



Unclassified

Enabling Strategic Choice in the DoD Enterprise

Presented to NDIA

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Unclassified



2005 QDR Execution Roadmaps

□ DSD Roadmap Direction:

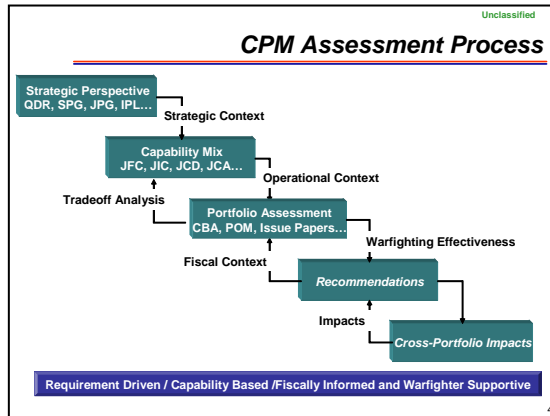
- Institutional Reform and Governance—Co-Leads Mr. Krieg USD(AT&L), LTG Sharp, DJCS
 - Create or invigorate empowered horizontal organizations to integrate priority areas
 - Improve Department effectiveness and efficiency to include exploring a portfolio based approach to defense planning, programming and budgeting
 - Move toward common data structures/approaches at enterprise level
 - Implement new acquisition policies, procedures and processes for dramatic improvements by all measures

Source: DSD Memo 5 January 2006

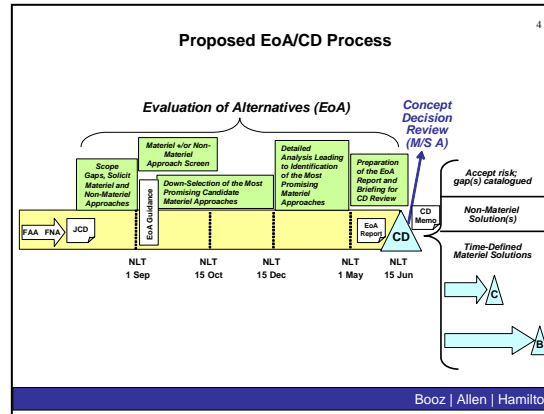


Widespread demand for improved decision processes

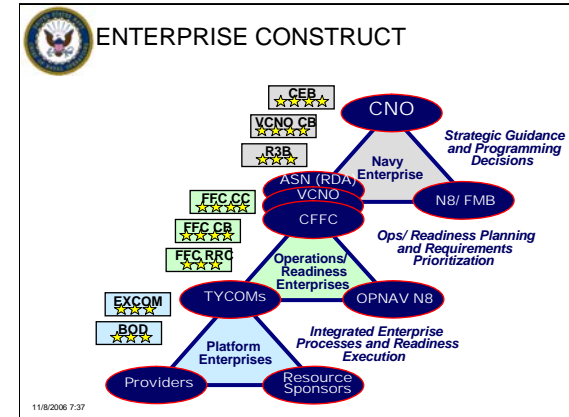
Capability Portfolio Management Experiments



