



SECRETARY OF THE ARMY
WASHINGTON
NOV 6 2001



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Business Initiative Council (BIC)

Earlier this year, the Secretary of Defense established the Business Initiative Council, with the mission of improving the Department's business operations and generating savings that can be applied to higher priorities. As a member of the BIC, I wholeheartedly support this effort. This review of DoD and Army business processes is a tremendous opportunity for us to make meaningful changes in the way we do business and at the same time to make resources available to support the key pillars of our Army vision: people, readiness, and transformation.

The BIC is conducting its review in several phases, and has completed Phase I by approving a number of initiatives that will have a positive impact in FY03 or earlier. (See enclosed decision memo from the USD(AT&L)). The designated "champions" are developing implementation plans, and action will soon commence on each of the initiatives. At the same time, the BIC has begun Phase II of the review, which will focus on identifying longer-term initiatives.

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

- Work cooperatively with initiative champions when asked to play a role in implementing the approved quick-hit initiatives.
- Identify and suggest additional improvement opportunities when asked to do so by HQDA functional proponents. In this regard, I encourage you to draw upon improvement ideas that have surfaced under the umbrella of Total Army Quality and associated efforts (process improvement, best practices, process reengineering, and benchmarking), and that might benefit from the senior level attention afforded by the BIC.

I have tasked the DCSPRO and the ASA(FM&C) to work together to guide the Army's participation in the BIC effort, and have established the Business Initiative Task Force, under the direction of Dr. Bob Raynsford, Deputy Assistant Secretary of the Army for Resource Analysis and Business Practices, to oversee the project. The Task Force stands ready to assist you if questions or problems arise in implementing the approved initiatives or in other aspects of the review.

The other BIC members and I are encouraged by the cross-Service teamwork that we've seen already on this effort, and I solicit your support in helping us to build on the solid foundation we've established.

A handwritten signature in black ink that reads "Thomas E. White". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Thomas E. White

Enclosure

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DEPARTMENT OF DEFENSE



BUSINESS INITIATIVE COUNCIL (BIC)

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

SUBJECT: Business Initiative Council (BIC) Approval of Quick Hit Initiatives

In early July 2001, I announced the establishment of the Business Initiative Council (BIC) to improve the business operations of the Department of Defense (DoD) through a wide array of short (quick hit) and long-term initiatives, and reallocate savings yielded by such initiatives to higher priority efforts (i.e., people, readiness, modernization, and transformation). The BIC is operational and ready to identify the first set of business initiatives that will lay the groundwork for more far-ranging enterprise-level initiatives.

On 14 September 2001, the members of the BIC (the Secretaries of the Military Services, the Vice Chairman of the Joint Chiefs of Staff, and I) received a presentation from the BIC Executive Steering Committee (ESC) and the BIC Executive Directors (EDs), which solicited approval for the immediate implementation of eleven quick hit proposals. These quick hit initiatives were recommended on the basis of their ability to benefit our warfighters, provide common (joint) good across DoD, and to provide identifiable savings / benefits that will have a positive impact on FY03 budget / execution. At the conclusion of the meeting, the BIC approved ten initiatives and directed the BIC ESC and EDs to work with the identified DoD champions of each initiative in the development and deployment of their action plans. The approved quick hit initiatives and their DoD champions are summarized in the attachment to this memorandum.

Approval of this first set of initiatives is only the beginning of a phased-effort by the BIC to identify and implement promising ideas to improve the way we conduct our business. The BIC structure includes seven process / functional boards made up of subject matter experts from OSD, the Joint Staff, and the Military Services who will continue to work collaboratively and continuously to bring good ideas forward to the BIC for consideration. Improving the Department's business operations ultimately takes the

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collective efforts of leadership, and the participation and support of our total workforce, to make our operations more efficient. To this end, the BIC is personally committed to support the DoD champions of these initiatives to help see them through to successful completion, while working with the BIC process / functional boards as they continue their search for promising new ideas to sharpen DoD business processes.

Honorable Edward C. Aldridge, Jr.
Under Secretary of Defense
(Acquisition, Technology, and Logistics)

Sept 19, 2001
Date Approved

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ATTACHMENT (1):

SUMMARY OF APPROVED QUICK HIT INITIATIVES
(RESULTS OF BIC MEETING, 14 SEPTEMBER 2001)

People Processes:

Title: One-Time Clearance of Priority Placement for Scientific & Engineering Positions

Description of Initiative: As a "war for people" tool, eliminate unnecessary delays being experienced in the hiring of hard to fill scientific and engineering positions, by allowing for a one-time clearance of the Priority Placement Program (PPP).

Required Policy Changes / Approach: Change DoD policy to allow one-time clearance of PPP for scientific & engineering positions by revising PPP regulations and providing implementation guidance.

Approved Actions: BIC agrees to pursue modification of DoD PPP regulations to allow for one-time clearing for scientific & engineering positions.

Responsible DoD Champion: Navy (NAVFACSYSCOM Director of Civilian Personnel Programs)

Title: Modify 180-Day Waiting Period to Hire Retired Military

Description of Initiative: As a "war for people" tool, encourage highly qualified retired military personnel to pursue civil service careers by having SECDEF authorize Service Secretaries to delegate waiver authority within the components.

Required Policy Changes / Approach: DoD authorize re-delegation of waiver authority to the services.

