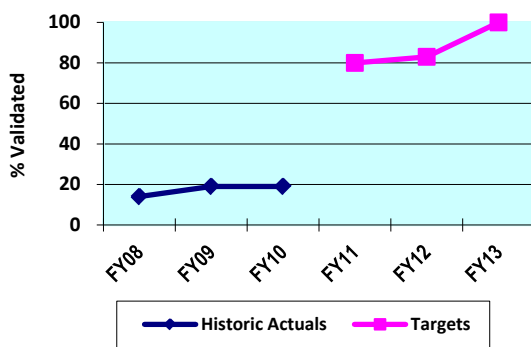
Develop the initiative, milestones, and measures, and provide to the DoD DCMO not later than September 30, 2011. (USD(P&R))

SMP Business Goal 2: Strengthen DoD Financial Management to respond to warfighter needs and sustain public confidence through auditable financial statements.

Key Initiatives:

1. Execute the Financial Improvement and Audit Readiness (FIAR) strategy and plans to achieve audit readiness by Fiscal Year (FY) 2017. (USD(C)/CFO)

Measure: 5.5.1-2U: Percent DoD Statement of Budgetary Resources Appropriations Received validated.



Measure Owner: USD(C)/CFO

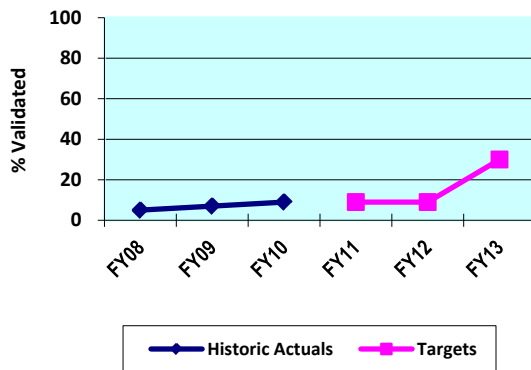
FY 12 Milestone: 83%.

FY 13 Planning Milestone: 100%.

Contributing DoD Components:

- All

Measure: 5.5.2-2U: Percent of DoD Funds Balance with Treasury validated.



Measure Owner: USD(C)/CFO

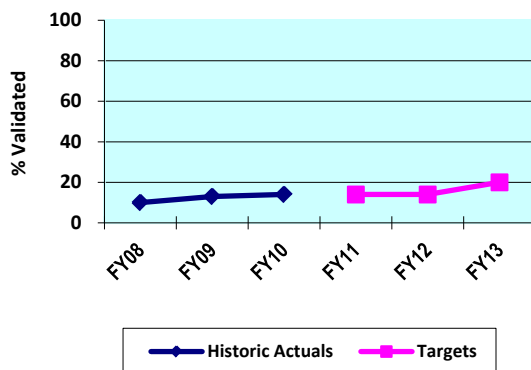
FY 12 Milestone: 9%.

FY 13 Planning Milestone: 30%.

Contributing DoD Components:

- All

Measure: 5.5.3-2U: Percent of DoD Statement of Budgetary Resources validated.



Measure Owner: USD(C)/CFO

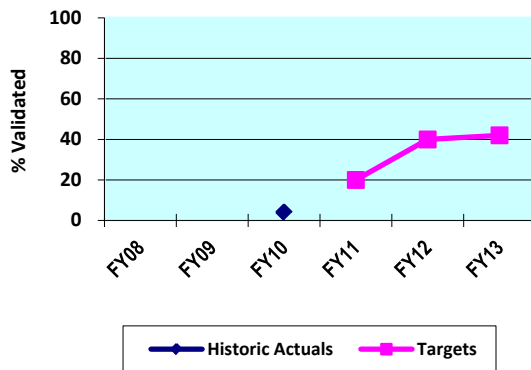
FY 12 Milestone: 14%.

FY 13 Planning Milestone: 20%.

Contributing DoD Components:

- All

Measure: 5.5.4-2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory Balances) validated for existence and completeness.



Measure Owner: USD(C)/CFO

FY 12 Milestone: 40%.

FY 13 Planning Milestone: 42%.

