

DEFENSE SECURITY COOPERATION AGENCY

# VISION 2020

OCTOBER 2015

UPDATE 1



SOLUTIONS FOR AMERICA'S  
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# VISION 2020





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# KEY TERMS

The following definitions are provided for the purpose of clarifying this plan and should not be considered official definitions unless so noted.

**Customer:** Any entity or individual external to DSCA that relies on a security cooperation activity or process to achieve a specific output or a specific outcome (e.g. U.S. Military Department or other United States government agency, U.S. industry, foreign partner).

**Implementing Agency:** The Military Department or defense agency responsible for executing military assistance programs. With respect to foreign military sales, the Military Department or defense agency assigned responsibility by the Defense Security Cooperation Agency to prepare a Letter of Offer and Acceptance (LOA) and to implement a foreign military sales (FMS) case. The implementing agency is responsible for the overall management of the actions that will result in delivery of the materials or services set forth in the LOA accepted by a foreign country or international organization.

**Partner (also Partner Nation, Foreign Partner):** An international entity – most often a foreign defense and security establishment – that is the beneficiary of security cooperation programs and activities.

**Security Assistance:** A group of programs authorized by the Foreign Assistance Act (FAA) of 1961, as amended, and the Arms Export Control Act (AECA) of 1976, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense-related services, by grant, loan, cash sale, or lease, in furtherance of national policies and objectives (Source: Joint Publication 1-02, as amended through 14 April 2006).

**Security Cooperation:** The full continuum of activities undertaken by the Department of Defense to encourage and enable international partners to work with the United States to achieve strategic objectives. It encompasses all DoD interactions with foreign defense and security establishments, including all DoD-administered security assistance programs, that build defense and security relationships promoting specific U.S. security interests, including all international armaments cooperation activities and security assistance activities; that develop allied and friendly military capabilities for self-defense and multinational operations; and that provide U.S. forces with peacetime and contingency access to host nations (DoD Directive 5132.03).

- ▶ **Security Cooperation Enterprise:** The network of entities engaged in any element of security cooperation programs, either as providers or beneficiaries. This includes U.S. government (USG) agencies, Congress, foreign partners, and industry.
- ▶ **Security Cooperation Community:** A subset of USG executive branch entities within the security cooperation enterprise directly responsible for managing or executing security cooperation programs or the policies that affect those programs.
- ▶ **Security Cooperation Workforce:** Employees of USG agencies within the security cooperation community.



## MESSAGE FROM THE DIRECTOR



It is the one year anniversary of the publication of Vision 2020; a good opportunity for DSCA to assess our progress and to implement mid-course guidance, where applicable.

Given the Agency's mission and strategic focus, my leadership team and I established aggressive, impactful goals to meet our objectives within a six-year time span: October 2014 through September 2020. The DSCA team has made considerable progress toward meeting many of our goals. For example, DSCA developed and implemented the Lead Nation Procurement Initiative, which is intended to support sales to a NATO organization or NATO country with subsequent retransfer to an identified group of NATO countries. This offers flexibility and potential time and cost savings to our NATO partners, while still maintaining accountability and adhering to statutory reporting requirements. Lead Nation Procurement is currently in a two-year pilot period. Additional examples of our progress are highlighted throughout this document.

One of the most significant and long-reaching changes resulting from Vision 2020 is that DSCA has fully transitioned to a matrixed organization. That transition took considerable time and energy, but the outcome is that DSCA is now better aligned to achieve our mission and meet the needs and expectations of our stakeholders.

The “vigorous debates” and “difficult conversations” I described in my original message in October 2014 continued within DSCA and the security cooperation community throughout the first year of implementation. We have learned a great deal from those debates and conversations. In a few instances we determined that a goal we set needed to be modified or a timeline adjusted to better target an underlying issue or opportunity. As a result, readers will note modifications that refocus some of our efforts for more effective, higher-impact implementation. Most notably is the “Managing Human Capital Across the Community” goal, which has been completely revised to focus on requirements for building and sustaining a highly competent, professional and motivated security cooperation workforce. I believe that these revisions better and more realistically focus DSCA's efforts on the most pressing issues and priorities, and position us to more effectively advance U.S. national security and foreign policy objectives.

I appreciate the strong support that the DSCA team and security cooperation community have demonstrated during the development and first-year implementation of Vision 2020. I am confident of continued support and commitment to an outstanding security cooperation enterprise and am proud to publish this updated DSCA Vision 2020.

