# DEPARTMENT OF THE NAVY

## Business Operations Plan

# AGILITY
## and **Accountability**

## Fiscal Years
## **2019-2021**

**VERSION 1.2**
October 2018

# Contents

# Message from the Secretary of the Navy



> **"** I am confident that together we can revolutionize the way we manage the DON ... **"**

Richard V. Spencer

Today's Department of the Navy faces many demanding challenges. We are entering a new era of great power competition, characterized by increased complexity, interdependence, and uncertainty. Meanwhile, an unprecedented rate of technological change, driven by artificial intelligence, robotics, autonomous systems, machine learning, and additive manufacturing are transforming societies, economies, and military capabilities across the globe. History has proven that new technologies and processes often create strategic inflection points that ultimately lead to changes in the character of warfare. We stand at another of those points today, and our naval capabilities – both human and technical – must evolve accordingly. To keep pace, our approach to business management must quickly evolve towards an urgent, laser-like focus on greater speed, agility, and efficiency in the face of a rapidly changing operating environment.

With this strategic context in mind, we have already begun laying the foundational business operations required to build the Navy the Nation Needs. We have invested precious time, taxpayer money, and resources across my three priorities of **People, Capabilities, and Processes.** As we look forward

to the future, we must continue this momentum by leveraging every resource, expert, leading practice, and efficiency we can find – from all sources, private and public – in order to think anew about our business operating model. The National Defense Strategy and National Defense Business Operations Plan drive our agenda, and this Business Operations Plan will guide our Department by providing a vision for the future, and charting a clear course for how to get there.

The Under Secretary of the Navy, as my Chief Management Officer (CMO), will lead this effort. The CMO will coordinate with Assistant Secretaries and senior Departmental leadership on all matters related to business operations. As my principal partner for business operations management, the CMO will coordinate the integration of related lines of effort, promote and measure accountability, and monitor performance outcomes.

I am confident that, together, we can revolutionize the way we manage this Department in order to provide the resources our operating forces need to face current and future threats to our security. This is no easy task, but our nearly 250 years of naval history unquestionably prove that when facing a challenge, the U.S. Navy and Marine Corps team will always rise to the occasion. It is time now to promote and execute new ways of thinking and organizing, and provide substantially improved business management postures necessary for a higher state of operational readiness.

# Message from the Under Secretary of the Navy



Thomas B. Modly

America's security relies on the success of our U.S. Navy and Marine Corps team. Our Sailors and Marines represent the greatest expeditionary force the world has ever seen, operating forward every day to shape and defend our national interests. Yet, as the National Defense Strategy reminds us, the U.S. military has no pre-ordained right to success or victory. We must now move with a sense of urgency to improve how we manage the Department in order to continually reinvest into the improved readiness and modernization of our force. While doing so, we will create a more agile and accountable organization that not only responds rapidly and with precision, but also anticipates future threats and opportunities.

The Secretary of the Navy has set forward his three priorities to guide the Department: People, Capabilities, and Processes. These align to Department of Defense strategic business objectives and address known areas of potential risk. Complete alignment with this guidance is the foundation for our Business Operations Plan, and will allow us to create Departmental business processes that directly support the following lines of effort:

**Line of Effort 1:** Rebuild readiness as we build a more lethal force. We are committed to improving the readiness of the current Fleet by implementing modern business practices, while integrating the most promising emerging technology. We will take full advantage of our greatest asset – the ingenuity of our Sailors, Marines, civilians, and contracting partners – by continually experimenting with new concepts and fostering a culture of innovation. A ready naval force, operating forward, and with the world's best trained and educated warfighters, provides the nation with an unrivaled deterrent capability modeled after the tenet

"peace through strength" that has served America so well throughout our history.

**Line of Effort 2:** Strengthen our alliances and attract new partners. The Navy and Marine Corps maintain robust partnerships with partner states who are committed to maintaining unfettered access to the global commons. The expeditionary nature of our naval mission provides us with the opportunity to interact and strengthen bonds regularly with our maritime partners and allies. We will continue to uphold and strengthen the maritime institutions that have secured global economic prosperity for the past 70 years, and also attract new partners with a desire to promote global cooperation through positions of naval strength. Further, we will design and implement processes for managing and expanding these relationships that improve cooperation and interoperability.

**Line of Effort 3:** Reform the Department's business practices for greater performance and affordability. Outdated business practices and systems are a drain on scarce resources and impede our ability to anticipate and adapt. Therefore, improving accountability and management functions are not "nice to haves"— they are operational imperatives. Measuring performance and risk are sound management practices, and must be fully incorporated into the Department's daily decision-making cycle. We are entrusted by the American taxpayer to be good stewards of their hard-earned dollars – they rightly rely upon us to eliminate inefficiencies and maximize their investment in naval capabilities for their continued security and prosperity. Our management principles stress:
- Implementing good management practices results in improved operational readiness.
- Executing agile processes ensures we can adapt to changes in our external environment.
- Measuring performance and risk allows us to make better decisions.
- Reducing unnecessary overhead and eliminating non-value added practices frees up resources.
- Always scanning the horizon for new technologies and ways to do our business better will lead to greater agility to meet emerging threats.

Thank you for your leadership. I know that all naval leaders, civilian and uniformed alike, will adopt, embrace, and implement these principles of management as their very own.

# The Department of the Navy Business Operations Plan

## Introduction

Uniformed or civilian, the Department of the Navy (DON or the Department) represents one Navy and Marine Corps team, with one unified goal: the ever-improving and innovative capacity to project lethal power from the sea.  Creating world-leading sea power – not merely by degrees, but by orders of magnitude – ensures that our national security retains a superior away game, far from our own shores.  It has always been our charge to maximize every resource possible – intellectual, fiscal, and technical – in striving to ensure our sons and daughters, if called, will have every possible advantage if deterrence fails.

Although the DON has accomplished much in the past 18 months (see Appendix II), securing this kind of dominance in a new era of rapidly changing, inter-state strategic competition requires a different approach.  This Plan, therefore, represents a strategic shift from oversight to leadership in business operations for the essential supporting functions of the Department of the Navy.  The front lines of our Nation's defense are adapting every day, around the world – and the DON must adopt the same aggressive readiness posture while in support.  For indeed, the grave risks our Sailors and Marines take in

defending our Nation must never exceed the business risks the DON is ready to take in order to give them what they need.