Contributing DoD Components:

- All

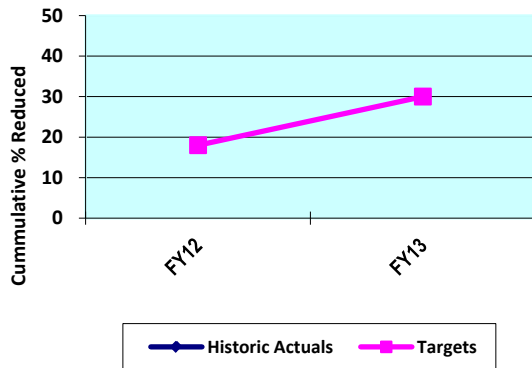
2. By FY 2012, once detailed supporting documentation is finalized, the DoD will ensure processing of Joint Urgent Operational Needs reprogrammings to meet a goal of approval within two (2) congressional calendar months. (USD(C)/CFO)
3. By FY 2012, the DoD will achieve a commercial payment improper payment of 0.11 percent or less. (USD(C)/CFO)
4. By FY2013, the DoD will complete sixteen interim milestones, which include validations of entities where ERPs have been integrated, MDAPs, FBwT Reconciliations, and Existence, and Completeness. (USD(C)/CFO)

SMP Business Goal 3: Build agile and secure information technology (IT) capabilities to enhance combat power and decision-making while optimizing value.

Key Initiatives:

1. Execute the DoD IT Enterprise Strategy and Roadmap. (DoD CIO)

Measure: Reduce data centers by 18% in 4QFY12 and an additional 12% in 4QFY13.



Measure Owner: DoD CIO

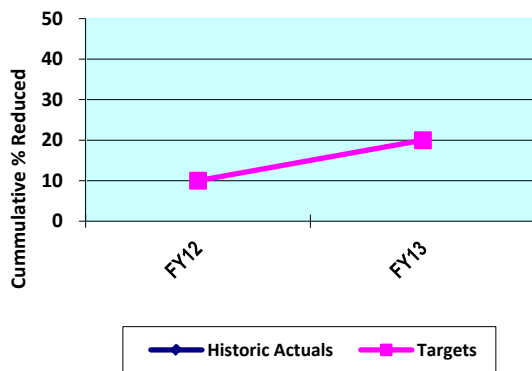
FY 12 Milestone: 18%.

FY 13 Planning Milestone: 30%.

Contributing DoD Components:

- N/A

Measure: Reduce networks by 10% in 4QFY12 and an additional 10% in 4QFY13.



Measure Owner: DoD CIO

FY 12 Milestone: 10%.

FY 13 Planning Milestone: 20%.

Contributing DoD Components:

- N/A

Milestone: 2QFY12 - Publish Implementation Plan.

Milestone: 1QFY13 - Publish DoDI 8440, Computing Infrastructure.

Milestone: 2QFY13 - Publish Reference Architecture for GIG.

Milestone: 3QFY13 - Publish Enterprise Services Adoption Plan.

Measure: Percentage of Services transitioned to, or designed as, Enterprise Services.

Measure Owner: (DoD CIO)

Milestone: 1QFY12 - Implement Enterprise Services compliance reporting and oversight process.

Milestone: 3QFY12 - POM14 Issues supporting Enterprise Services Sustainment of Shared and Mandated Enterprise Services.

2. Strengthen the oversight of Information Technology investments. (DoD CIO)

Measure: Percentage of component networks compliance with resilient network architecture and standards by all new investments and technology refresh activities by 4QFY15.

Measure Owner: (DoD CIO)

Milestone: 1QFY12 - Establish Commercial Mobile Device policy.

Milestone: 2QFY13 - Establish an Enterprise Services compliance policy as part of investment review processes.

Milestone: 3QFY13 - Establish process for monitoring compliance with architecture and standards within existing investment and acquisition processes.

Milestone: 4QFY13 - Institutionalize a repeatable process to harmonize IT investments across COCOMs/Services/Agencies.

3. Integrate cyber security across the DoD Information Enterprise. (DoD CIO)

Measure: Create and maintain strong boundary defenses across DoD NIPRNet Perimeter.

Measure Owner: (DoD CIO)

Milestone: 4QFY12 - Complete migration of applications into DoD Demilitarized Zone extensions.

Milestone: 4QFY13 - Physical or logical data separation complete.

Measure: NIPRNet Hardening allowing robust protection capabilities.

Measure Owner: (DoD CIO)

Milestone: 1QFY12 - Web content filter rule sets in place at the Internet boundary.

Milestone: 3QFY12 - Complete Installation of HBSS baseline on NIPRNet.