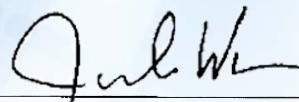
J. W. Rixey  
Vice Admiral, USN  
Director

## MESSAGE FROM THE MANAGEMENT TEAM


As DSCA's management team, we remain dedicated to achieving DSCA Vision 2020 by implementing the goals, objectives, and initiatives laid out in this document. We affirm our pledge to the Agency's values and to holding each other to the same high standards to which we hold the broader workforce. DSCA Vision 2020 outlines the appropriate course of action for addressing the challenges of the coming decade.



Deputy Director/  
Principal Director for Strategy (Acting)



Principal Director for Business Operations



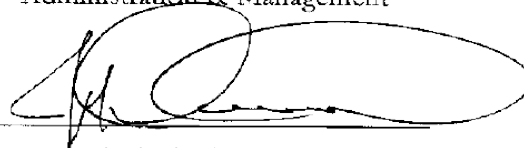
Principal Director for Security Assistance



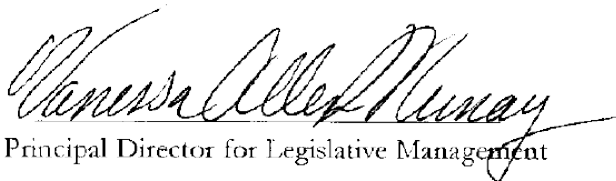
Principal Director for  
Administration & Management



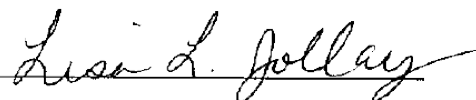
Chief Performance Officer



Principal Director for  
Building Partner Capacity



Principal Director for Legislative Management



Principal Director for Information  
Technology/Chief Information Officer





# EXECUTIVE SUMMARY

The Defense Security Cooperation Agency (DSCA) directs, administers and provides DoD-wide guidance for the execution of assigned security cooperation programs. We do so at the nexus of defense, acquisition, and national security policies. We bridge both national and international considerations, and operate across every phase of conflict, from peacetime to war. The issues we deal with are often complex and urgent. To address these challenges, DSCA Vision 2020 lays out a three-fold approach: (1) synchronizing security cooperation activities, (2) meeting customer expectations, and (3) ensuring the effective and efficient use of security cooperation community resources.

DSCA continues to work with the security cooperation community to **calibrate roles and responsibilities** in order to build unity of message and effort, and empower appropriate delegation of responsibilities. DSCA is also taking steps to **enhance knowledge management** in support of the security cooperation community. In addition, DSCA has developed a strategy to effectively **manage human capital** within the Agency and across the community. This will help to **incentivize community performance, innovation and responsiveness**.

These efforts support and enable the synchronization of security cooperation efforts to meet U.S. and partner country customer expectations. They do so by **aligning efforts to strategic priorities**, enabling more **responsive industry participation in security cooperation**, and responding to our international partners' requirements so as to **remain a provider of choice**.

DSCA will continue to aggressively **optimize the management and execution of DSCA programs** through a wide range of process improvement efforts, including training and education, assessment efforts, and further refinement of our matrixed organizational roles and responsibilities.

We will continue to accomplish these tasks energetically and transparently, mindful of overarching defense, foreign policy and national strategic objectives and priorities. In some instances, changing

## ACHIEVEMENTS

- ▶ DSCA is structured much differently than it was one year ago. This is a result of implementation of initiative 4.1.a, which called for the transition of DSCA into a matrixed organization with Integrated Regional Teams (IRTs) that prioritize and synchronize DSCA managed activities. The transition took considerable time and energy, but the effort was worthwhile. DSCA is now better aligned to meet the needs of the Security Cooperation Enterprise.
- ▶ In order to facilitate industry engagements that provide and capitalize on security cooperation opportunities, DSCA has increased outreach with industry partners through immersion meetings and community-wide coordinated participation at international trade shows. This supports our goal of enabling more responsive industry participation in Security Cooperation, ensuring priorities are better aligned in order to best address our partners' national requirements.
- ▶ The surcharge review called for in initiative 6.1.d led to a 20% reduction in the Contract Administration Services (CAS) surcharge. This represents a significant cost savings for customers with new procurement cases, and demonstrates DSCA's commitment to making the most effective and efficient use possible of our customers' funds.



priorities, or an improved understanding of our priorities, has led to changes in our tasks and timelines. Those changes are reflected throughout this updated document.

Vision 2020 is a strategy for fulfilling our vision: **Enable a whole-of-government effort to build and maintain networks of defense relationships that achieve U.S. national security goals.** By maintaining our focus on synchronizing customer expectations, effectiveness, and efficiency, DSCA will continue to play a central role in the security cooperation community well into the future.