Further, the business of defense itself is changing rapidly, proving just as volatile and complex as the global security environment itself.  Our mandate to increase our competitive military advantage in this dynamic environment demands bold, holistic, and end-to-end thinking that will move the enterprise towards greater effectiveness, efficiency, agility, and accountability.  This Business Operations Plan is the framework, and first step, for the Department of the Navy's ongoing management agenda.  It represents an iterative effort that will evolve and respond to our changing environment.   To accomplish this, the DON management enterprise must focus on utilizing effective governance to update the DON Business Operations Plan on a semi-annual basis, and establish and monitor performance metrics to track progress of the activities and milestones defined in the Plan while holding relevant stakeholders accountable for achieving those performance metrics.  See the Implementation section for additional details.

> " The business of the Department of the Navy is to man, train, and equip Navy and Marine Corps forces for global operations. "

"Our job is to deliver credible combat power from the sea and project power ashore anytime, anywhere. Only a ready Navy can do this, which requires uni-formed and civilian leaders at all levels to proactively manage the complex relationships between people, training, experience and proficiency.  We need to bal-ance the tension between buying stuff, maintaining it and effectively supporting it with resilient networks and infrastructure. And we need to do all of that without losing sight of our highest priority - the brave men and women at the tip of the spear."

— **Admiral William Moran**

"As an expeditionary force in readiness, the Marine Corps is laser-focused on recovering readiness and modernizing the force. We are a naval force that operates with partners and allies within the contact and blunt layers, and otherwise surges in support of a joint and combined combat operations. Ultimately, we posture to compete – and prepare to defeat – to-day's threats and tomorrow's adversaries across the spectrum of conflict. To achieve this end – to prevail in defense of the Nation – the Marine Corps is firmly committed to sharpening its business practices and maximizing its buying power so as to give the Con-gress and the country what it demands and so richly deserves – a lethal and affordable Marine Corps."

— **General Gary L. Thomas**

## Secretary of the Navy
### Richard V. Spencer

## Under Secretary of the Navy
### Thomas B. Modly

| | | |
|---|---|---|
| Deputy Under Secretary of the Navy | Sexual Assault Prevention Response Office | Assistant Secretary of the Navy [ASN] for Research, Development & Acquisition [RD&A] |
| Office of the Chief Management Officer | Office of Small Business Programs | ASN for Manpower & Reserve Affairs [M&RA] |
| DON [Assistant for Administration] | Office of Information | ASN for Financial Management & Comptroller [FM&C] |
| Office of the Chief Information Officer | Office of Legislative Affairs | ASN for Energy, Installation & Environment [EI&E] |
| Naval Criminal Investigative Service | Chief of Naval Research | General Counsel |
| | Judge Advocate General | |
| | Inspector General | |
| | Auditor General | |

## Chief of Naval Operations
### Admiral John M. Richardson

## Commandant of the Marine Corps
### General Robert B. Neller

| Shore Establishment | Operating Forces | Supporting Establishment | Operating Forces |
|---|---|---|---|
| Strategic Systems Programs | U.S. Fleet Forces Command | Marine Corps Intelligence Activity | U.S. Marine Corps Forces Command |
| Space and Naval Warfare Systems Command | U.S. Pacific Fleet | Marine Corps Systems Command | U.S. Marine Corps Forces, Pacific |
| Naval Education and Training Command | U.S. Naval Forces Europe, U.S. Naval Forces Africa | PEO Land Systems | U.S. Marine Corps Cyber Command |
| Naval Supply Systems Command | U.S. Naval Forces Southern Command | Training and Education Command | U.S. Marine Corps Forces, Special Operations Command |
| Naval Air Systems Command | U.S. Naval Forces Central Command | Marine Corps Logistics Command | Marine Forces Central Command |
| Naval Facilities Engineering Command | U.S. Fleet Cyber Command | Marine Corps Installations Command | Marine Forces Northern Command |
| Naval Sea Systems Command | Naval Special Warfare Command | Marine Corps Recruiting Command | Marine Forces Europe, Marine Forces Africa |
| Chief of Naval Personnel, BUPERS | | | Marine Forces Southern Command |
| Bureau of Medicine and Surgery | **Reserves** | **Reserves** | Marine Forces Strategic Command |
| Naval Intelligence Activity | Navy Reserve Force | U.S. Marine Corps Forces, Reserve | |
| Naval Legal Service Command | | | |
| Navy Installations Command | | | |

**Figure 1.** Department of the Navy Organizational Chart

# Department of the Navy Priorities

The success of this Business Operations Plan, just like the rest of the Navy and Marine Corps team, rests on three essential priorities: **People, Capabilities, and Processes.**

**People**

**Capabilities**

**Processes**

**Without question, our military, civilian, and contractor workforces represent a national treasure, and our most precious resource. Our stewardship of our Nation's defense begins and ends with our people.**

- How we treat our people and their families reflects how we see ourselves collectively as a fighting force. Only the highest ethical standards should be condoned by every member of this team – lofty standards that the American people rightly measure and expect.
- A changing economic and technological environment includes new challenges and opportunities to attract, educate, groom, and retain talent across the Navy and Marine Corps team.

**The naval services are about the national capability to project power and continually achieve maritime dominance.**

- The DON will align National Defense Strategy-informed plans with the right leaders, tools, budget, and technology advancements, while communicating effectively with our Allies and Partners.
- Our Department's relationship with the American innovation ecosystem must evolve in more constructive and mutually beneficial ways, enhancing our existing relationships with industry, to include small businesses, while building new ones for the future.

**The DON will improve our enterprise processes to enable our people to meet complex future challenges. This document comprises our business plan to do just that, with end states that are objective and measurable.**

- Process improvement requires adequate analytic workspace, quality analytic tools, and skilled analysts to enable data driven decisions.
- The DON will leverage our partnerships with industry, to include small businesses, in order to incorporate leading practices in how we equip, train, and fight.