Measure: Enforce Cryptographic Logon with PKI Hardware Tokens on SIPRNet.

Measure Owner: (DoD CIO)

Milestone: 4QFY12 - Cryptographic Logon with PKI Hardware Tokens on 50% of SIPRNet accounts.

Milestone: 4QFY13 - Cryptographic Logon with PKI Hardware Tokens on 75% of SIPRNet accounts.

Measure: Reduce time to effect DoD network configuration changes.

Measure Owner: (DoD CIO)

Milestone: 3QFY12 - Issue DoDI.

Milestone: 4QFY12 - Develop implementation plan.

Milestone: 4QFY13 - Establish a CM database and issue instructions on use and maintenance.

4. Develop long term strategy to provide for and protect mission critical access to radio frequency spectrum. (DoD CIO)

Milestone: 2QFY13 - “At risk” bands and associated missions/functions identified and prioritized.

Milestone: 4QFY13 - Number of priority bands analyzed for feasibility of relocation and/or sharing completed.

SMP Business Goal 4: Increase the buying power of the DoD acquisition system and processes spanning requirements determination, development, procurement, and support to ensure that the force structure is modernized, recapitalized, and sustained within available resources.

Key Initiatives:

1. Implement and enforce affordability based constraints on program acquisition and sustainment costs. (USD(AT&L))

Measure: Mandate affordability as a requirement. Establish an affordability target as a Key Performance Parameter equivalent for all ACAT I programs.

Measure Owner: USD(AT&L)

Milestone: 100% (i.e., performed at all ACAT I Milestone decisions).

2. Improve Acquisition processes to reduce costs and improve productivity for major defense acquisition programs (MDAPs), major automated information systems (MAIS), and services. (USD(AT&L))

Measure: Drive productivity by establishing “Should Cost” targets as management tools for all ACAT I programs.

Measure Owner: USD(AT&L)

Milestone: 100% (i.e., performed at all ACAT I program milestone decision points).

Measure: Ensure service contracts that exceed \$1B contain contract provisions to achieve productivity improvements and cost efficiencies throughout the contract term.

Measure Owner: USD(AT&L)

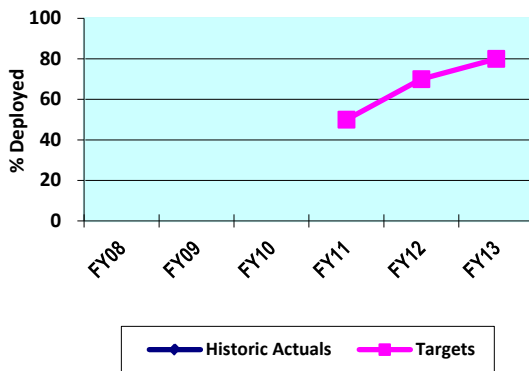
Milestone: 100% of all new contracts over \$1B contained provision.

Measure: Make production rates economical and hold them stable.

Measure Owner: USD(AT&L)

Milestone: 5% annual increase in the number of ACAT 1D/C programs executing at their EOQ level.

Measure: 5.3.4-2E: Percent of enterprise level Information Technology (IT) software and hardware National security and business systems deployed within 18 months of the capability business cases approval.



Measure Owner: DoD DCMO

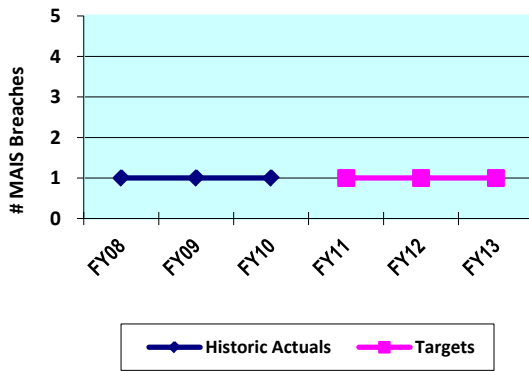
FY 12 Milestone: 70%.

FY 13 Planning Milestone: 80%.

Contributing DoD Components:

- Army, Navy, Air Force, BTA, DeCA, DCMA,
- DFAS, DISA, DLA, TMA, WHS, OSD, TJS
- USTRANSCOM

Measure: 5.3.5-2E: Number of Major Automated Information Systems (MAIS) “significant” breaches (equal to or greater than 15 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages greater than six months).