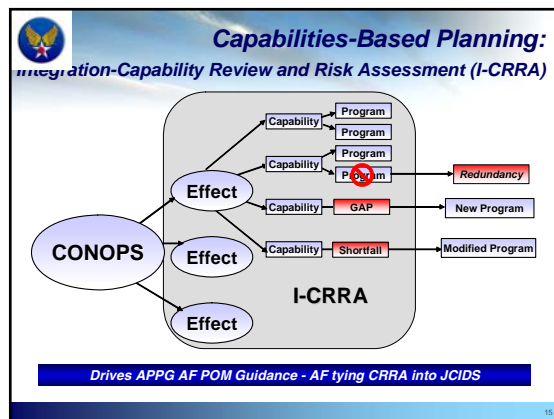
Concept Decision



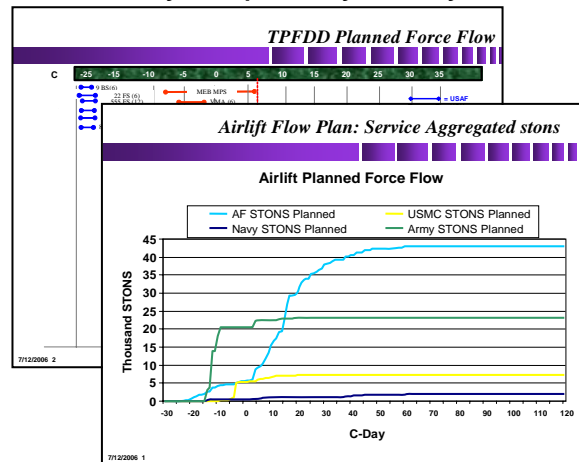
Navy Enterprise Construct



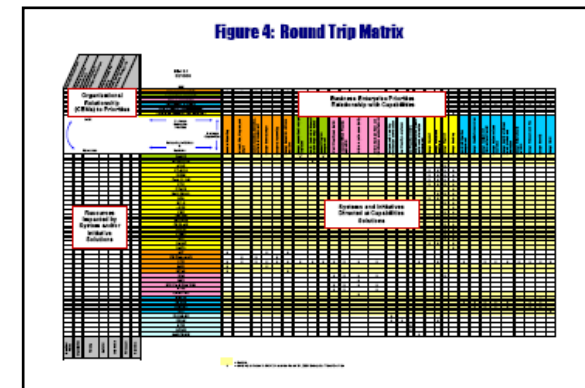
Air Force CRRA



Mobility-Capability Study



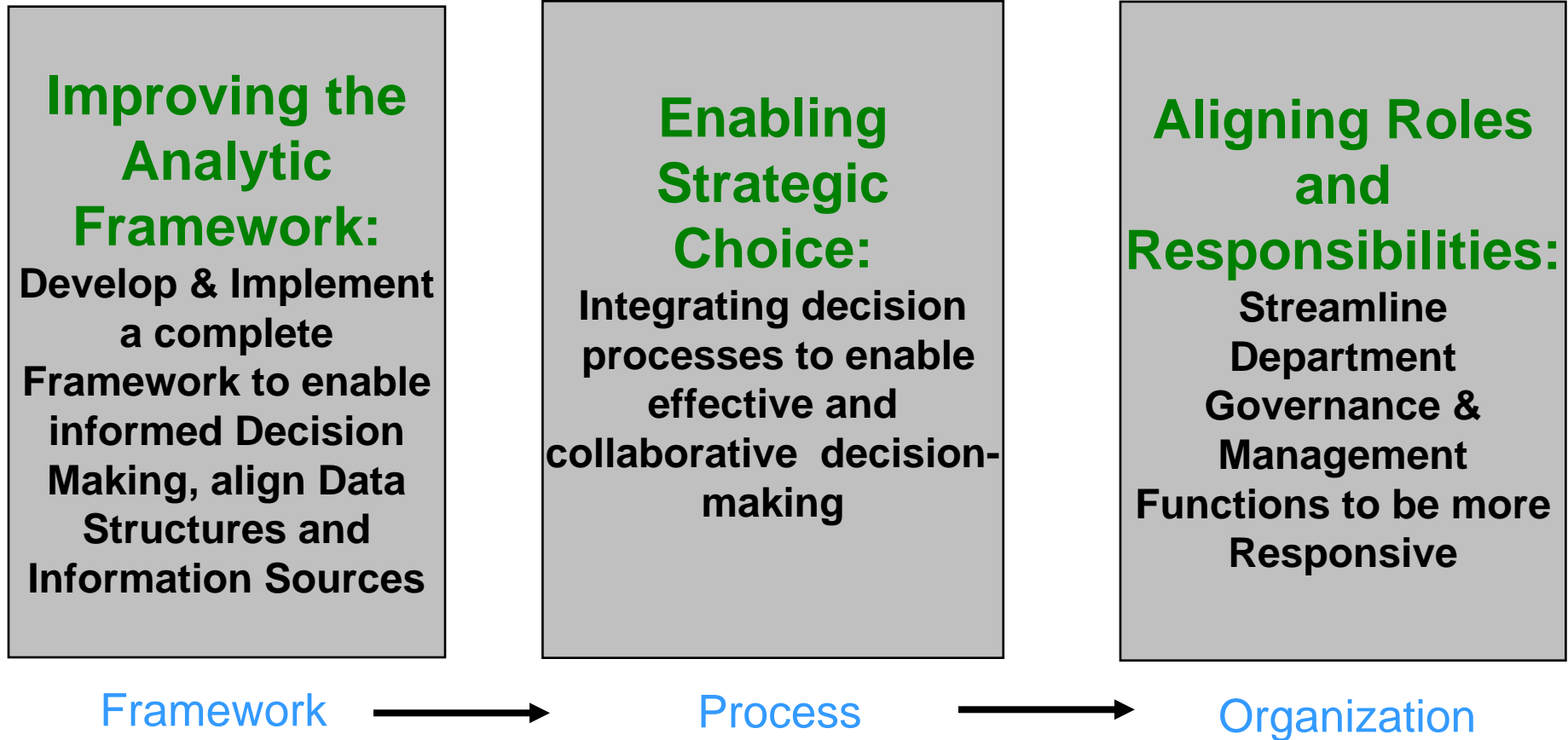
Business Enterprise Architecture



Integrated, resource-informed decision making advancing in DoD

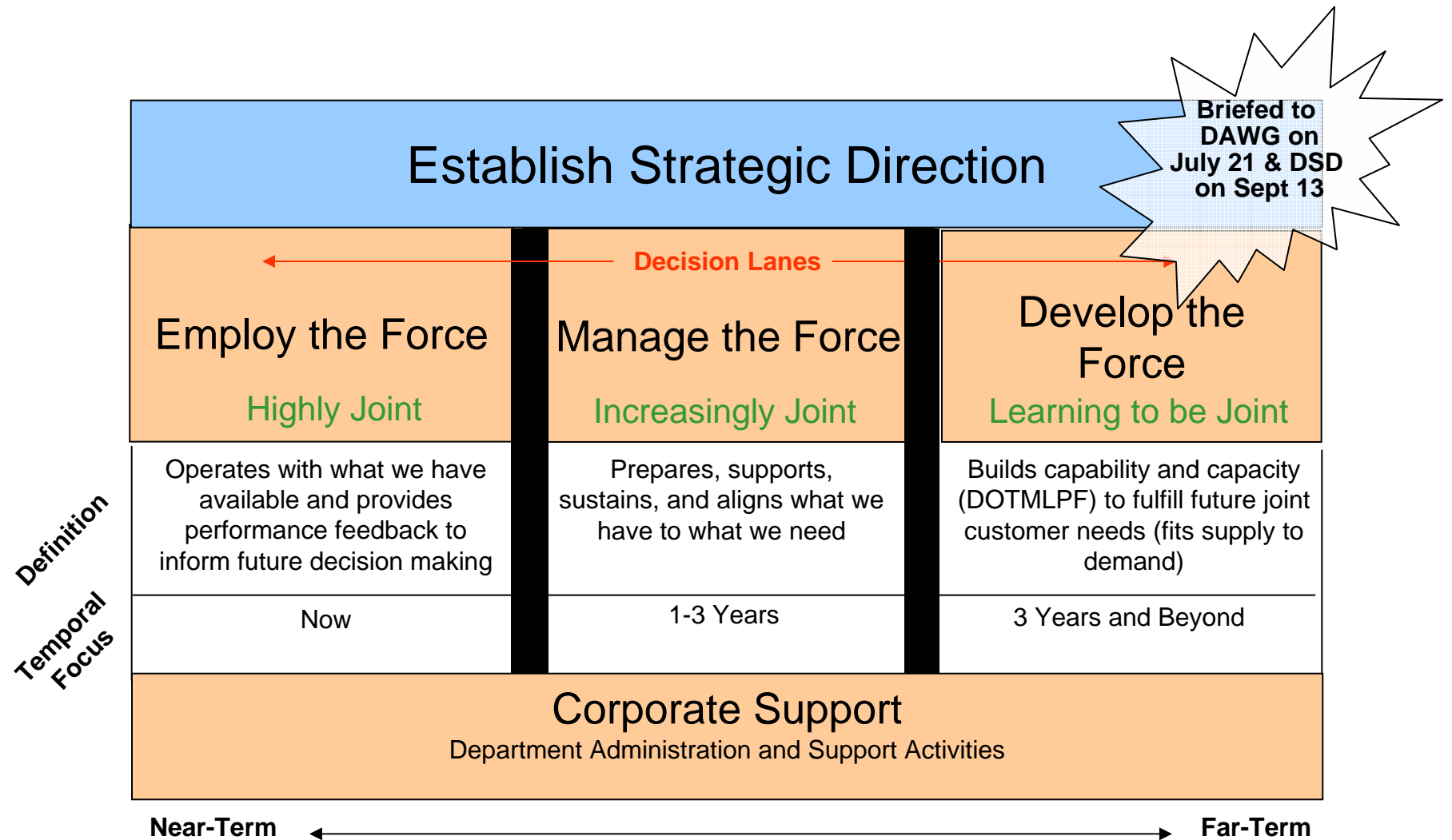


IRG Roadmap Approach





Corporate Decision Lanes





Recommended Integrated Capability Portfolio Framework

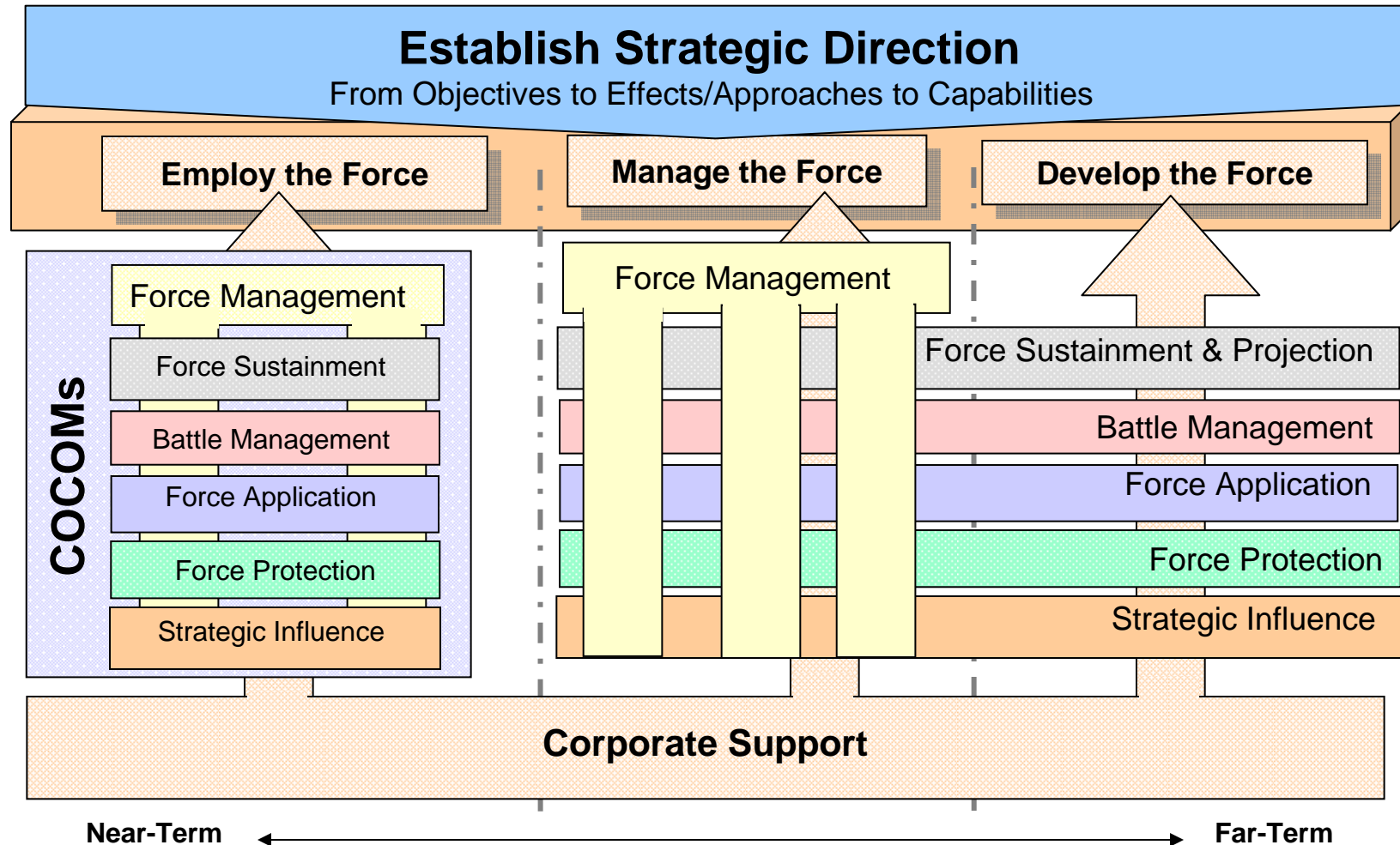
Corporate Support	Corporate Support (New)
Force Management	Force Management (revised)
Force Projection & Sustainment	Logistics Force Projection