# Alignment to the National Defense Strategy and the National Defense Business Operations Plan

This Plan aligns to the three lines of effort expressed in the National Defense Strategy (NDS) and to the nine objectives defined in the Fiscal Year (FY) 2018-2022 National Defense Business Operations Plan (NDBOP). These objectives will serve as scales of accountability for the Department in how and where the DON invests every dollar provided by the American taxpayer – a timely, ready receipt for increased efficiency and effectiveness.



| NDS Lines of Effort | ND BOP Strategic Objectives |
|---|---|
| **Rebuild Military Readiness as We Build a More Lethal Joint Force** | 1.1 Restore Military Readiness to Build a More Lethal Force<br>1.2 Lay the Foundation for Future Readiness through Recapitalization, Innovation, and Modernization<br>1.3 Enhance IT & Cybersecurity Capabilities<br>1.4 Ensure the Best Intelligence, Counterintelligence, and Security Support for DoD Operations<br>1.5 Implement Initiatives to Recruit and Retain the Best Total Force to Bolster Capabilities and Readiness |
| **Strengthen Our Alliances & Attract New Partners** | 2.1 Reform the Security Cooperation Enterprise |
| **Reform the Department's Business Practices for Greater Performance and Affordability** | 3.1 Improve and Strengthen Business Operations through a Move to DoD-Enterprise or Shared Services; Reduce Administrative and Regulatory Burden<br>3.2 Optimize Organizational Structures<br>3.3 Undergo an Audit, and Improve the Quality of Budgetary and Financial Information that is Most Valuable in Managing the DoD |

# NDS Line of Effort 1: Rebuild Military Readiness as We Build a More Lethal Joint Force

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The surest way to prevent war is to be prepared to win one.  Building a more lethal force requires a competitive approach to force development and multiyear investment to restore warfighting readiness.  We must recognize conflict's interactive nature, account for emerging technologies, identify and exploit asymmetries in our operational concepts, and validate our solutions through rigorous testing and experimentation.  We must look forward to prevail in future competitions, inventing warfighting methods that will increase lethality, resilience, and operational surprise.  Our aim is a ready Joint Force that possesses decisive advantages for key potential warfights, while remaining competent across the entire conflict spectrum.

— **National Defense Strategy**

"

More than a decade and a half of wartime demands in the Middle East, together with normal high-tempo operations worldwide, taxed our capacity to maintain a ready force.  Ship and aircraft maintenance periods were either delayed or cancelled, and shore infrastructure resources went to fund immediate readiness needs.  Our depots were challenged to deliver ships and aircraft on time, which impacted training time prior to deployment.  These challenges were further aggravated by shortages of parts and availability of spares.  Our Department's readiness needs an injection of resources and attention.

Today, thanks to sustained support by Congress, we are on the path to recovery.  Our current and planned budgets deliberately prioritize improved readiness and wholeness of our current Fleet and operational Marine force.  Unfortunately, funding alone is not the long-term answer.  This Business Operations Plan adjusts our business processes and inserts innovative, more efficient means to assess our progress, so that every taxpayer dollar possible goes to increased readiness and modernization of our forces.  Recovering this lost readiness will take time, but our investments will be more properly balanced across all the dimensions of naval power to consistently meet our national strategic objectives.

## *From the deckplate...*

### Accountability and Ownership Drives Aviation Readiness

The Navy and Marine Corps have re-established the role of aircraft Program Managers (PM) as "cradle-to-grave" life cycle owners for their respective aircraft.  Now with full responsibility and accountability, the PMs were tasked with developing a three-year "Return to Readiness" plan.  Partnerships with industry, like those showcased in the "Rhino Recovery Team" at Naval Air Station (NAS) Lemoore, CA, are creating higher levels of mission capable F/A-18 E/F aircraft through improvements in supply chain, manpower, equipment, facilities, and infrastructure.

# 1.1  Restore Military Readiness to Build a More Lethal Force

## Why This Matters

Our armed forces have been involved in the longest continuous stretch of conflict in our Nation's history.  The continuous nature of these engagements truncated essential maintenance and training, leading to deficiencies in safety, reliability, and availability of Fleet and Marine assets.  Concurrently, these operations led to the depletion of weapons and ammunition stocks, as well as degradations to their supporting systems.  Investment uncertainty resulting from budget control actions further complicated our efforts to maintain readiness and stable ordnance inventories, creating an erosion of capability across the force.  The DON will make targeted, disciplined increases in personnel, platforms, weapons, ammunition, training, and maintenance to ensure that a larger, more lethal naval force is prepared to conduct combat operations against peer adversaries in any high-intensity conflict around the world.

### » *1.1.A » Fully restore aviation/ship/ personnel readiness to meet missions*

## How We'll Get There

To ensure that a sustainable capacity of ready forces is continuously available for operational employment, the DON will focus on depot, shipyard, material, and safety shortfalls that affect the readiness of Fleet and Marine units.  Training and safety will be enhanced for increased effectiveness, and procedures will be instituted to facilitate sustained readiness, safety, and training improvements.

## The DON will Focus on Three Major Objectives

### Ship Readiness

**Problem:** The Navy continues to be challenged by a combination of high-tempo operations and a reduced fleet size. These factors resulted in a maintenance backlog and reduced readiness rates for Navy ships. Further exacerbating these problems, budget shortfalls in previous years diminished parts, spares availability, and reduced capacity for depot/shipyard level repairs.

**Solution:** The Navy will focus its efforts on improving the readiness of the surface and subsurface warfare enterprise by closely managing ship schedules to ensure all required maintenance is completed prior to operational employment. Additionally, the Navy will develop and execute plans to optimize both public and private shipyards for maximum capability and capacity.

- Produce a Navy Performance to Plan (P2P) instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
- Execute Surface Warfare Enterprise P2P to increase platform operational availability
- Execute Undersea Warfare Enterprise P2P to increase platform operational availability
- Implement improvements to enhance shipyard predictability and reduce the difference between planned and executed availabilities
- Increase public shipyard manning to reduce time and increase throughput of ship repairs
- Develop and implement a plan to improve performance to plan rates in private shipyards
- Develop initial optimized naval shipyard layouts
- Conduct simulation and modeling of all processes critical to submarine and CVN maintenance at the four public shipyards
- Execute naval shipyards optimization projects
- Develop, publish, and execute ASN (RD&A) 30-year ship maintenance and modernization plan
- Improve readiness outcomes and efficiency in the sustainment enterprise
- Implement ASN (RD&A)'s new Title 10 sustainment responsibilities

### Aviation Readiness

**Problem:** The Navy and U.S. Marine Corps (Marine Corps) aviation assets have experienced years of high-tempo operations that has increased the number of non-mission capable aircraft. The result—restricted flying hours and reduced training—led to decreased readiness rates and reduced operational effectiveness. Depots also lack a sufficient number of skilled workers and available aviation spares, both of which must be addressed to increase the quantity of fully mission capable aircrafts.