Measure Owner: DoD DCMO

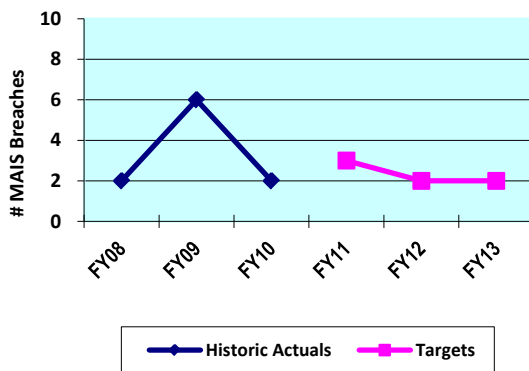
FY 12 Milestone: ≤ 1 .

FY 13 Planning Milestone: ≤ 1 .

Contributing DoD Components:

- Army, Navy, Marine Corps, Air Force, BTA
- DISA, DLA, TMA

Measure: 5.3.6-2E: Number of Major Automated Information System (MAIS) “critical” breaches (equal to or greater than 25 percent of APB total cost or with schedule slippages of one year or more).



Measure Owner: DoD DCMO

FY 12 Milestone: ≤ 2 .

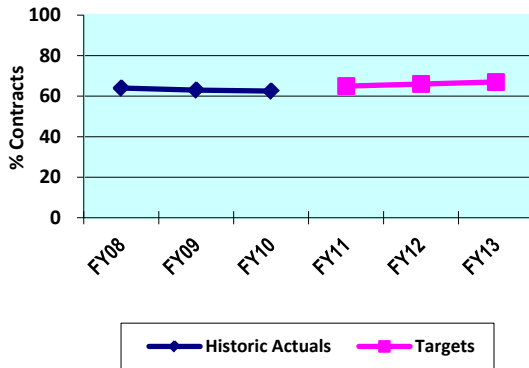
FY 13 Planning Milestone: ≤ 2 .

Contributing DoD Components:

- Army, Navy, Marine Corps, Air Force, BTA, DISA, DLA, TMA

3. Increase the use of competition to control costs of goods and services. (USD(AT&L))

Measure: 5.3.1-2E: Percentage of contract obligations that are competitively awarded.



Measure Owner: USD(AT&L)

FY 12 Milestone: 66%.

FY 13 Planning Milestone: 67%.

Contributing DoD Components:

- All

Milestone: Competitive strategy to be provided as part of each ACAT program’s milestone acquisition strategy.

Measure: 100% (i.e., at each ACAT Program Milestone review).

Measure Owner: USD(AT&L)

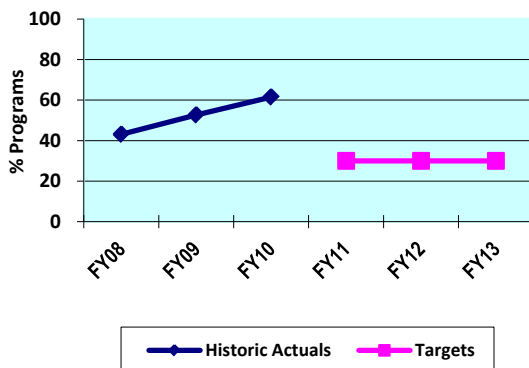
4. Improve the Department’s rate of successful execution of buying plans reflected in the FYDP. (USD(AT&L))

Measure: Increase the percentage of MDAP items procured relative to the quantities requested over the previous year.

Measure Owner: USD(AT&L)

5. Increase the ROI on S&T Spending. (USD(AT&L))

Measure: 3.5.1-2D: Percent of completing demonstration programs transitioning each year.



Measure Owner: USD(AT&L)

FY 12 Milestone: 30%.

FY 13 Planning Milestone: 30%.

Contributing DoD Components:

- Army, Navy, Air Force, DLA, DARPA, CDBP, OSD

**6. Identify and preserve essential capabilities in the U.S. defense industrial base.
(USD(AT&L))**

Measure: Complete first phase of Sector-by-Sector Tier-by-Tier analysis (S2T2) effort.

Measure Owner: USD(AT&L)

Milestone: Complete dissemination and collection of industry surveys via the Department of Commerce: target November 2011.

Milestone: Complete the initial sector reports, independent analysis, and manufacturing assessments: target November 2011.