## OUR ENVIRONMENT AND APPROACH

U.S. national security and foreign policy interests can be achieved only by working closely with and building the capacities and capabilities of our partners. As the 2014 Quadrennial Defense Review states, “we will continue to operate in close concert with our allies and partners... because no country alone can address the globalized challenges we collectively face.” Confronting those challenges requires the security cooperation community to perform at the highest possible level. However, several factors hamper our efforts.

- ▶ Competition for resources is high and the United States’ reliance on its partners increases in environments of fiscal austerity.
- ▶ It is difficult to align efforts and develop corporate knowledge across the security cooperation enterprise. The legal and regulatory environment is complex, and most U.S. Government (USG) agencies within the SC enterprise are not exclusively focused on security cooperation functions. They therefore have diverse business cultures, operating procedures, authorities, and understandings of strategic guidance.
- ▶ The nature of international relationships is rapidly changing and we face a more diverse, capable, and competitive international environment. With a broader field of competitors comes a wider spectrum of areas in which the United States must compete. The increased connectivity of the global economy and information infrastructure vastly accelerates the speed at which relationships are formed, maintained, and complicated. Simply planning as a

community is insufficient. This emerging environment favors those who can pursue their national interests by adapting to unforeseen challenges and opportunities.

In order to establish and maintain the relationships so vital to our strategic interests, the United States must be proactive in meeting the unique and dynamic needs of our partners. In order to compete, the SC community must be able to

identify and process these needs and pull together various programs and services into a customized solution compatible with U.S. national interests and law, and is able to compete successfully in the current environment. Such convergence requires a more unified whole-of-government approach – an approach that is already mandated for the programs covered by Presidential Policy Directive 23 on Security Sector Assistance.



DSCA strives to lead the security cooperation community in the following areas:

### **Synchronizing Security Cooperation Activities**

- ▶ Working closely with the Office of the Deputy Assistant Secretary of Defense for Security Cooperation, DSCA will lead the security cooperation community in better coordinating the delegation and sequencing of efforts, and in collaborating across the security cooperation enterprise. Its role includes facilitating decision-making that addresses gaps, redundancies, and conflicts, and that achieves long-term objectives. It also entails building adaptability into our processes so the enterprise can anticipate and respond to emergent and dynamic requirements.

### **Meeting Customer Expectations**

- ▶ There is a customer in everything DSCA does, whether it is another U.S. Government organization, industry, or an international partner. The complexity of modern challenges requires solutions that are tailored and artfully deployed. Properly identifying and executing to customer expectations enables the U.S. Government to find more complete solutions to its challenges while remaining competitive in the global marketplace.

### **Ensuring Effectiveness and Efficiency**

- ▶ Effectiveness and efficiency are goals in everything we do. DSCA must be able to draw on all its security cooperation tools to find the best solution for a given task – and it must do so while constrained by declining resources. DSCA will lead the community in the sustainable use of resources through business process improvement, modernization, and coordinated assessments of community effectiveness and efficiency.



# FUNDAMENTALS

## Mission

- ▶ Lead the security cooperation community in developing and executing innovative security cooperation solutions that support mutual U.S. and partner interests.

## Vision

- ▶ Enable a whole-of-government effort to build and maintain networks of relationships that achieve U.S. national security goals.

## Values

- ▶ **Leadership:** We are a U.S. Government-wide source for security cooperation solutions. We expect our organization and our workforce to lead the community toward accomplishing national, regional, and country objectives.
- ▶ **Integrity:** We adhere to the highest ethical and professional standards. In order to build partnerships based on trust, integrity must be at the core of all we do.
- ▶ **Teamwork:** We are committed to the security cooperation enterprise as a whole-of-government effort. We understand the importance of working together to build and sustain enduring relationships with our international partners.
- ▶ **Innovation:** We strive for organizational creativity and adaptability. These characteristics are essential to our success in today's evolving strategic environment.
- ▶ **Efficiency:** We are trusted stewards of U.S. taxpayer and partner nation funds. We strive to achieve our mission in the most efficient way possible while maintaining our commitment to effectiveness and quality.





# LAYING THE FOUNDATION

## 1. Calibrating DSCA's Roles and Responsibilities

**Goal:** Ensure that DSCA's official roles and responsibilities support DSCA Vision 2020.

**End State:** Official issuances clearly codify the level of DSCA responsibility necessary for the efficient and effective execution of DSCA-managed security cooperation programs and initiatives.