**Solution:** The Navy and Marine Corps aviation enterprise will focus on reducing the quantity of non-mission capable aircraft through focused maintenance and supply chain management, and expand training to develop a broader base of highly trained maintenance personnel.

- Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
- Implement Marine Corps aviation readiness programs
- Develop and implement pilot program to reduce Long Term Down aircraft trends
- Identify material requirements to increase aviation readiness levels
- Ensure implementation of supply chain improvements to increase material availability and reduce backorders
- Implement a plan to develop artisan-level depot workers and to manage depot workflow

### Personnel Readiness

**Problem:** Readiness begins with Sailors and Marines who are deployable and well-trained. In the past, Navy and Marine Corps manpower policies, processes, and technologies have incrementally evolved to meet the demands of a force continuously engaged in conflict. Although these changes have resulted in many discrete improvements, the collective effect has not necessarily resulted in enterprise-level improvements resulting in increased personnel readiness. Given the rapid rate of change in the technological and warfighting domains alike, the DON's training must reflect greater agility and responsiveness to deliver warfighting effects when called upon. In addition, even when Sailors and Marines are successfully trained, the DON continues to experience non-combat related injuries, fatalities, and mishaps that undermine the DON's ability to execute mission-critical tasking.

**Solution:** The DON will use the Navy's Ready-Relevant-Learning effort and the Marine Corps' Manpower Modernization Goals to fundamentally transform its training model and identify modern training solutions, delivered at the point of need, to better prepare Sailors and Marines to operate and maintain their equipment at its technological limits and meet rapidly evolving warfighting demands. The DON will also focus its safety education, tracking and oversight efforts on reducing both mishaps and non-combat fatalities, as well as improve its process for identifying and processing non-deployable personnel.

- Establish a learning and training continuum that will accelerate the performance of every Sailor, timed to optimize Fleet operational readiness

## Personnel Readiness (CONT'D)

- Modernize training content to enable tailored training delivery to ensure every Sailor receives the appropriate level of training at the real world point of need to support assigned tasking
- Modernize training delivery options to accelerate learning, minimize atrophy and provide on-the-job performance support
- Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
- Produce a Marine Corps Manpower Modernization Plan which balances enterprise risk across the five Modernization goals
- Continue programs to increase rates of personnel readiness by reducing the numbers of Marines Awaiting Training (MAT) at formal learning centers, and the numbers of non-deployable Marines in the operating forces
- Execute Service-specific Command-level safety actions to reduce non-combat fatalities and heighten awareness of trends leading to fatalities and mishaps, and implement appropriate risk management procedures
- Implement Navy and Marine Corps programs to reduce the rate of non-deployable personnel
- Further strengthen DON-wide safety programs, procedures, oversight and tracking mechanisms; ASN (EI&E) will lead initiatives to improve mishap and near-miss reporting, leverage data analytics to generate leading indicators, roll-out the Secretary's Safety Awareness campaign, and strengthen safety training programs

## 1.1.B » Restore inventory of weapons and ammunition to meet warfighting requirements

## How We'll Get There

The DON will conduct analysis to evaluate weapons and ammunition stocks renewed to support Total Munitions Requirements (TMR). Ordnance will be positioned to provide optimum quantity and availability for use by deployed Navy and Marine forces.

## The DON will Focus on Three Major Objectives

### Baseline Munitions Requirements (BMR)

**Problem:** Our strategic shift towards peer competition requires a re-evaluation of the type and quantity of weapons required to meet the challenges of the future security environment.

**Solution:** The Navy and Marine Corps will conduct gap analyses to determine the weapons and ammunition requirements necessary to resource the NDS as well as the requisite training requirements.

- Conduct a Navy gap analysis to determine the number and types of weapons and associated munitions required to support air, surface, and subsurface combat missions
- Conduct a Marine Corps gap analysis to determine the number and types of weapons and associated munitions required to sustain combat missions

### Maintenance and Procurement of Munitions

**Problem:** Current ordnance stockpiles are not optimized for inter-state strategic competition. Depletions of weapon and ammunition assets over the past decade and a half, coupled with a lack of sufficient capacity in the industrial base, challenges the Navy-Marine Corps team to meet new and evolving mission requirements.

**Solution:** The Navy and Marine Corps will include the weapons and ammunition required to support the NDS in the Planning, Programming, Budgeting, and Execution (PPBE) system.

- Fund and procure munitions to meet the TMR for the Navy
- Develop and resource Approved Acquisition Objectives for the Marine Corps

### Prioritized Distribution of Munitions

**Problem:** Current policy does not clearly articulate DON ordnance positioning and distribution priorities for naval specific weapons.

**Solution:** The DON will establish policy for positioning of naval global ammunition and weapon stock items.

- Establish the Marine Corps' policy to prioritize positioning and distribution of ordnance to enable Marine Corps Component Commands to react to multiple global combat operations, small scale contingencies, and ensure global force power projection
- Establish the Navy's policy to prioritize positioning and distribution of ordnance to enable Navy Component Commands to react to multiple global combat operations, small scale contingencies, and ensure global force power projection

# Critical Milestones Required for Success

**MILESTONE KEY**  ● USMC  ♦ USN  ■ Secretariat

## 1.1.A » Fully restore aviation/ship/personnel readiness to meet missions

### Ship Readiness

♦ Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
♦ Execute Surface Warfare Enterprise P2P to increase platform operational availability
♦ Execute Subsurface Warfare Enterprise P2P
♦ Report progress on implementing improvements to enhance shipyard predictability
♦ Report progress on implementing plan to improve P2P rates in private shipyards
♦ Report progress on increasing public shipyard manning
♦ Develop initial optimized naval shipyard layouts
♦ Conduct simulation and modeling of all processes critical to submarine and CVN maintenance at the four naval shipyards
♦ Report progress on naval shipyard optimization projects
■ Develop, publish, and execute ASN (RD&A) 30-year ship maintenance and modernization plan
■ Improve readiness outcomes and efficiency in the sustainment enterprise
■ Implement ASN (RD&A)'s new Title 10 sustainment responsibilities