Measure: Identify and correct high visibility deficiencies in supplier base for critical weapon system components.

Measure Owner: USD(AT&L)

Milestone: Identify corrective action on top 25 critical industrial base supplier issues in Phase I of the S2T2 effort analyses that require action: target December 2011.

Milestone: Take corrective action taken on top 25 critical industrial base supplier issues identified in S2T2 roll-out that require action: September 2012.

Measure: Create a clearing house and repository of industrial base analyses for the Department and make it available to all services and organizations to reduce redundant efforts and establish best practices.

Measure Owner: USD(AT&L)

Milestone: Electronically publish first consolidated review of recent and ongoing analyses across the Department: target November 2011.

Milestone: Continually update industrial base study survey: target FY11, FY12, FY 13 - ongoing.

7. Provide incentives to industry to seek economies that drive down DoD procurement and life-cycle costs. (USD(AT&L))

Measure: Include the incentive strategy behind the fee strategy in all acquisition strategies for all ACAT 1D programs tying incentives to production and sustainment cost control.

Measure Owner: USD(AT&L)

Milestone: 100%, i.e., included in all ACAT 1D acquisition strategies.

Measure: Increase the percentage of all efforts using Fixed Price Incentive Firm Target (FPIF) contracts that are moving from development to production and low rate to full rate production over the previous year's percentage.

Measure Owner: USD(AT&L)

Milestone: Percent use in all efforts moving from development to production and low rate to full rate production where appropriate.

8. Increase the productivity of each Military Department's Acquisition System. (USD(AT&L))

Measure: Demonstrate progress at reversing the trend to increasing unit costs in procured end items.

Measure Owner: USD(AT&L)

Milestone: Quantifiable improvements in unit cost trends relative to historic trends (reduce projected growth by 10 % per year).

SMP Business Goal 5: Increase operational and installation energy efficiency to lower risks to our Warfighters, reduce costs, and improve energy security.

Key Initiatives:

1. Improve DoD's capability to measure and verify individual facility energy use. (USD(AT&L))

Measure: Increase the number of facilities with installed meters.

Measure Owner: USD(AT&L)

Milestone: By 1st Quarter FY 2012, establish DoD metering policy to include new metering goal and goal attainment date beyond that required by EAct 2005.

2. Improve the timeliness and accuracy of DoD's facility energy business decisions by exposing effective data to every authorized user in an automated and integrated manner. (USD(AT&L))

Measure: Percent of enterprise energy systems fully utilizing the first module of the Enterprise Energy Information Management (EEIM) solution.

Measure Owner: USD(AT&L)

Milestone: By end of FY 2013, fully implement the first module of the Enterprise Energy Information Management (EEIM) solution across DoD.

3. Reduce the risk from potential disruptions to the commercial grid to improve the energy security of installations. (USD(AT&L))

Measure: Define and begin reporting standards for the following important energy security attributes:

- 1) Contingency of operation planning (COOP). (FY12)
- 2) Building design considerations. (FY12)
- 3) Metering. (FY12)
- 4) Smart grid systems and load management. (FY13)
- 5) On site generation (generators, renewables, etc.). (FY13)
- 6) Microgrid and system islanding. (FY13)

Measure Owner: USD(AT&L)

Milestone: By end of FY 2013, demonstrate selected base level energy security solutions.

4. Pursue DoD procurement or lease of plug-in electric vehicles (PEV) for non-tactical fleet. (USD(AT&L))

Measure: Numbers of leased/purchased PEVs and charging stations.

Measure Owner: USD(AT&L)

Milestone: By end of FY 12, begin lease/purchase of PEVs and charging stations and by end of FY 13, increase number of PEVs and charging station.

5. Expand the use of 3rd party financing for energy projects (ESPC/UESC, PPAs and EULs). (USD(AT&L))

Measure: Percentage of 3rd party financed energy efficiency and renewable energy projects based on the DoD FY 2010 baseline.

Measure Owner: USD(AT&L)

Milestone: By the end of FY 2015, increase the 3rd party financed energy efficiency and renewable energy projects by 15% using FY10 as a baseline.

Targets: End of FY 2012 – 9%
End of FY 2013 – 11%
End of FY 2014 – 13%
End of FY 2015 – 15%

6. Effectively manage Operational Energy (OE) use to reduce consumption. (USD(AT&L))

Measure: Establish an operational energy baseline for the Department of Defense based on credible, verifiable point-of-use data.