Battle Management	Battlespace Awareness Net Centric Operations Command & Control
Force Application	Air Operations Space Operations Land Operations Maritime Littoral Ops Special Ops
Force Protection	Force Protection
Strategic Influence	Shaping Public Affairs Information Operations Interagency Operations Stability Ops

JCA Update Scheduled for March 2007

- Leverage the JCA Construct
- Updated JCAs should align to Integrated Capability Portfolio Framework



Aligning Portfolios to Decision Lanes



In Force Employment, COCOMs are free to package capabilities in any fashion necessary to achieve the mission



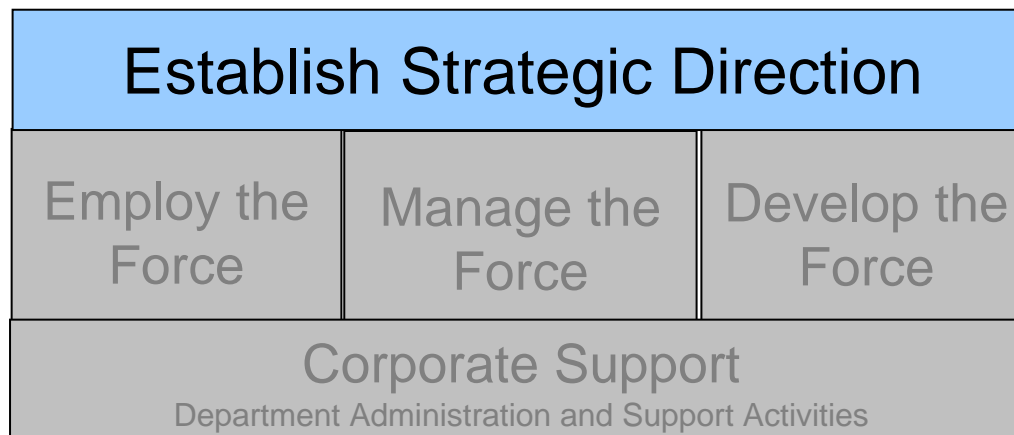
Net Centric Data Strategy is Critical to Success