**Objective 1.1:** Lead the SC community in clarifying and codifying Agency roles and responsibilities in order to eliminate ambiguity and redundancy and better align with strategic guidance and existing directives.

Initiative	Dates
a. Conduct an internal review of existing DoD and SC community directives and recommend necessary amendments to eliminate ambiguities, inefficiencies, misalignments, and gaps that inhibit the effective and efficient execution of DSCA-managed programs.	Oct 2014 – Sept 2016
b. Contribute to the updating of all forms of guidance and security cooperation processes required to ensure that DSCA equities are represented in accordance with the Agency's mission.	Oct 2014 – Sept 2016
c. Engage security cooperation stakeholders to clarify roles and responsibilities related to program oversight, management, and the general execution of security cooperation activities.	Apr 2015 – Sept 2016
d. Review and update, as required, program-specific information papers, execution guidance, and training materials.	Oct 2015 – Sept 2017

**Objective 1.2:** Initiate and participate in a thorough review of the SC workforce that calibrates the roles and responsibilities of job categories to simplify business processes and eliminate unnecessary redundancy.

Initiative	Dates
a. Lead a community-wide inventory of core SC positions and recommend amendments to roles and responsibilities necessary to eliminate ambiguities, inefficiencies, misalignments, and gaps.	Oct 2014 – Sept 2016
b. Review and update, as required, position descriptions, program-specific information papers, execution guidance, and training materials to reflect new roles and responsibilities.	June 2016 – Sept 2018

## 2. Achieving Strategic Alignment of Human Capital

**Note:** Objective 2 has been completely rewritten to reflect a refined understanding of the needs of the security cooperation workforce, both from a management perspective, and a workforce development perspective. The DSCA Human Capital Strategy establishes a systematic, Agency wide approach to human capital management, aligned with the Agency’s vision and mission. This is an important change, reflecting the Agency’s commitment to provide and maintain a workforce that is appropriately structured, trained, and managed to meet current and future workload requirements required to advance the security cooperation mission supporting U.S. national security and foreign policy objectives. We are currently establishing timelines for these initiatives.

**Goal:** Effectively develop and implement innovative human capital policies and programs for DSCA and the security cooperation workforce.

**End State:** A security cooperation workforce that is appropriately structured, trained, and managed to meet workload requirements and advances the security cooperation mission supporting U.S. national security and foreign policy objectives. The new Human Capital Strategy includes objectives for DSCA Headquarters and the greater security cooperation workforce. Execution of this plan is intended to be an iterative process and will be addressed in implementation plan(s).

**Objective 2.1.** Alignment: DSCA aligns human capital to support the Agency’s strategic plan.

### Initiative

- a. Structure DSCA’s organization and match its workforce to support the mission in a safe, effective, and efficient manner.

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- b. Actively ensure Headquarters personnel understand how what they do, and how they do it, supports U.S. defense, national security and foreign policy objectives, and DSCA’s mission and goals.

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- c. Develop and enforce human capital policies and activities that clearly, effectively, and efficiently support and enable the DSCA mission.

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**Objective 2.2.** Competency and Performance Culture: DSCA recruits, acquires, and retains a diverse workforce with world-class capability in SC competencies.

### Initiative

- a. Identify the essential competencies needed to lead the workforce.

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- b. Cultivate and sustain a diverse workforce and inclusive work environment through strengthened recruiting, retention, development, and reward programs.

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**Objective 2.3.** Learning and Leadership: DSCA promotes a knowledge-sharing culture and a climate of openness through continuous learning and improvement.

Initiative
a. Create a climate that emphasizes open sharing of relevant knowledge to facilitate best practices and promote personal and professional growth.
b. Ensure DSCA has leaders who are adaptable; who inspire, motivate, and guide others towards goals; who mentor and challenge the workforce; and who demonstrate high standards of leadership, honesty, integrity, trust, openness; and engender respect.

**Objective 2.4.** Ensure workforce training, professional development, and human resource processes will be effective in meeting anticipated SC workforce requirements.

Initiative
a. Commission a study to determine the need for changes in existing security cooperation workforce training, professional development, and human capital processes based on anticipated workforce and cultural changes. The study should address the feasibility and pros/cons of developing a DoD-wide security cooperation workforce development and management program including training, education, and benchmarks with other organizations, including the military departments.

### 3. Enhancing Knowledge Management

**Goal:** Establish and implement community-wide standards for knowledge management.

**End State:** Security cooperation community data systems and information sharing practices provide a near real-time view of community activities, facilitate organizational learning, and enable strategic decision making, including on future activities and resource allocation.