Measure Owner: USD(AT&L)

Milestone: 100% of available data on fuel use reported by Military Departments and relevant agencies by Q1 FY12; plans for remediating gaps in data submitted by Q3 FY12 with plans funded and implemented by Q1 FY13.

Measure: Establish and execute numerical energy reduction targets and timelines through rigorous data analysis and simulation efforts.

Measure Owner: USD(AT&L)

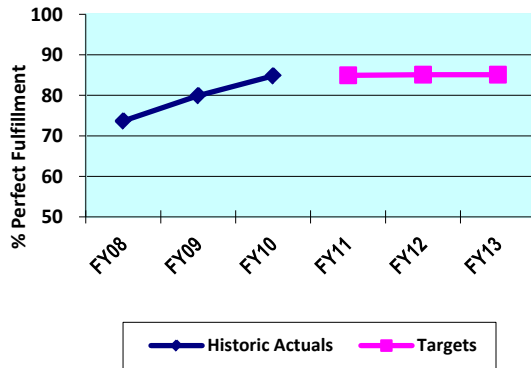
Milestone: 100% of targets defined by Q4 FY13, with percentage achieved annually thereafter.

SMP Business Goal 6: Re-engineer/use end-to-end business processes to reduce transaction times, drive down costs, and improve service.

Key Initiatives:

1. Improve the supply chain end-to-end process. (USD(AT&L))

Measure: 5.4.1-2L: Perfect Order Fulfillment percentage for Defense Logistics Agency (DLA)-stocked items.



Measure Owner: USD(AT&L)

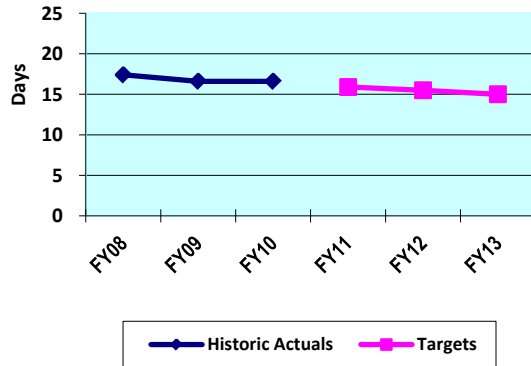
FY 12 Milestone: 85.1%.

FY 13 Planning Milestone: 85.1%.

Contributing DoD Components:

- DLA

Measure: 5.4.2-2L: Army Customer Wait Time.



Measure Owner: USD(AT&L)

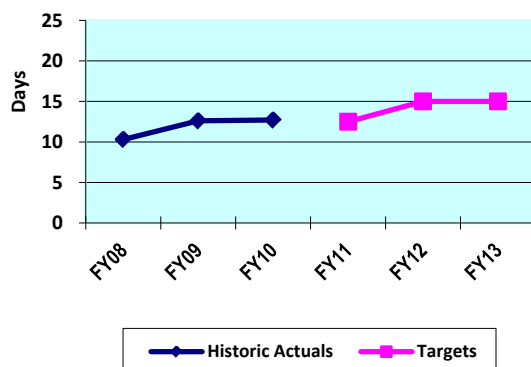
FY 12 Milestone: 15.5 days.

FY 13 Planning Milestone: 15 days.

Contributing DoD Components:

- Army, DLA

Measure: 5.4.3-2L: Navy Customer Wait Time.



Measure Owner: USD(AT&L)

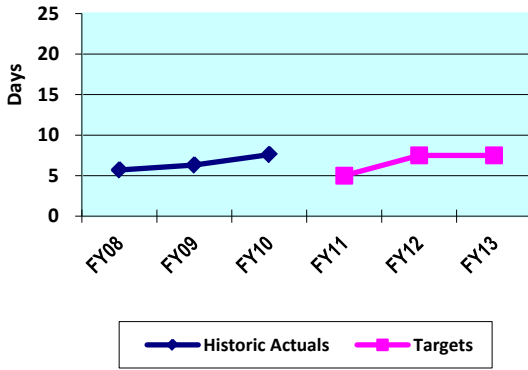
FY 12 Milestone: 15 days.

FY 13 Planning Milestone: 15 days.

Contributing DoD Components:

- Navy
- DLA

Measure: 5.4.4-2L: Air Force Customer Wait Time.



