



SECRETARY OF THE ARMY
WASHINGTON

AUG 20 2002



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Business Initiative Council (BIC)

The BIC effort, at both the DoD level and within the Army, is continuing to generate excellent initiatives that will improve our business processes and eventually make resources available for application to higher Army priorities. Your response to my requests for initiatives has been terrific, and I want to thank those of you who have responded to the call. I would also like to encourage the rest of you to join your fellow leaders and managers by helping the Army identify new and better ways of doing business. We have always placed a high priority on continuous process improvement. The critical missions we have been given in the past 11 months, coupled with the challenge of limited resources, have made it even more important for us to aggressively seek improvements in the business side of the Army.

On 13 August, I reviewed 27 initiatives that you submitted in response to my most recent data call. I approved eight of these initiatives — six for implementation within the Army and two for submission to the DoD BIC as Defense-wide initiatives. I decided to defer action on four initiatives that need further study, and disapproved only four. I determined that the remaining 11 initiatives are already “in play” in one way or another. Most of these are being addressed in other forums, and some have already been approved in response to earlier suggestions. These numbers make it clear that you are submitting high-quality initiatives, with the vast majority either approved or already underway.

The approved initiatives, which are detailed at the enclosure, will enable us to improve our management of TDY costs associated with institutional training, reduce the turbulence caused by delayed fielding of new equipment in the reserve components, capitalize on technology to streamline and automate several time-consuming manual processes, and explore opportunities to improve the condition of some of our MWR facilities.

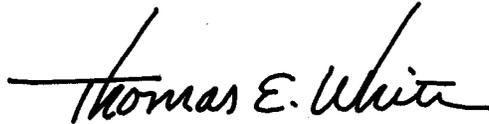
In order to successfully implement the approved initiatives and to maintain the momentum that the DoD and Army BIC activity has established, I ask that you:

- Work cooperatively with initiative champions when asked to play a role in implementing approved initiatives.

- Continue to identify proposed process improvement initiatives. I've asked you to submit one new initiative each quarter, and I look forward to receiving the next set of candidate initiatives, which are due by 30 September.

This action is being managed jointly by the ASA(FM&C) and the DCS, G-8, both of whom stand ready to assist you if you need additional guidance.

As I noted above, I am pleased with the results the ABIC project has generated to date, and I'm expecting even better results in the near-term future. Please convey my thanks and encouragement to the members of your organization who are playing key roles in contributing to our success.



Thomas E. White

Enclosure

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Army Business Initiative Council (ABIC)
SECARMY Decisions on Round 2 Initiatives
13 August 2002

On 13 August the Secretary of the Army approved eight new initiatives. Six of these will be implemented within the Army, and two will be submitted to the DoD BIC for consideration as Defense-wide initiatives.

APPROVED FOR ARMY IMPLEMENTATION:

- **Privatization of Army Lodging:** The Army will determine, through a business case analysis, whether and how Army lodging should be privatized. Privatization would entail partnering with industry to construct, renovate, operate and maintain selected Army lodging facilities. This is a quality of life initiative that will improve the condition of lodging facilities at those selected sites.
- **Use of E-Mail Signatures:** This initiative will streamline the process for awards, Additional Skills Identifier, travel requests, etc., by using E-mail signature authority. The initiative promotes government objectives of e-commerce and affects processing improvements, such as the reduction in time to process and forward documents.
- **Funding of Military Training Service Support:** At present, when soldiers leave their home station for training, the temporary duty (TDY) costs are funded by the sending installation. However, most of the actual TDY costs (food, lodging, local transportation) are under the control of the training installation. This initiative calls for a pilot project to test the concept that costs will be driven down if the funding is issued and controlled by the training installation. Besides anticipated reductions in funding requirements, spin offs in the area of reduced accounting transactions and delinquent accounts and reduced out-of-pocket costs for soldiers are expected.
- **Procurement Funding for Reserve Component (RC) New Equipment Training (NET):** At present, personnel costs for RC units receiving NET are paid by RC appropriations. When training schedules are accelerated or delayed, the one-year RC appropriations frequently are inadequate to cover the cost of training when it actually occurs. This initiative, which will require congressional support, will allow the Army to reimburse the RC appropriations with procurement funds that are under the control of the program managers responsible for fielding the new equipment. Since procurement appropriations are multi-year accounts, the program manager will be able to absorb schedule changes with no adverse impact on RC training, unit readiness or RC appropriations.

- Automated Department of Army Civilian Timecard Submission: This will create a web-based timecard process and software for use throughout the Army. The initiative will draw on lessons learned from testing that has recently been initiated by the Defense Finance and Accounting Service (DFAS). After drawing upon the DFAS lessons learned, the Army will conduct pilot tests at selected sites to determine whether and how to proceed with Army-wide implementation. It is anticipated that this single Army-wide system will reduce negative impacts on employees as they change jobs/organizations, will save time and reduce workload by entering data once rather than multiple times and is consistent with DOD's web-centric strategy.
- Restructuring of Nuclear Effects Test Capability: This initiative reduces the long-term cost of testing systems in Army nuclear reactor facilities, by consolidating testing efforts and reducing the number of facilities.

APPROVED FOR SUBMISSION TO DoD BIC:

- Outsource Household Goods Management in NCR: This initiative expands on recent DoD household goods test successes, which evaluated third party management of all outbound shipments from the National Capitol Region to include non-temporary storage. It will reduce government infrastructure and is expected to capitalize on the strengths of the move manager and improve problem resolution.
- Enhanced Use Lease Program: This initiative implements a public-private partnership to renovate a building at Walter Reed Army Medical Center (WRAMC) under USC Title 10 Section 2662 authority. This initiative will centralize WRAMC administration facilities, while providing space for medical facility expansion and will result in private sector funding of \$40 million in renovation and ongoing maintenance, with an investment of \$1.4 million.