For our purposes, knowledge management is the use of information technology, business processes, and organizational design to facilitate the collection, storage, and integration of information and distributed knowledge across a network so that the nodes of the network can simultaneously contribute to and benefit from a common operating picture that informs decision making.

**Objective 3.1:** Optimize current and emerging data systems and information sharing to facilitate efficient business processes, satisfy customer requirements, and enable strategic thinking across the spectrum of security cooperation activities.

Initiative	Dates
a. Eliminate redundancy in data systems and ensure that systems include adequate functionality for current and future business processes.	Oct 2014 – Sept 2020

b. Implement a detailed plan for DSCA's migration to the Global Theater Security Cooperation Management Information System (G-TSCMIS) and for DSCA to help the community effectively use G-TSCMIS as the authoritative data system of the security cooperation community.	Oct 2014 – Sept 2020
c. Improve situational awareness and the ability to meet various reporting requirements by reviewing the Military Articles & Service List (MASL) construct and viable alternatives.	Oct 2016 – Sept 2017

**Objective 3.2:** Establish standard methodologies and instill a culture of organizational learning that systematizes the collection, analysis, and distribution of suggested approaches to recurring activities.

Initiative	Dates
a. Facilitate the systematic documentation and sharing of community insights related to the performance of recurring activities, and develop suggested approaches that inform planning, improve processes, and enhance employee training.	Oct 2014 - Dec 2016

## ACHIEVEMENTS

DSCA improved knowledge management and communication for the SC community through the accomplishment of a number of efforts. A new version of G-TSCMIS was fielded, providing the community an enhanced information sharing tool in the near term. DSCA worked with the Joint Staff J6 Directorate to conduct a related comprehensive review of G-TSCMIS requirements to ensure the system continues to meet the needs of the community. Finally, DSCA migrated and consolidated 13 information technology (IT) systems under the Defense Security Assistance Development Center (DSADC) for single oversight and management.

DSCA also made progress in clarifying and calibrating SC roles and responsibilities. For example, DSCA worked with the Joint Staff and the Office of the Under Secretary of Defense for Policy to ensure that SC roles, functions, definitions, and processes are appropriately addressed in draft Joint Publication 3-20 (Security Cooperation). In addition, DSCA researched, coordinated, and released a groundbreaking white paper on the implications of the European Union's (EU) REACH regulation – which restricts the entry of certain chemical substances into the EU and other signatory countries – on the transfer of defense articles into those countries. Also, DSCA developed and implemented new financial policies and procedures for the Special Defense Acquisition Fund (SDAF) and prepared legislative proposals to increase the value of the SDAF. Finally, DSCA made numerous updates to the Security Assistance Management Manual (SAMM) ensuring it remains timely and accurate. Key changes included clarifying guidance related to Excess Defense Articles and Building Partnership Capacity.

# SYNCHRONIZING TO MEET CUSTOMER EXPECTATIONS

## 4. Aligning Activities and Resource Allocation to Broader Strategic Priorities

**Goal:** Prioritize the achievement of U.S. Government strategic goals in executing DSCA-managed activities, programs, and resource allocation.

**End State:** DSCA leads the Security Cooperation community in synchronizing the resourcing, management, and execution of its programs in order to effectively prioritize the achievement of specified strategic outcomes.



**Objective 4.1:** Improve internal DSCA information sharing, communication, and synchronization of efforts to enable employees to think strategically across the spectrum of security cooperation activities.

Initiative	Dates
a. Transition DSCA to a “matrixed organization” and establish Integrated Regional Teams that prioritize and synchronize DSCA-managed activities while balancing USG objectives with partner nation expectations.	Implemented
b. Use a DSCA-wide engagement calendar tracking significant events, milestones, and recurring activities to improve the timeliness and quality of planning processes and products.	Implemented
c. Modernize DSCA’s infrastructure to facilitate increased communication and synchronization across functions, and to enable a mobile workforce with a reduced physical footprint.	Oct 2014 – Sept 2016

**Objective 4.2:** Inform resource allocation and the planning and execution of DSCA-managed programs by structured analysis that derives priorities from national, regional, and DoD strategic guidance.

Initiative	Dates
a. Develop and use mechanisms to understand, address, and support the strategic priorities and concerns of security cooperation stakeholder.	Oct 2014 – Sept 2016

b. Manage long- and short-term bilateral engagement strategies that inform the use of DSCA resources so that DSCA activities better align with USG strategic guidance.	Oct 2014 – Mar 2016
c. Use regional roadmaps to advance the achievement of desired 5- to 10-year security cooperation end states, and to identify DSCA’s ability to mitigate the effects of likely resource constraints and security challenges.	Oct 2014 – Sept 2016

**Objective 4.3:** Facilitate interagency collaboration with and external understanding of the Security Cooperation community to improve DSCA involvement in intra-agency Phase 0 planning and enable synchronization among security cooperation programs.