Measure Owner: USD(AT&L)

FY 12 Milestone: 7.5 days.

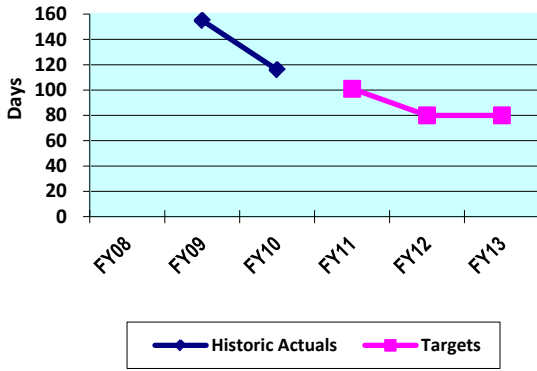
FY 13 Planning Milestone: 7.5 days.

Contributing DoD Components:

- Air Force
- DLA

2. Improve the cycle time to hire civilian employees. (USD(P&R))

Measure: 4.2.5-2P: Number of days for external civilian hiring (end-to-end timeline).



Measure Owner: USD(P&R)

FY 12 Milestone: 80 days.

FY 13 Planning Milestone: 80 days.

Contributing DoD Components:

- All

3. Improve business operations through optimal use of defense business systems and the Business Enterprise Architecture (BEA). (DoD DCMO)

Measure: Percentage of Defense Business Systems/Services represented in both DITPR and the BEA.

Measure Owner: (DoD DCMO)

Quarterly Milestones

Q1 FY12	31.25%.	Q1 FY13	62.50%.
Q2 FY12	37.50%.	Q2 FY13	75.00%.
Q3 FY12	43.75 %.	Q3 FY13	87.50%.
Q4 FY12	50.00%.	Q4 FY13	100.00%.

Measure: Percentage of Defense Business Systems/Services represented in both SNaP-IT and the BEA.

Measure Owner: (DoD DCMO)

Quarterly Milestones

Q1 FY12	8.75%.	Q1 FY13	38.75%.
Q2 FY12	12.50%.	Q2 FY13	52.50%.
Q3 FY12	16.25%.	Q3 FY13	66.25%.
Q4 FY12	20.00%.	Q4 FY13	80.00%.

Measure: Percentage of Defense Business Systems/Services reporting to OMB through the BEA.

Measure Owner: (DoD DCMO)

Quarterly Milestones

Q1 FY12	2.5%.	Q1 FY13	26.25%.
Q2 FY12	5.0%.	Q2 FY13	42.50%.
Q3 FY12	7.5%.	Q3 FY13	58.75%.
Q4 FY12	10.0%.	Q4 FY13	80.00%.

4. Complete mapping of End-to-End processes (“Hire to Retire” and “Procure to Pay” in FY12-13). (DoD DCMO)

Measure: Complete mapping of “Hire to Retire” and “Procure to Pay” end-to-end processes by end of FY 2012; determine processes outcome measure to monitor process improvement; establish performance reporting processes (NLT end of FY2012).

Measure: Determine next two (2) end-to-end business processes to be completed by June 2013 and establish timelines for spirals of completion in FY 2013 (NLT June 2012).

Measure: Complete mapping of both selected end-to-end business processes, determine processes outcome measures to monitor process improvement; establish performance reporting processes (NLT end of FY2013).

Measure: Determine next two (2) end-to-end business processes to be completed by end of FY2014 and establish timelines for spirals of completion in FY 14 (NLT June 2013).

Measures Owner: (DoD DCMO)

SMP Business Goal 7: Create agile business operations that plan for, support, and sustain contingency missions.

Key Initiatives:

1. Institutionalize operational contract support. (USD(AT&L))

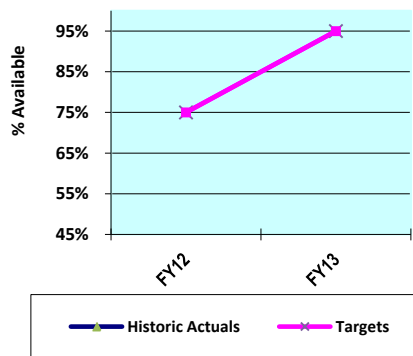
Measure: Percent of geographic Combatant Command plans that have been reviewed/analyzed for Overseas Contingency Support Equities.