- Net Centric Data (DODD 8320.2) must be:
 - **Visible**
 - **Accessible**
 - **Understandable**

- Progress, but not enough
 - Ensure analytic IT Mission Areas and Domains consistent with analytic framework
 - No Department system for measuring progress
 - Need Enterprise wide data sharing plan (not just COI)
 - Components' updated policies focus on implementing goal of understandability – need more tech guidance to mature implementation of visibility and accessibility goals
 - JCIDS, DAS and PPBE “program-focused”
 - o Need models for ID, Acquiring and Resourcing net-centric info sharing capabilities



Establishing Strategic Direction





Establishing Strategic Direction – Purpose and Issues

- Critical guidance to develop, manage and employ the force and guide relationships outside the Department.
 - **Consistent direction from the authoritative source**
 - **Describe leadership's assessment of the strategic environment**
 - **Establish clear strategic objectives, priorities and risk tolerance**
 - **Identify planning assumptions and constraints, accountability and macro resource allocation**
 - **Common thread from strategy through execution**
 - **Provide a methodology to evaluate performance and outcomes**
 - **Transparency and visibility to make informed decisions**

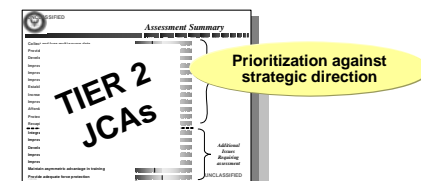
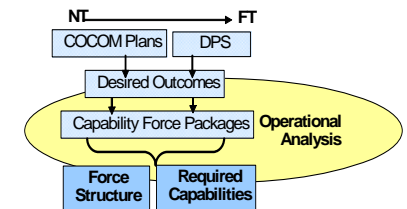
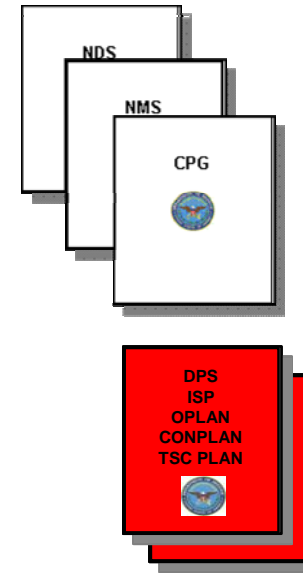
- Many reforms have improved how the Department establishes strategic direction, however there's always opportunities to improve

Need a Universal Sense of Purpose and Value
To Translate Strategy to Outcomes



Improving Strategic Direction What the process must deliver

- ❑ Strategy
 - Environmental Assessment
 - DoD Missions, roles, and interrelationships
 - Priority tasks, regions, and events
 - Outcome Goals
- ❑ An account of today's operations and potential future scenarios
 - A test of alternative futures
 - Determine which ones to plan against
- ❑ Strategy Translation
 - Force Assessment
 - A determination of capability and capacity needs, now and in the future to better align force management and development plans and actions to the strategy
 - Prioritized Capability Needs
 - A prioritization of capability and capacity needs and gaps to inform general management decision lanes
 - Establishment of Metrics
- ❑ Resources allocated between current operations and future capability investments
- ❑ The ability to enable and utilize performance assessment



Near and Far Term Capability & Gap Priorities



Strategy to Outcomes Alignment



Strategy and Translation:

An effective and authoritative set of processes that establishes planning assumptions, capability and gap priorities, and outcome goals and metrics

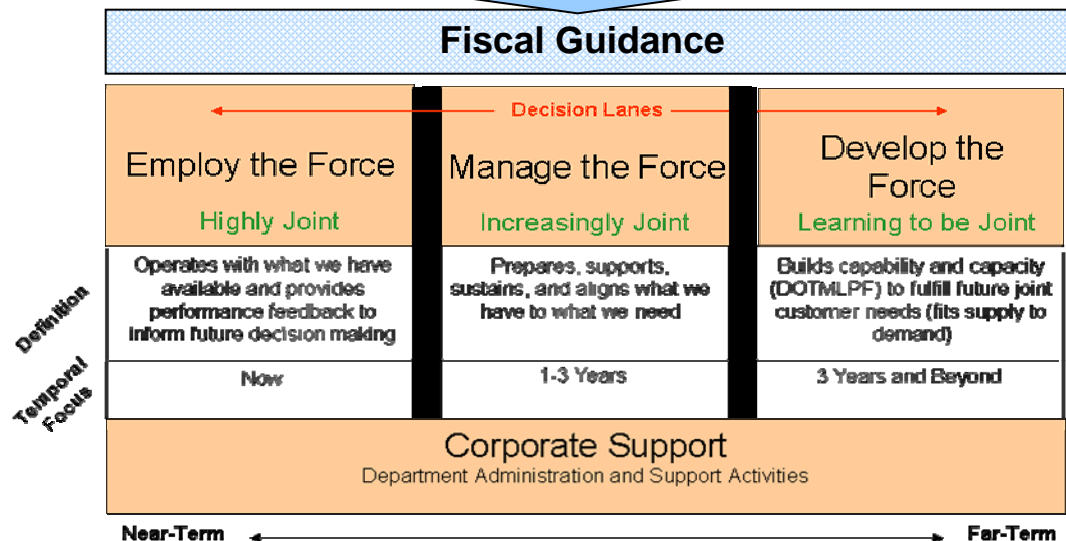
Planning Guidance:

Consolidated direction for Force Employment, Management, and Development based on strategy translation

Strategy Implementation:

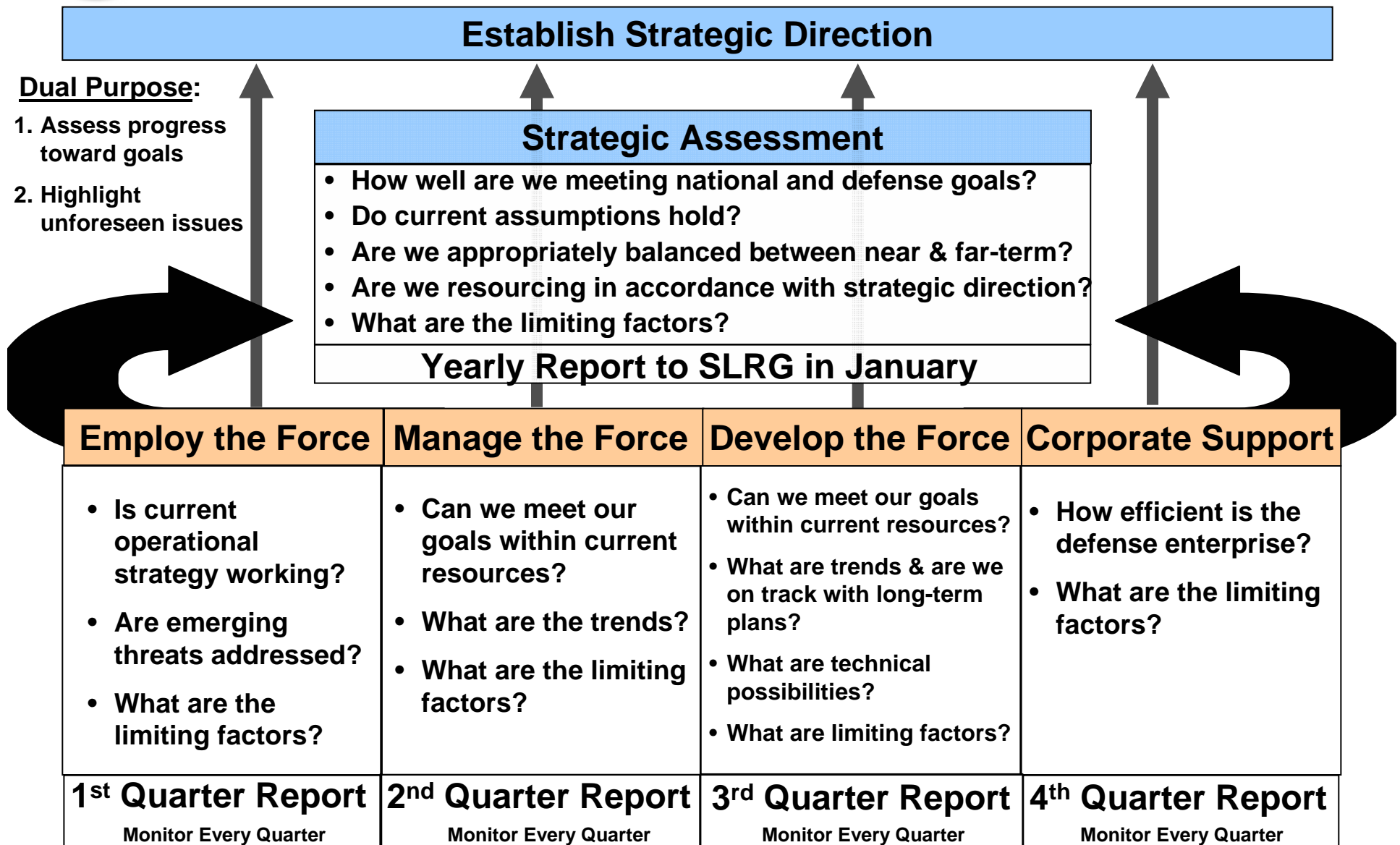
Applies strategic direction to decision processes in each lane and assesses ability to meet outcome goals.

Feeds assessment back to strategy to inform future direction and guide risk and resource reallocation



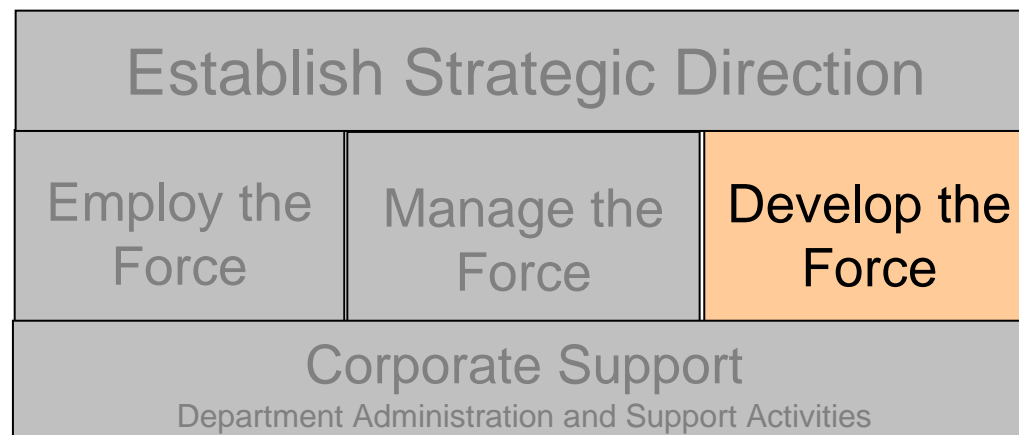


Establish Cross-cutting & Continuous Feedback





Developing the Force





Force Development– Purpose and Issues

□ Force Development activities focus on building capability and capacity (DOTMLPF) to fulfill joint customer needs (fits supply to demand):

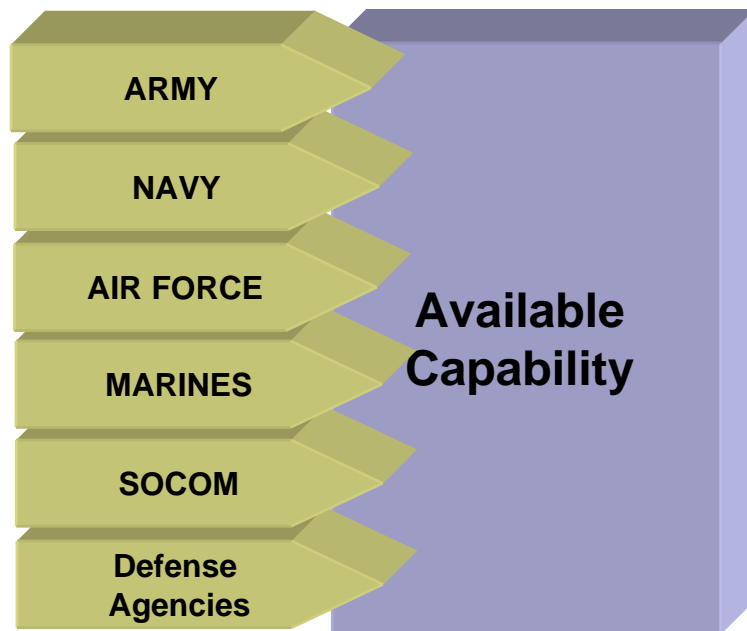
- Satisfy the spectrum of Enterprise or JOINT needs in a prioritized, risk-balanced manner
 - Culture, statutory, and historical component-centric decision making
- Possess timely analytic decision support to enable fact-based investment and divestment decisions
 - Timing of major processes
- Provide feedback to strategic level to better align strategy to fiscal realities and technical possibilities
 - Investment Decisions to Defense Strategy
- As a set of processes, be streamlined, and focused on outcomes
- Information transparency and Integration across the enterprise