Initiative	Dates
a. Develop strategies for improving stakeholder understanding of DSCA’s tools and for positioning DSCA to better support security cooperation-related activities.	Oct 2014 – Mar 2016
b. Coordinate with stakeholders and identify plans, objectives, and milestones to conduct recurring regional program reviews in order to synchronize activities, create synergy in response to USG initiatives, and develop security cooperation solutions.	Oct 2014 – Sept 2016
c. Participates in interagency strategic planning processes and proactively provide guidance on building policy options that consider the feasibility of execution.	Oct 2014 – Sept 2020

## 5. Enabling More Responsive Industry Participation in Security Cooperation

**Goal:** Sustain a whole-of-government effort to facilitate more responsive industry participation in security cooperation.

**End State:** The Security Cooperation community partners with industry to actively apply innovative approaches to fulfilling international capability requirements.

**Objective 5.1:** Conduct structured analyses that inform U.S. Government decision making on supporting industry’s participation in security cooperation efforts.



Initiative	Dates
a. Annually publish increasingly accurate Foreign Military Sales (FMS) Forecasts and “Javits” Reports that project FMS activities and support effective planning and budgeting for security cooperation.	Oct 2014 - Sept 2020
b. Develop technology roadmaps that compare key aspects of the export readiness of U.S. systems or technology solutions to partners’ capability requirements in order to support forecasted competitions.	Oct 2014 – Sept 2020
c. Implement, where appropriate, a strategic framework that supports USG efforts to help define partner requests.	Oct 2014 – Sept 2020
d. Identify and promote technology release decisions that support security cooperation priorities.	Oct 2014 – Sept 2020

**Objective 5.2:** Facilitate industry engagements that provide and capitalize on security cooperation opportunities.

Initiative	Dates
a. Lead DoD support to tradeshow to ensure that security cooperation objectives are appropriately prioritized.	Oct 2014 – Sept 2020
b. Implement a methodology for planning industry engagements that help achieve technology roadmaps.	Oct 2014 – Sept 2020
c. Promote a DoD methodology to implement approved advocacy plans.	Oct 2014 – Sept 2016

## 6. Remaining a Provider of Choice for Our International Customers

**Goal:** Use the Foreign Military Sales (FMS) process and supporting activities to facilitate the building and maintenance of international relationships by meeting customer expectations and making FMS competitive in a diverse international environment.

**End State:** Prospective international customers view the United States as a provider of choice because of positive and repeatable experiences with the FMS process.

**Objective 6.1:** Optimize the use of customer funds across the community.

Initiative	Dates
a. Encourage transparency by identifying the specific officials within the United States and a partner nation who have authority to make commitments on their country’s behalf.	Oct 2014 – Jan 2016
b. Assess “standard level of service” implementation and evaluate potential alternatives.	Oct 2014 – Jul 2016
c. Evaluate the use of a tiered administrative surcharge and examine other potential alternatives.	Oct 2014 – Aug 2016
d. Conduct a major review of each surcharge and evaluate assessment and collection methodologies.	Oct 2014 – Sept 2017
e. Review processes that use FMS customer funds – including Stand-By Letter of Credit Program, termination liability, case closure, payment schedules, and training pricing – to eliminate inefficiencies and the unnecessary retention of customer funds.	Oct 2017 – Sept 2018

**Objective 6.2:** Adapt the FMS process to changing business practices and purchaser requirements with innovative business models and more accommodating business rules.

Initiative	Dates
a. Propose changes to permit FMS purchasers to allow U.S. contractors specified in a valid commercial export authorization to have temporary possession of, or access to, defense articles procured via FMS without a separate retransfer authorization to perform integration, repair, refurbishment, or upgrade.	Oct 2014 – Dec 2016
b. Develop strategies to support defense equipment/training sharing initiatives.	Oct 2014 – Sept 2016
c. Reform the management of Supply Discrepancy Reports to improve responsiveness to the customer while making the review process less labor-intensive for USG implementing agencies.	Oct 2014 – Dec 2016
d. Explore and develop options for using LOAs to support leases of defense articles or lease-like arrangements.	Oct 2015 – Mar 2016

**Objective 6.3:** Increase confidence in FMS as a procurement option for partner nations by providing greater and more structured customer visibility and participation during the Pre-LOR (Letter of Request) and case development phases and during FMS contracting.