Approved Actions: BIC agrees to request re-delegation authority from SECDEF.

Responsible DoD Champion: Air Force (Directorate of Personnel Force Management)

Title: Manpower Mix Management Flexibility

Description of Initiative: OSD allow the Services to make the most efficient use of civilian / contract personnel without predetermined constraints / expectations.

Required Policy Changes / Approach: OSD eliminate civilian full-time equivalent targets from DoD programming guidance.

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Approved Actions: BIC will approach SECDEF to support changing the policy and practice, with respect to DoD planning guidance, that establishes civilian full-time equivalent targets / end-strength controls.

Responsible DoD Champion: Army (Assistant Secretary of the Army for Manpower and Reserve Affairs)

Corporate Operations Processes:

Title: Recovery Auditing

Description of Initiative: Use contingency fee auditing services contract to identify and recover overpayments in Working Capital Funds to providers of goods and services.

Required Policy Changes / Approach: Military services and DoD agencies implement for working capital funds immediately (Navy, Army, and DLA have pilots working). Samples of successful contingency fee based recovery auditing contracts to be made available to all services / agencies for their use; lessons-learned to be shared so that problems leading to overpayments are corrected.

Approved Actions: BIC members agree to full implementation of recovery auditing for all DoD working capital funds.

Responsible DoD Champion: Navy (Assistant Secretary of the Navy for FM&C)

Title: Raise Below Threshold Reprogramming (BTR) Thresholds

Description of Initiative: Raise the thresholds for BTR actions to provide program managers greater flexibility to execute their programs by increasing thresholds for Procurement accounts from \$10M to \$20M and Research & Development thresholds from \$4M to \$10M.

Required Policy Changes / Approach: Congressional oversight committees (four) must approve higher thresholds, but legislation is *not* required. DoD implement immediately when Congress agrees to raise the thresholds.

Approved Actions: BIC will request USD(C) signature on letters to the four congressional oversight committee chairpersons, asking each to consider raising the thresholds.

Responsible DoD Champion: Under Secretary of Defense (Comptroller)

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Title: Web-based Invoice / Receipt Processing

Description of Initiative: To reduce the incurrence of incorrectly prepared or missing receiving reports and move toward a paperless process, use existing automated systems so that DFAS can pay vendors more quickly and accurately.

- *Wide Area Workflow (WAWF)*: Reduces prompt payment penalties through paperless processing of receiving reports.
- *Web Invoicing System (WInS)*: Reduces DFAS charging through paperless processing of invoices.

Required Policy Changes / Approach: Fully enforce policy Chapter 131, Section 2227 of Title 10 USC (requiring claims / payments to be processed electronically).

Approved Actions: BIC will direct DoD components to work with DFAS and contractors to make WAWF and WInS a focus of future efforts.

Responsible DoD Champion: Marine Corps (Fiscal Division; Accounting Liaison and Technical Services (RFL))

Title: Common Range Scheduling Tool

Description of Initiative: To enhance coordination of testing schedules across multiple sites, and avoid unnecessary scheduling delays, rationalize the scheduling process across the services to enable implementation of a web-based scheduling tool. Develop and implement a web-based scheduling tool capable of real or near real-time updates.

Required Policy Changes / Approach: No policy changes are required.

FY02 Investment Requirement: \$1.2M for tool development (*Services will bear investment cost*).

Approved Actions: BIC agrees to direct development and implementation of a common scheduling process with a web-enabled tool.

Responsible DoD Champion: Navy (NAVAIRSYSCOM Test & Evaluation)

Title: Local / Regional Cell Phone Pooling

Description of Initiative: To overcome rising cost of cellular telephone bills and inefficient phone purchases, negotiate new local or regional cell phone contracts to consolidate cell phone users into appropriate pools.

Required Policy Changes / Approach: No policy changes are required.

Approved Actions: BIC agrees to the purchase of cell services using pooled group rates, as manageable.

Responsible DoD Champion: Air Force (Secretary for Acquisition)

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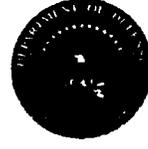
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Acquisition Management Processes

Title: Enterprise Software Initiative (ESI)

Description of Initiative: Streamline the acquisition process by providing best-priced, standards-compliant software products through expanding the use of the ESI process as the benchmark acquisition strategy by:

1. Using the current structure of executive agents distributed among military departments / defense agencies.
2. Maintaining a flexible process to be responsive to customer needs.
3. Extending a software asset management framework within the DoD to enhance enterprise software life-cycle management capability.

Required Policy Changes / Approach: No policy changes are required. ESI is an ongoing initiative, therefore, integrate implementation strategy in accordance with the ESI implementation plan.

FY02 Investment Requirement: \$515k for software asset management tools (*Services will bear investment cost*).

Approved Actions: BIC agrees to fully implement ESI.

Responsible DoD Champion: DoD, Deputy Chief Information Officer (CIO)

Title: Common Flight Clearance Process

Description of Initiative: In order to reduce clearance turnaround time, develop and implement a "common" flight clearance process by incorporating the latest information technology advancements.

Required Policy Changes / Approach: No policy changes are required.

FY02 Investment Requirement: \$1M for process implementation (*Services will bear investment cost*).

Approved Actions: BIC agrees to implementation of a common flight clearance process.

Responsible DoD Champion: Navy (NAVAIRSYSCOM Test & Evaluation Engineering)

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