A Customer Driven Enterprise

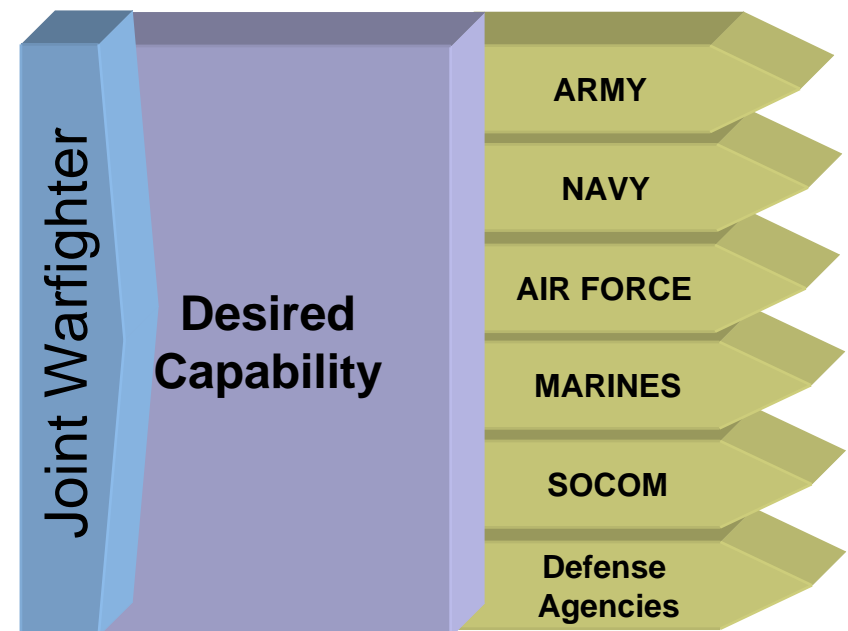
“As Is” Supplier Driven

Supply imposes itself on Demand



“To Be” Market Driven

Demand tailors Supply



Maximize joint warfighter effectiveness through targeted supply efforts

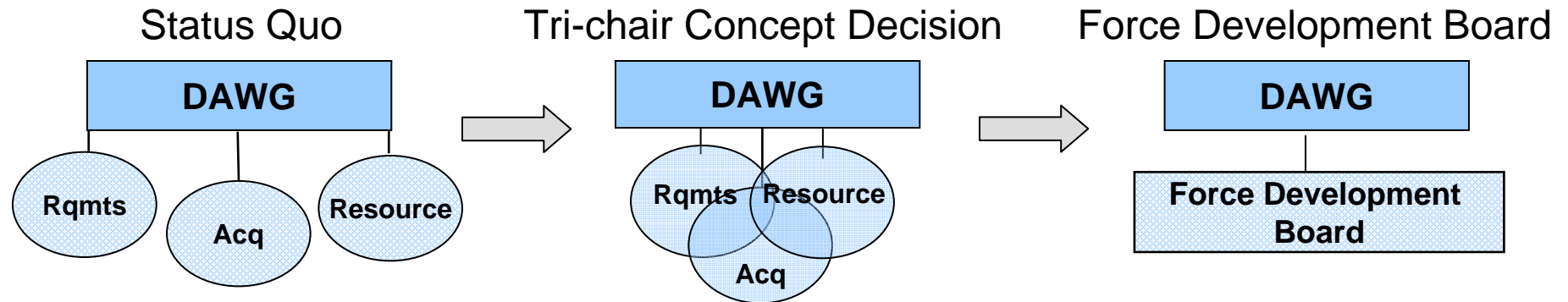


Strategic Direction Inputs to Force Development

- ❑ Strategic Context
 - Priority Scenarios and Events
 - Focus areas for capability development (high priorities of DoD leadership)
- ❑ Strategic Translation (JROC+)
 - Analysis of OPLANS, DPS, MSFD, Joint Concepts, etc.
 - JROC-Prioritized capabilities
 - JROC-Prioritized capability gaps
 - “Demand signal” for capability development
- ❑ Force Development Guidance (DAWG)
 - Enterprise allocation of risk and resources to Force Development