Initiative	Dates
a. Execute one test case with each MILDEP for a new model of customer involvement in the Pre-LOR, case development, and contracting processes of the FMS system.	Oct 2014 – Jun 2016
b. Coordinate and publish appropriate policy changes, informed by assessments of the test cases, for establishing a DSCA policy on increased FMS customer visibility and participation in the FMS process.	Oct 2015 – Sept 2016
c. Conduct annual assessments of effectiveness and affordability of a DSCA policy on increased FMS customer visibility and participation in the FMS process for each of the first two years of implementation.	Oct 2016 – Nov 2018

**Objective 6.4:** Identify and communicate realistic transportation options and costs before and during case development to improve transparency and responsiveness while ensuring that transportation is resourced at sustainable levels.

Initiative	Dates
a. Develop criteria and execute test cases for advance transportation planning, culminating in the publication of a transportation planning decision tree in the Security Assistance Management Manual (SAMM).	Oct 2014 – Dec 2016
b. Coordinate and formalize processes across the community to identify and consider transportation options before and during case development while ensuring that transportation charges are sustainable.	Oct 2015 – Sept 2018

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c. Develop a method for measuring the effectiveness of advanced transportation planning, and conduct regular assessments.

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Oct 2016 – Sept 2017

## ACHIEVEMENTS

DSCA established and implemented a long-range engagement identification and review process to better align activities and resources to strategic priorities. Every three weeks, consolidated DSCA strategic engagement inputs are provided to the DSCA Director for review to identify opportunities and ensure engagements are consistent with SC priorities and DSCA strategic objectives.

Additionally, DSCA completed the first FMS forecast under a new concept of operations. The FMS forecast enables DSCA to better measure the demand signal on the FMS Administrative Surcharge-funded portion of the Security Cooperation Workforce and identify potential technology release and foreign disclosure issues. The forecast is then used as the starting point for the Arms Export Control Act (AECA) Section 25(a)(1) “Javits” Report on potential FMS to Congress. DSCA has refined the FMS forecast to include more opportunities for forecast-related engagements with the Combatant Commands.

DSCA increased outreach with industry partners through immersion meetings and community-wide coordinated participation at international trade shows in support of initiatives intended to facilitate industry engagements that provide and capitalize on security cooperation opportunities. In addition, DSCA planned, resourced, and executed a new joint trade show exhibit which received a “Best in Show” award at the June 2015 Paris Air Show.

Finally, DSCA developed and implemented the Lead Nation Procurement Initiative, intended to support sales to a NATO organization or NATO country with subsequent retransfer to an identified group of NATO countries. This offers flexibility and potential time and cost savings to our NATO partners, while still maintaining accountability and adhering to statutory reporting requirements. Lead Nation Procurement is currently in a two-year pilot period.



# ENSURING EFFECTIVENESS AND EFFICIENCY

## 7. Applying Resources to Incentivize Community Performance, Innovation, and Responsiveness

**Goal:** Allocate DSCA-controlled resources consistently and equitably while incentivizing innovation and responsiveness.

**End State:** A responsive Security Cooperation community is effectively resourced to manage and execute its programs while continually seeking to innovate and improve performance.

**Objective 7.1:** Define the cost components of the FMS Administrative Surcharge funds budget and formulate strategies that maximize community responsiveness.

Initiative	Dates
a. Establish corporate workload measures to inform the allocation of the FMS Administrative budget.	Oct 2014 – Dec 2015
b. Assess, from a resource management perspective, the cost of Pre-LOR activities and define the portions of these activities that are appropriately funded by the FMS Administrative Surcharge.	Oct 2014 – Aug 2016
c. Assess, from a resource management perspective, appropriate funding sources for continued support of nonstandard program offices.	Oct 2014 – May 2016
d. Maximize effective and efficient overseas operations by issuing revised policies and procedures.	Oct 2015 – Sept 2016

**Objective 7.2:** Transition to a new resource paradigm that incentivizes performance and innovation.

Initiative	Dates
a. Achieve full Financial Improvement and Audit Readiness (FIAR) compliance for all DoD managed funds.	Oct 2014 – Sept 2017
b. Establish more accurate and transparent transportation cost methodologies to ensure that transportation is charged and billed equitably.	Oct 2015 – Mar 2016

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- c. Develop a plan to improve the transparency and accountability of the FMS Trust Fund and other security assistance funds; maximize standardization and best practices; and incentivize improvements and innovation. Oct 2017 – Sept 2018
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## 8. Optimizing the Management and Execution of DSCA Programs

**Goal:** Ensure that DSCA leads in optimizing the management and execution of its programs.

**End State:** The Security Cooperation community, in consultation with relevant customers, continuously improves and optimizes dynamic and innovative processes with appropriate tradeoffs between quality, speed, cost, and transparency.

