## TRANSITION TOPIC:

# Construct a Management Architecture

**TASK**: Consider management architecture options that better align functional and budget responsibility consistent with comprehensive strategic planning.  Scope the leadership hierarchy to the appropriate management responsibilities, reduce layers of management and move decision making closer to issue identification.

**TASK GROUP**:

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| Report Documentation Page | | *Form Approved*<br>*OMB No. 0704-0188* |
|---|---|---|

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| 1. REPORT DATE<br>**23 OCT 2008** | 2. REPORT TYPE | 3. DATES COVERED<br>**00-00-2008 to 00-00-2008** |
|---|---|---|
| 4. TITLE AND SUBTITLE<br>**Construct a Management Architecture** | | 5a. CONTRACT NUMBER |
| | | 5b. GRANT NUMBER |
| | | 5c. PROGRAM ELEMENT NUMBER |
| 6. AUTHOR(S) | | 5d. PROJECT NUMBER |
| | | 5e. TASK NUMBER |
| | | 5f. WORK UNIT NUMBER |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)<br>**Defense Business Board,Secretary of Defense,Washington,DC** | | 8. PERFORMING ORGANIZATION REPORT NUMBER |
| 9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) | | 10. SPONSOR/MONITOR'S ACRONYM(S) |
| | | 11. SPONSOR/MONITOR'S REPORT NUMBER(S) |

12. DISTRIBUTION/AVAILABILITY STATEMENT
**Approved for public release; distribution unlimited**

13. SUPPLEMENTARY NOTES

14. ABSTRACT

15. SUBJECT TERMS

| 16. SECURITY CLASSIFICATION OF: | | | 17. LIMITATION OF ABSTRACT | 18. NUMBER OF PAGES | 19a. NAME OF RESPONSIBLE PERSON |
|---|---|---|---|---|---|
| a. REPORT<br>**unclassified** | b. ABSTRACT<br>**unclassified** | c. THIS PAGE<br>**unclassified** | **Same as Report (SAR)** | **4** | |

**Standard Form 298 (Rev. 8-98)**
Prescribed by ANSI Std Z39-18

**ISSUE:**

- The Department lacks a comprehensive management system that facilitates analysis, planning and allocation of resources as well as integrated trade-off decision making.

**IMPACTS:**

- Largest U.S. enterprise with critical public trust

- DoD is more like an economy than a corporation—17th largest nation globally if its expenditures were GNP

- In fiscal year 2007, DoD consumed 56% of the enacted discretionary budget authority for the entire USG.

- DoD management decisions impact Nation's industrial base, technology competitiveness and social structure

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# Defense Business Board

**DISCUSSION:**

**The management challenge:**

- The Department's hardware and services acquisition system is inadequate to support DoD in the 24/7 multi-polar world or for wartime

- Continuing challenges providing timely support to on-going operations and personnel in Iraq and Afghanistan

- Excessively high overhead for decades—42% on average since 2002

- Difficulty consistently synchronizing strategic intent, force structure or investment decisions

October 23, 2008

## RECOMMENDATIONS:

1. The new Administration should assign a team of experts upon the announcement of the new nominee for Secretary of Defense to review, validate and/or alter DoD management systems/processes in order to get underway on January 20th, 2009.

2. Build a senior leadership team with the skills and experience that complements the Secretary's strengths and compensate for any gaps.

3. Senior leadership must lay out clear and measurable management objectives, establish organizational and individual expectations and demand ongoing alignment essential to achieve goals.

4. Develop leading indicator metrics to measure progress and improve accountability.

5. Synchronize the capability to identify and exploit deep strategic initiatives that are as important as pressing near term action.

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