Force Development Governance

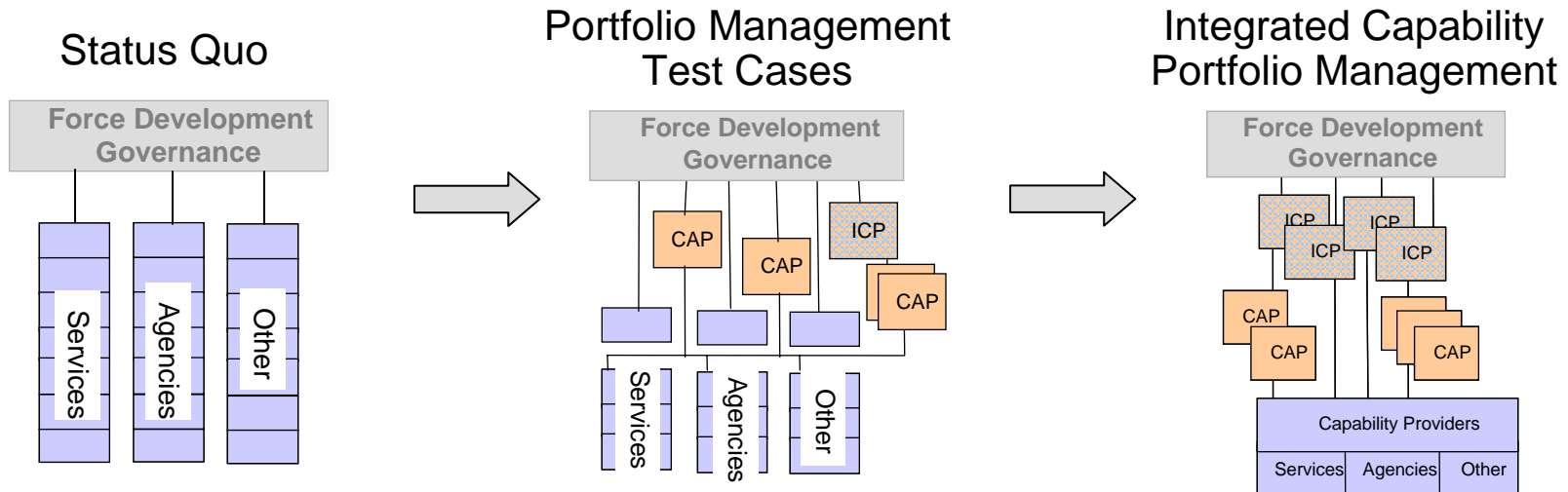


Establish a Force Development Board

- General management investment board
 - Merges requirements, acquisition, and resourcing decision functions
 - Broadens decision tradespace; allows balance across entire FD investment allocation
- Clear, consistent authority with direct linkage to Strategy
 - Measures FD portfolio against risk/resource guidance, and priority capabilities/gaps
 - Provides assessment and feedback to DAWG
- Streamlined organization
 - Integrated decision support entities, focused on common top down guidance
 - Selectively leverages existing processes
- Enables DAWG to focus on strategic cross-cutting corporate issues



Force Development Management



Establish Integrated Capability Portfolio Management:

- ❑ FD portfolio divided into Integrated Capability Portfolios (ICPs)
 - Leverage FCB concept, elevate intent and authority
 - JS, AT&L, PA&E, (C), Components, COCOM staffs comprise ICP organization
- ❑ ICPs accountable to:
 - Ensure portfolios address top down risk/resource guidance and capability priorities (allocated by FD Governance)
 - Deliver fiscally responsible, technically informed, balanced portfolios
- ❑ Empowered, delegated decision authority
 - Requirements, acquisition, and resourcing decisions (as delegated by FD Governance)



Possible CPM Functions

- Develops and implements Concept of Operations and Capability Portfolio Roadmap
- Identifies the scope of portfolios in terms of programs
- Develops and directs the business and resource plan (DOTMLPF) to include POM
- Integrates solution development, analysis and lifecycle management,
- Assigns tasks to Capability Providers (implementation layer) and monitors performance,
- Manages system configuration across the capability
- Interfaces with customer, other capability managers, and external organizations