### Aviation Readiness

♦ Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
● Implement Marine Corps aviation readiness programs
♦ Develop and implement pilot program to reduce Long Term Down aircraft trends
♦ Identify material requirements to increase aviation readiness levels
♦ Ensure implementation of supply chain improvements
♦ Implement a plan to develop artisan level depot workers

### Personnel Readiness

♦ Modernize training content and delivery options for Wave 1 ratings
● Produce a Marine Corps Manpower Modernization Plan
♦ Modernize training content and delivery options for Wave 2 ratings
Continue programs to reduce MAT ●
Modernize training content and delivery options for Wave 3 ratings ♦
♦ Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare
● Execute Service-specific Command-level safety actions to reduce non-combat fatalities
♦ Execute Service-specific Command-level safety actions to reduce non-combat fatalities
♦ Implement Service-specific program improvements to reduce the rate
● of non-deployable personnel
■ Execute DON safety program improvements, including mishap reporting, data analytics, awareness campaign, and training programs.

## 1.1.B » Restore inventory of weapons and ammunition to meet warfighting requirements

### Baseline Munitions Requirements

♦ Conduct a Navy gap analysis to determine munitions shortfalls
● Conduct a Marine Corps gap analysis to determine munitions shortfalls

### Maintenance and Procurement of Munitions

♦ Fund and procure munitions to meet the TMR for the Navy
● Develop and resource Approved Acquisition Objectives for the Marine Corps

### Prioritized Distribution of Munitions

♦ Establish the Navy's policy to prioritize positioning and distribution of ordnance
● Establish the Marine Corps' policy to prioritize positioning and distribution of ordnance

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|----|----|----|----|----|----|----|----|----|----|----|----|
| FY 2019 | | | | FY 2020 | | | | FY 2021 | | | |

## *From the deckplate...*

### High-Tech 3-D Printing Makes a Difference for Marines in the Field

The Marine Corps introduced over 100 3-D printers across the Service to print repair parts and tools generating an immediate impact to readiness while achieving real cost savings.  For example, the Marine Corps printed a M1A1 tank engine impeller and forward deployed Marines with SPMAGTF-CR-CC printed 81mm mortar wrenches.  The Marine Corps is the first Service with 3-D printers in combat with conventional forces, demonstrating the Marine's capacity even in the most arduous conditions downrange.  The ability to print critical repair parts at the point of failure will significantly improve readiness and decrease operations and support costs.

### Nuclear Ship Repair Civilian Workforce a Major Aim of Naval Talent Management

Better talent management extends not just to our Service members, but also to America's critical civilian workforce in our nuclear ship repair industrial base.  To improve nuclear ship maintenance throughput, the Navy initiated efforts to hire and train new public shipyard workers, building the total workforce from 34,918 in FY 2017 to 35,576 as of 12 Jul 2018, with the goal of reaching 36,100 by FY 2020.

# 1.2  Lay the Foundation for Future Readiness through Recapitalization, Innovation, and Modernization

## Why This Matters

Changes in the geo-political environment have led to increased global disorder, characterized by a decline in the long-standing rules-based international order.  The resulting volatility and complexity will only increase in the future as potential adversaries demonstrate increasing speed and agility.  This threatens our technological superiority and creates further challenges to maintaining our national security.

### » *1.2.A » Deliver platforms that possess greater combat power and longer reach in support of missions across all domains*

## How We'll Get There

The DON will evaluate business options to increase acquisition agility, reduce administrative requirements on acquisition programs, and streamline management reviews.  Further, the DON will re-evaluate external reporting requirements and offer external stakeholder alternatives that ensure transparency and reduce program management and time costs.  Additionally, the DON will ensure programmatic decision-making is optimized for speed by judicious delegation of decision authority.

## The DON will Focus on Five Major Objectives

### Agile DON Acquisition Process

**Problem:** The acquisition process is often characterized as slow to respond. While current policy allows tailoring of acquisition processes to improve responsiveness, it has not been universally adopted.

**Solution:** ASN (RD&A) will establish policies, programs, and procedures to improve and expedite DON acquisition processes and enable prototyping enhancements to deliver future capabilities.

- Reduce bureaucratic drag on the acquisition and sustainment operations
- Expand wartime acquisition playbooks
- Evolve the acquisition toolset, train the force on them, and increase their use
- Pursue new authorities and policies to reduce barriers to agility
- Utilize time-saving authorities resident in the Small Business Innovation Research and Small Business Technology Transfer programs
- Implement Marine Corps Fast Lane initiatives
- Improve Marine Corps capability requirements development and solution fielding timelines, and utilize the Rapid Capability Office to quickly assess emergent capabilities to inform requirements development and investment planning

### Delivery of Lethal Capabilities

**Problem:** The DON is challenged to deliver capabilities on time and on budget because the supporting processes frequently do not incorporate effective planning for long-term sustainment.

**Solution:** The DON will prioritize ASN (RD&A)'s efforts to deliver capabilities on time and within budget by delegating decision making to the lowest capable level and developing long term acquisition plans that focus on performance, sustainment, and service life.

- Initiate new DON programs with confidence
- Modernize the force by delivering acquisition programs within program parameters
- Effectively protect products, services, data, and the supply chain from foreign actors

### Drive Affordability

**Problem:** Budgetary instability limits the ability to affordably acquire capabilities. Additionally, this uncertainty stifles the DON's ability to negotiate effectively, impedes auditability, and leads to long-term readiness issues.

**Solution:** The DON will expand ASN (RD&A)'s efforts to maximize our dollars and drive affordability and flexibility, by improving our ability to negotiate multiyear and block buy contracts, building readiness into the acquisitions process, and ensuring end-to-end transparency to enhance both auditability and accountability.

- Effectively negotiate multiyear contracts to reduce cost and stabilize Navy modernization efforts through 2025
- Support audit and incorporate relevant findings to improve business efficiency
- Establish and maintain a credible competitive environment
- Improve relationships with small business and non-traditional suppliers
- Increase the use of artificial intelligence, machine learning, and data transparency

### Acquisition Integrity

**Problem:** The DON's technological and industrial acquisition integrity is undermined by product substitution, procurement fraud, and the contractors, subcontractors, and vendors who provide counterfeit parts to the Navy and Marine Corps. Substitute and counterfeit components fail at a higher rate than legitimate parts, and can jeopardize warfighter safety with operational degradation to critical weapons systems, threatening battlefield superiority.