Measure: Percent of contracts and contractor population properly registered in the Synchronized Pre-Deployment and Operational Tracker (SPOT).

Measures Owner: (USD(AT&L))

2. Establish complete visibility on contingency business operations to achieve accountability and build a comprehensive common operating picture. (USD(AT&L)), (USD(C)/CFO), (DoD DCMO)

Measure: Percentage of system traceability for all DoD funds obligated in theater, electronically capturing DoD approved and funded requirements, obligations, entitlements and disbursements.



Measure Owner: (USD(AT&L)), (USD(C)/CFO), (DoD DCMO)

FY 12 Milestone: 75%.

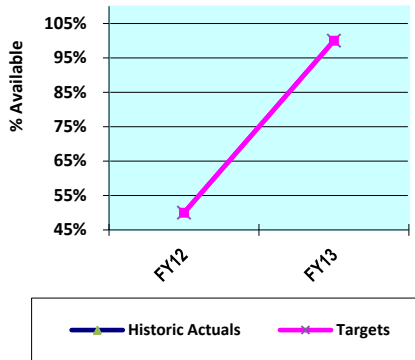
FY 13 Planning Milestone: 95%.

Contributing DoD Components:

- USFOR-A
- ISAF
- USACE
- USARCENT
- DFAS
- USCENCOM Contracting Command

3. Adapt business processes to include operational criteria in order to execute the COMISAF/USFOR-A campaign plan. (USD(AT&L)), (USD(C)/CFO), (DoD DCMO)

Measure: Percentage of Afghan host nation vendors that are vetted and have with available past-performance information at contract close-out.



Measure Owner: (USD(AT&L)), (USD(C)/CFO) , (DoD DCMO)

FY 12 Milestone: 50%.

FY 13 Planning Milestone: 100%.

Contributing DoD Components:

- USFOR-A
- ISAF
- USACE
- USCENTCOM Contracting Command

Appendix Three: Acronyms

Acronym	Definition
APB	Acquisition Program Baseline
AC	Active Component
ACAT	Acquisition Category
AT&L	Acquisition, Technology and Logistics
BEA	Business Enterprise Architecture
BPR	Business Process Reengineering
CEW	Civilian Expeditionary Workforce
CFO	Chief Financial Officer
CIO	Chief Information Officer
CMO	Chief Management Officer
COMISAF	Commander of the NATO International Security Assistance Force
CPI/LSS	Continuous Performance(?) Improvement/Lean Six Sigma
DAS	Defense Acquisition System
DBSMC	Defense Business System Management Committee
DCMO	Deputy Chief Management Officer
DepSecDef	Deputy Secretary of Defense
DOEP&P	Director of Operational Energy Plans & Programs
DUSD	Deputy Under Secretary of Defense
DUSD(I&E)	Deputy Under Secretary of Defense (Installations & Environment)
DoD	Department of Defense
DoDI	DoD Instruction
E2E	End-to-End

Acronym	Definition
ETP	Enterprise Transition Plan
FIAR	Financial Improvement and Audit Readiness
FBwT	Fund Balance with Treasury
FY	Fiscal Year
FYDP	Future Years Defense Plan
GAO	Government Accountability Office
GIG	Global Information Grid
H2R	Hire-to-Retire
HSDG	High School Diploma Graduates
I&E	Installations & Environment
IM	Investment Management
IRB	Investment Review Board
IT	Information Technology
JCIDS	Joint Capabilities Integration Development System
MAIS	Major Automated Information System (MAIS)
MDA	Milestone Decision Authority
MDAP	Major Defense Acquisition Program
MilDep	Military Department
NIPRNet	Unclassified but Sensitive Internet Protocol Router Network
NDA	National Defense Authorization Act
OE	Operational Energy
OPM	Office of Personnel Management
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense

Acronym	Definition
P2P	Procure-to-Pay
P&R	Personnel and Readiness
PKI	Public Key Infrastructure
PEV	Plug-In Vehicle
PPBE	Planning, Programming, Budgeting and Execution
PSA	Principal Staff Assistant
QDR	Quadrennial Defense Review
RC	Reserve Component
ROI	Return on Investment
S&T	Science and Technology
SIPRNet	Secret Internet Protocol Network
SMP	Strategic Management Plan
USD	Under Secretary of Defense
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USD(I)	Under Secretary of Defense for Intelligence
USFOR-A	U.S. Forces-Afghanistan