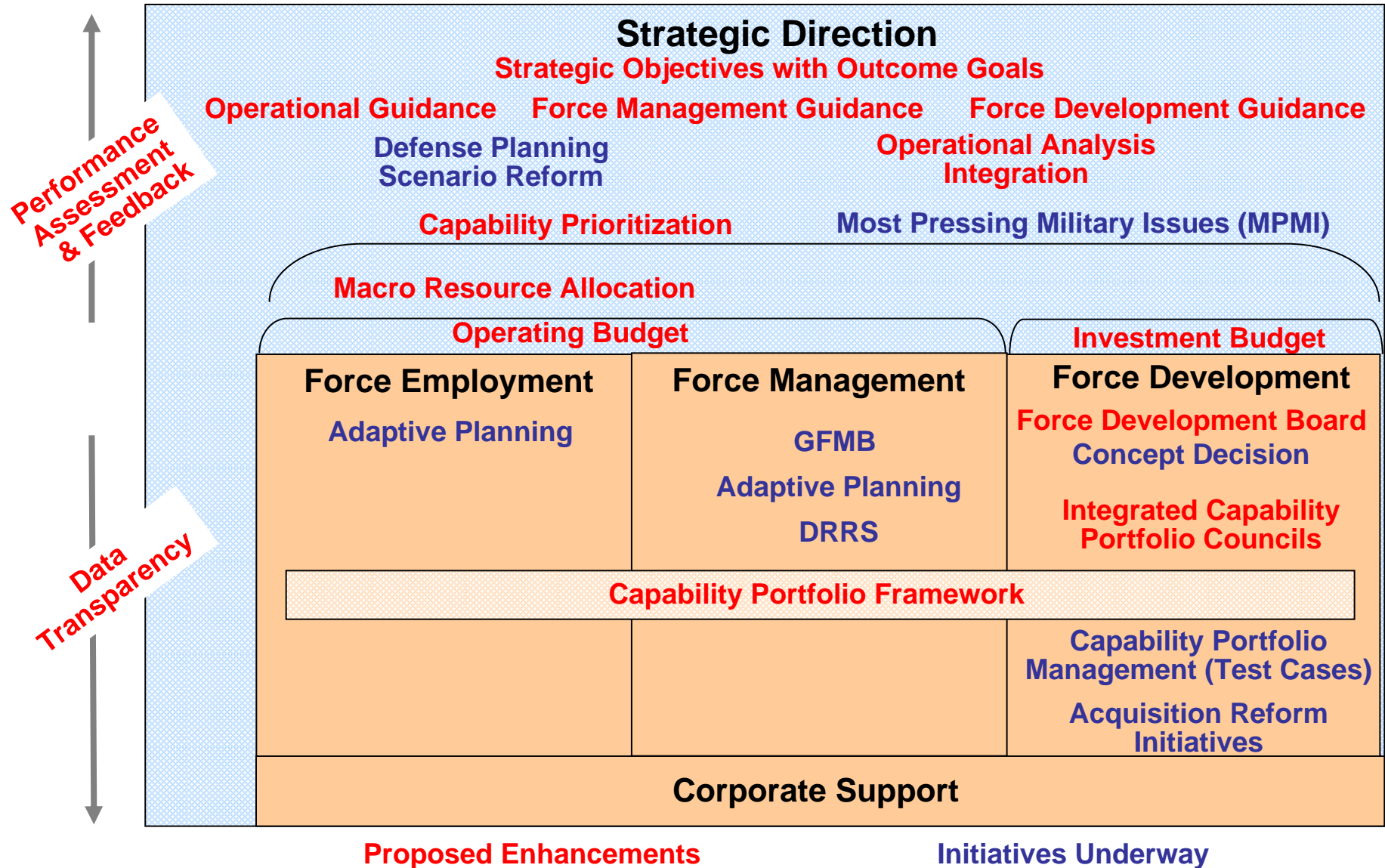
IRG Transformation Proposals

- Framework & Data {
 1. Establish a Capability Portfolio Framework to integrate decision lanes
 2. Improve data transparency and process integration to support the framework
- Strategy {
 3. Establish clear strategic objectives with outcome goals and align planning guidance by decision lane
 4. Strengthen the Department's operational analysis process by better integrating elements and centralizing decision support
 5. Establish a clear demand signal through a Capabilities Assessment and Prioritization Process
 6. At the macro level, allocate resources between operating and capital
- Force Development {
 7. Delegate requirements, acquisition and programming decision authority to an integrated Force Development Board led by USD(AT&L), co-chaired by Vice Chairman
 8. Establish Integrated Capability Portfolio Management, leveraging the Functional Capability Board concept, and merging requirements, acquisition, and resourcing responsibilities
- Assessment & Feedback {
 9. Formalize a cross-cutting and continuous performance assessment and feedback mechanism that supports internal decision-making

First two proposals covered in 21 July 06 DAWG session



How Transformation Proposals Relate





Summary

- Establishing a capabilities based approach to manage risk, conduct trades and better enable strategic choice across the enterprise
- Joint warfighter needs and strategic priorities will drive the decisions
- Data Sharing in a Net-Centric DoD is becoming increasingly more important – need to identify the requirements
- Test cases are critical to validating the hypothesis



Phases for effective PM

- Analysis** – inventory of investments and establish a baseline in order to review and analyze the portfolio
- Selection** – Criteria, which flows from strategic plan is established and weighted
- Control** – apply project management EVMS (redirect or terminate)
- Evaluate** – is deployed project meeting expectations?

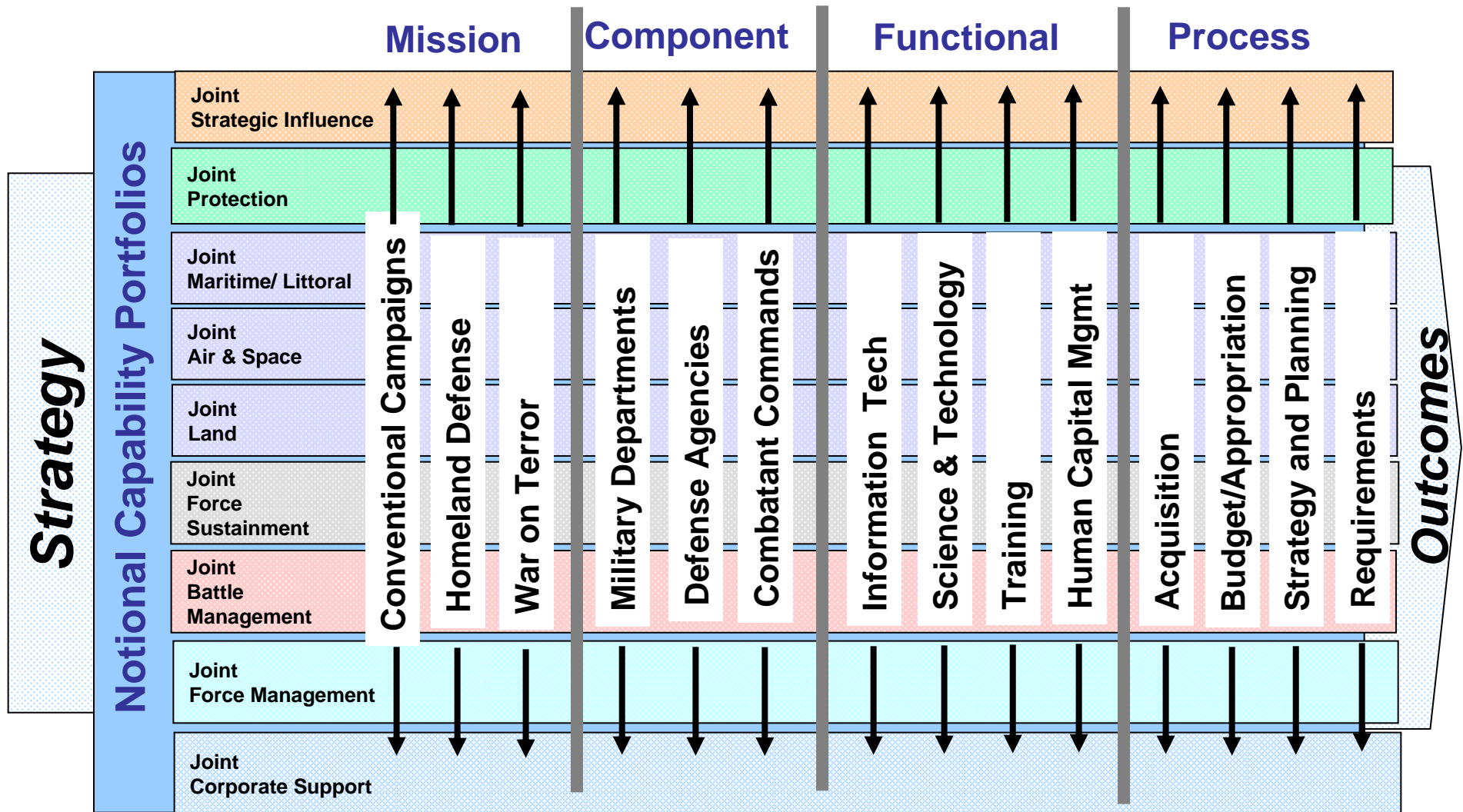


Elements for Successful Portfolio Management

- Senior management commitment & consensus
- Communication of Strategic Objectives
- Strategically aligned investment selection
- Institutionalized investment management process
- Governance framework aligned with enterprise decision-making
- Integrated program/project management discipline
- Consistent risk & performance measurement
- Portfolio reviews to support investment priority realignment
- Effective balance of investment
- Strategic focus- transforming strategy into operational excellence



Portfolios provide Structure for Horizontal & Vertical Integration



A capability portfolio taxonomy is needed to enable this integration