**Solution:** The DON will develop Naval Criminal Investigative Service (NCIS) programs to hold contractors, subcontractors, and vendors accountable, and strengthen partnerships with law enforcement offices and the National Intellectual Property Rights Coordination Center to develop tactics, techniques, and procedures to identify product substitution, counterfeit parts, and the contractors, subcontractors, and vendors that supply these products and parts, prior to their entry into the Naval acquisition system. The DON will expand the Office of General Counsel (OGC) program to train the DON's acquisition workforce to deter, detect, and prevent acquisition fraud.

- Establish NCIS procedures to detect and identify product substitution, counterfeit parts, and the contractors, subcontractors, and vendors that import such products and parts before they impact DON acquisition integrity
- Develop an NCIS plan to target those contractors, subcontractors, and vendors that engage in illegal product substitution and import counterfeit products and parts

## Acquisition Integrity (CONT'D)

- Continue NCIS training of the acquisition workforce to deter, detect, and prevent fraud; identify and reduce product substitution; and ensure DON's protection of DON's capital investment in technology
- Establish an OGC engagement program for the top 100 contractors regarding the role of the Acquisition Integrity Office and the importance of ethical compliance
- Enhance and continue OGC training of the acquisition workforce to deter, detect, and prevent fraud
- Expand the utilization by OGC of administrative agreements, suspension, debarment, and show-cause letters to change contractor behavior and exclude contractors who fail to comply

## DON Acquisition Workforce

**Problem:** Congress has provided DoD with new/expanded acquisition authorities and tools. Implementing these new concepts/tools requires time to educate the DON Acquisition Workforce and make the necessary cultural changes to fully recognize the benefit of the changes.

**Solution:** The DON will establish ASN (RD&A) plans and mechanisms to manage the acquisition workforce to improve certification rates and overall performance.

- Understand and improve talent across the DON acquisition workforce
- Execute the Defense Acquisition Workforce Development Fund to DoD-wide benchmarks
- Accelerate the pace of the robustness of learning in the acquisition enterprise
- Streamline the hiring process and the ability to recruit and retain talent
- Ensure a trained and certified acquisition workforce aligned to DON priorities

## » 1.2.B » Deliver innovative technologies (e.g., weapons, sensors, force enablers) that provide greater combat power and longer reach in support of missions across all domains

## How We'll Get There

The DON will assess and balance risk between recapitalization and innovation, and in certain cases, foregoing large-scale procurement of capabilities that provide incremental improvements in favor of developing leap-ahead technologies. This includes bolstering the DON's focus on science and technology, advanced components, and early prototypes. The DON will also prioritize traditional procurement activities at the Service-level to focus on those major defense acquisition programs (MDAPs) that provide essential capabilities both today and in the future battlespace.

## The DON will Focus on Two Major Objectives

## New Technologies
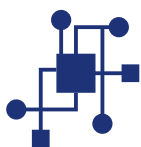
**Problem:** An increasingly complex security environment defined by rapid technological change, threats from adversaries in every operating domain, and the rise of inter-state strategic competition threaten the Department's ability to retain a competitive technological advantage.

**Solution:** The DON will establish processes and procedures to develop innovative and evolving technologies, and will field them to the warfighter at the speed of relevance.

- Improve science and technology alignment with NDS priorities and linkages between Naval Postgraduate School (NPS), Office of Naval Research (ONR), U.S. Naval Research Laboratory (NRL), and Program Executive Offices (PEOs) when developing Navy (unmanned systems, directed energy, artificial intelligence/machine learning, advanced munitions, advanced networks, additive manufacturing capabilities, and hypersonics) and Marine Corps (unmanned systems, advanced networks, swarming technologies, artificial intelligence/machine learning capabilities, and autonomous littoral connectors) technology priorities

## Intellectual Property, Trademarks, and Data Rights

**Problem:** Threat actors and others have inappropriately utilized and interfered with the DON's intellectual property and trademarks. This interference has led to vulnerabilities in developing, procuring and sustaining weapon systems. Additionally, the DON has failed to secure adequate rights in non-commercial technical data.

**Solutions:** OGC will ensure protection of rights in non-commercial technical data and intellectual property as well as DON trademarks. Additionally, NCIS will take actions to protect intellectual property.

**Intellectual Property, Trademarks, and Data Rights (CONT'D)**

- Develop an OGC trademark docketing system to track registration of DON trademarks and oppositions to protect DON trademarks including the ability to obtain royalty payments
- Develop and provide OGC data rights training to DON acquisition and program professionals regarding the process for ensuring adequate data rights in non-commercial source selections as well as the process for challenging restrictive markings
- Secure the authority to allow the government to exercise "government purpose rights" in intellectual property pending government challenges to a contractor's asserted restrictions on the government's use of intellectual property
- Assert DON rights in patents, trademarks, and technical data, and ensure DON obtains adequate rights in non-commercial intellectual property during disputes with contractors
- Strengthen partnerships with law enforcement offices to enhance cyber investigations and operations targeting threat actors who undermine the DON's capital investment in technology
- Strengthen NCIS cyber and data analytics support to investigations and operations

## 1.2.C » Develop and implement a sustainable path to infrastructure modernization

## How We'll Get There

To improve efficiency and enhance capabilities, the DON will develop investment and implementation plans that will improve the readiness and effectiveness of the Navy's shore infrastructure and the Marine Corps' base infrastructure, as well as operational, test, and training ranges.

## The DON will Focus on Three Major Objectives

**Navy Shore Infrastructure**

**Problem:** The Navy's shore infrastructure condition, configuration, technical sufficiency and capacity does not effectively or efficiently support current or future Navy operations.

**Solution:** The Navy will develop an infrastructure readiness plan (IRP) that challenges and optimizes requirements, embraces modern technology, increases use of non-traditional funding sources (e.g., third-party financing, enhanced use leasing) and authorities. The plan will ultimately lead to lower ownership costs and improved readiness.