**Objective 8.1:** Maintain work quality while more efficiently and quickly processing LORs and LOAs.

Initiative	Dates
a. Implement the June 2015 guidance to reduce the average number of days from LOR receipt to LOA/Amendment Offer below FY2013 levels, report quarterly on actual performance, develop recommendations for improving performance, and execute those recommendations.	Oct 2015 – Mar 2020
b. Annually update a coordination matrix that minimizes the number of DSCA HQ reviews required and facilitates DSCA's quick review of LOAs.	Oct 2014 – Sept 2020
c. Update case writing/review roles and responsibilities for the Case Writing Division (CWD) and implementing agencies to achieve a sustainable workload distribution model that ensures the appropriate level of review and the efficient use of resources.	Oct 2014 – Sept 2016
d. Work with the Office of the Under Secretary of Defense (Comptroller) and the Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) to reduce or eliminate the coordination requirements for nonrecurring cost (NC) waivers beyond DSCA.	Oct 2014 – Sept 2020
e. Review quality assurance and coordination requirements and develop recommendations for future procedures using results from 8.1.a and b.	Oct 2015 – Mar 2016

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**Objective 8.2:** Increase efficiency and responsiveness in case execution by codifying the responsibilities of Case Managers and establishing community-wide milestones.

Initiative	Dates
a. Rewrite the Case Managers' responsibilities in the SAMM, C2T.1, making them clearer and more specific so that Case Managers can be more productive.	Oct 2014 – Dec 2015
b. Establish clearer training and certification for all Case Managers.	Oct 2015 – Sept 2016
c. Standardize key milestones in the execution of FMS projects and make them more visible to the SCC; update the definition of the FMS Master Plan in the SAMM.	Oct 2017 – Sept 2018

**Objective 8.3:** Establish a standard process to assess DSCA's effectiveness and efficiency in managing and executing its programs.

Initiative	Dates
a. Review existing assessment processes for DSCA-managed programs and develop a plan for a sustained DSCA assessment effort that supports those processes.	Oct 2014 – Dec 2015
b. Where existing models are insufficient or cannot be implemented, develop program-specific assessment frameworks, consistent with monitoring and evaluation principles identified in Joint Publication 3-22 and other DoD guidance.	Jan 2015 – Dec 2015

## ACHIEVEMENTS

DSCA achieved a number of milestones in support of efforts to ensure greater effectiveness and efficiency. DSCA identified corporate measures to identify workload and developed a model to predict future resource requirements for Foreign Military Sales (FMS) and Foreign Military Financing (FMF) Administrative Fund claimants. In addition, DSCA worked with the MILDEP implementing agencies to develop and implement new Anticipated Offer Date (AOD) timeframes for FMS cases. This included developing guidance to explain why the AOD timeframes were being revised and how the MILDEPs should apply the revised AOD timeframes to new LOAs.

Further, DSCA developed and published revised guidance to reduce the average number of days from LOR receipt to LOA/Amendment Offer from FY2013 levels while maintaining document quality. This guidance was published in June 2015 in DSCA Policy Memorandum 15-14. To facilitate quick DSCA reviews of LOAs through streamlining standard operating procedures for LOA review, DSCA published an updated coordination matrix for DSCA LOA reviews in February 2015.

**ACRONYMS:**

<b>AECA</b>	Arms Export Control Act
<b>CWD</b>	Case Writing Division
<b>DoD</b>	Department of Defense
<b>DSCA</b>	Defense Security Cooperation Agency
<b>FAA</b>	Foreign Assistance Act
<b>FIAR</b>	Financial Improvement and Audit Readiness
<b>FMF</b>	Foreign Military Finance Program
<b>FMS</b>	Foreign Military Sales
<b>G-TSCMIS</b>	Global Theater Security Cooperation Management Information System
<b>JS</b>	Joint Staff
<b>LOA</b>	Letter of Offer and Acceptance
<b>LOR</b>	Letter of Request
<b>MASL</b>	Military Articles & Service List
<b>MILDEP</b>	Military Department
<b>NC</b>	Nonrecurring Cost
<b>OSD</b>	Office of the Secretary of Defense
<b>SAMM</b>	Security Assistance Management Manual
<b>SC</b>	Security Cooperation
<b>USG</b>	United State Government



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