- Complete the Navy IRP
- Implement the IRP enterprise-wide to achieve alignment and change thinking about infrastructure requirements and solutions
- Generate adjusted investment planning that aligns to the IRP
- Achieve quick wins at every installation to demonstrate opportunities to think differently and improve infrastructure readiness

**Marine Corps Base Infrastructure**

**Problem:** The Marine Corps controls numerous aging facilities that require significant funding to restore or modernize, and result in greater footprint per Marine.

**Solution:** The Marine Corps will execute its right-size, reset, and recapitalization strategy to restore and modernize its base infrastructure.

- Eliminate all Q4 facilities by FY 2022
- Standardize base facility requirements
- Support Indo-Pacific (INDOPAC) readiness through execution of Guam Portion of Defense Policy Review Initiative

## Operational, Test, and Training Range Effectiveness

**Problem:** The DON lacks a comprehensive plan to sustain (and where required, expand) operational, test, and training range capabilities that are vital to generating readiness.

**Solution:** ASN (EI&E) will develop an integrated range management plan that assesses current and future range requirements, assesses current and future range capability, monitors and prevents against encroachment, and produces a risk-based range investment strategy that supports operational, test, and training requirements.

- Complete gap analysis, comparing "as-is" operational, test, and training range capabilities compared to current requirements
- Complete an assessment of encroachment risks for every range
- Project future range requirements, accounting for future weapon capabilities and operational tactics, techniques, procedures, and concepts of operation
- Create an integrated priority list and range of solutions that leverage the full range of potential solutions responding to requirements and potential encroachment concerns

# Critical Milestones Required for Success (Part 1 of 2)

**MILESTONE KEY**  ● USMC  ♦ USN  ■ Secretariat

| 1.2.A » Deliver platforms that possess greater combat power and longer reach in support of missions across all domains |
|---|

**Agile DON Acquisition Process**
- ■ Reduce bureaucratic drag on the acquisition and sustainment operations
- ■ Expand wartime acquisition playbooks
- ■ Evolve the acquisition toolset, train the force on them, and increase their use
- ■ Pursue new authorities and policies to reduce barriers to agility
- ■ Utilize time-saving authorities resident in the Small Business Innovation Research and Small Business Technology Transfer programs
- ● Implement Marine Corps Fast Lane initiatives
- ● Improve Marine Corps capability requirements development and solution fielding timelines, and utilize the Rapid Capability Office

**Delivery of Lethal Capabilities**
- ■ Initiate new DON programs with confidence
- ■ Modernize the force by delivering acquisition programs within program parameters
- ■ Effectively protect products, services, data, and the supply chain from foreign actors

**Drive Affordability**
- ■ Effectively negotiate multiyear contracts to reduce cost and stabilize Navy modernization efforts through 2025
- ■ Support audit and incorporate relevant findings to improve business efficiency
- ■ Establish and maintain a credible competitive environment
- ■ Improve relationships with small business and non-traditional suppliers
- ■ Increase the use of artificial intelligence, machine learning, and data transparency

**Acquisition Integrity**
- ■ Establish NCIS procedures to detect and identify product substitution, counterfeit parts, and those that import such products and parts
- ■ Develop an NCIS plan to target those engage in illegal product substitution and import counterfeit products and parts
- ■ Continue NCIS training of the acquisition workforce to deter, detect, and prevent fraud; identify and reduce product substitution; and ensure protection of DON's capital investment in technology

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
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| FY 2019 | | | | FY 2020 | | | | FY 2021 | | | |

# Critical Milestones Required for Success (Part 2 of 2)

**MILESTONE KEY**  ● USMC  ♦ USN  ■ Secretariat

## 1.2.A » Deliver platforms that possess greater combat power and longer reach in support of missions across all domains (CONT"D)

**Acquisition Integrity (CONT'D)**
- ■ Establish an OGC engagement program for the top 100 contractors regarding the role of the Acquisition Integrity Office and the importance of ethical compliance
- ■ Expand the utilization by OGC of administrative agreements, suspension, debarment, and show-cause letters to change contractor behavior and exclude contractors who fail to comply
- ■ Enhance and continue OGC training of the acquisition workforce to deter, detect, and prevent fraud

**DON Acquisition Workforce**
- ■ Understand and improve talent across the DON acquisition workforce
- ■ Execute the Defense Acquisition Workforce Development Fund to DoD-wide benchmarks
- ■ Accelerate the pace of the robustness of learning in the acquisition enterprise
- ■ Streamline the hiring process and the ability to recruit and retain talent
- ■ Ensure a trained and certified acquisition workforce aligned to DON priorities

## 1.2.B » Deliver innovative technologies (e.g., weapons, sensors, force enablers) that provide greater combat power and longer reach in support of missions across all domains

**New Technologies**
- ■ Improve science and technology alignment with NDS priorities and linkages between NPS, ONR, NRL, and PEOs when developing Navy and Marine Corps priorities

**Intellectual Property, Trademarks, and Data Rights**
- ■ Develop an OGC trademark docketing system to track registration of DON trademarks and oppositions to protect DON trademarks including the ability to obtain royalty payments
- ■ Develop and provide OGC data rights training to DON Acquisition and program professionals regarding the process for ensuring adequate data rights in non-commercial source selections as well as the process for challenging restrictive markings
- ■ Secure the authority to allow the government to exercise "government purpose rights" in intellectual property pending government challenges to a contractor's asserted restrictions on the government's use of intellectual property
- ■ Assert DON rights in patents, trademarks, and technical data, and ensure DON obtains adequate rights in non-commercial intellectual property during disputes with contractors
- ■ Strengthen partnerships with law enforcement offices to enhance cyber investigations and operations
- ■ Strengthen NCIS cyber and data analytics support to investigations and operations

## 1.2.C » Develop and implement a sustainable path to infrastructure modernization

**Navy Shore Infrastructure**
- ■ Complete the Navy IRP
- ■ Implement the IRP enterprise-wide
- ■ Generate adjusted investment planning
- ■ Achieve quick wins at every installation

**Marine Corps Base Infrastructure**
- ● Report progress on eliminating all Q4 facilities
- ● Standardize Base Facility Requirements
- ■ Support INDOPAC readiness through execution of Guam Portion of Defense Policy Review Initiative

**Operational, Test, and Training Range Effectiveness**
- ■ Complete gap analysis
- ■ Complete encroachment risk analysis
- ■ Project future range requirements
- ■ Generate integrated priority list to close gaps

| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **FY 2019** | | | | **FY 2020** | | | | **FY 2021** | | | |

## *From the deckplate…*

### Consolidated Afloat Networks and Enterprise Services (CANES)

CANES consolidates five legacy networks and combines them into one, which enhances operational effectiveness and provides better quality of life for deployed Sailors. This includes a common computing environment, an adaptable IT platform that can rapidly meet changing requirements, and network standardization that is scalable to ship class. The Navy owns the data rights to the network, which is supported by low-risk, proven technology. The network will be deployed to more than 190 ships, submarines, and Maritime Operations Centers by 2020.

### Marine Corps Tactical Cloudlet Infrastructure

The Marine Corps is reducing seams between garrison and operations by use of a Tactical Cloudlet Infrastructure. This will enable a Marine to take his or her office laptop from garrison to the field and to even maintain his or her e-mail and phone number. Cloudlet hardware deployed with Marines will provide the mission critical services and data provided in garrison by connection to the DoD network backbone and will be sized to fit the unit. As with all deployable equipment, cloudlet hardware is Marine-transportable and always ready to operate in global conditions.

# 1.3  Enhance IT & Cybersecurity Capabilities

## Why This Matters

Critical to our increased agility in business operations is an entirely new approach towards how we acquire, use, and protect information technology (IT). Due to disparate requirements, priorities, and budgets over the years, we have often purchased separate IT systems that do not communicate with one another, at both the network and system levels. Leadership in IT requires great foresight in scanning the technological landscape for solutions that will hold long-term relevance. Adaptive management in scaling our IT systems, and aligning their architecture with new end-to-end processes, will result in outcomes that serve our Sailors' and Marines' needs in the Fleet and Field without intervention, thereby enabling them to focus completely on their mission.

**» *1.3.A » Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)***

## How We'll Get There

The DON will continue to strengthen, streamline, and modernize information infrastructure by ensuring that our IT architecture, networks, and data centers are resilient, agile, and operationally effective. Additionally, the DON will ensure that commercial IT transport and access to the Electromagnetic Spectrum (EMS) remain available and un-encroached. This provides the DON freedom of action and operational effectiveness through engagement within the DoD and coordination with interagency, commercial, and international partners. Finally, the DON will continue to pursue opportunities to streamline its IT infrastructure to reduce costs, improve efficiency, and bring its IT investments in line with commercial best practices – to include leveraging cloud-based solutions with certified and secure cloud-hosted environment(s).

## The DON will Focus on Four Major Objectives

**Data Centers and Cloud Services**

**Problem:** The DON possesses many data centers that are geographically separated and not optimized for efficient and effective operation. Additionally, the DON has not implemented the changes required to transition to an architecture that will support cloud-based services across the enterprise.

**Solution:** The DON will develop and implement plans and procedures for data center optimization and acceleration to secure cloud services to create an efficient and effective computing environment.

- Develop and publish the DON Office of the Chief Information Officer (OCIO) data center architecture end state and associated consolidation execution plan and timeline
- Develop DON OCIO inventory of cloud-ready systems with associated migration plans and timelines
- Publish Marine Corps cloud strategy and develop the framework to enable rationalization and migration of systems and applications to the cloud
- Update Navy "Cloud First" policy to accelerate transition to cloud services

**Enterprise Business Systems Architecture**

**Problem:** The current enterprise systems environment is comprised of many complex systems. This has created inefficiencies and presented challenges during the financial statement audits.

**Solution:** The DON Office of the Chief Management Officer (OCMO) will aggressively deploy an enterprise systems architecture that will guide future investments and capabilities.

- Document target end-to-end business processes and conduct systems mapping
- Define target system architecture
- Ensure investments in both new capabilities and modernization of existing capabilities are aligned to the target systems architecture

**Navy Enterprise Networks Ashore**

**Problem:** The increased number of users coupled with aging networks and inefficient software installations continually exposes our ashore networks to the threat of over-saturation.

**Solution:** The Navy will modernize its shore IT infrastructure standards to reflect best practices identified by industrial and commercial partners.

- Complete a revised technical refresh plan that replaces older equipment allowing the use of higher speed connections
- Replace existing connections with fiber optic connections that utilize higher data rate connections able to support the increased demand of users and services
- Streamline interconnections to reduce unnecessary hops in connecting to services

**Spectrum Dependent Systems (SDS)**

**Problem:** The EMS is increasingly contested by both hostile actors and peaceful civil use. The DON is increasingly challenged to conduct effective frequency management and to develop flexible, adaptable, and resilient SDS for the future operating environment.

**Solution:** The DON will develop and field effective SDS that are protected from harmful interference and are adaptable and resilient to operating in a hostile EMS domain.

- Establish guidance and assess policy effectiveness to ensure that SDS are certified to full operational capability, enabling operational flexibility to share with commercial systems and operate in multiple frequency brands
- Establish guidance and assess policy effectiveness to ensure that DON mission critical systems have a discrete radio frequency assignment to provide protection from electromagnetic interference
- Update existing guidance and promulgate DON way ahead for management of EMS access and risk
- Establish guidance and institute governance structure to provide oversight and guidance in the development and implementation of Electromagnetic Battle Space strategy, policy, and doctrine
- Establish guidance and track efficiencies in Spectrum Supportability Software Source Code Development
- Develop and promulgate DON Spectrum Supportability Risk Assessment guidance
- Assess and establish DON Electromagnetic Spectrum Workforce policy to align with Electromagnetic Battlespace, Frequency Management, and Spectrum Supportability policy, integrating artificial intelligence

## 1.3.B » Increase DON's ability to deter, detect, defeat, and recover from cyber-attacks

# How We'll Get There

Today's complex cyber-security challenges cannot be solved with yesterday's thinking or technologies. The DON will continually develop, test, and field innovative technologies and new approaches to ensure that our systems and networks remain viable and secure both today and into the future. The DON, in coordination with the Army, the Air Force, DoD as a whole, and our interagency partners, will mature and employ robust capabilities across the full range of cyber-security activities (identify, protect, detect, respond, and recover).

## The DON will Focus on Two Major Objectives

### Reduction of Attack Surfaces

**Problem:** The threats to DON networks are increasing in both scope and intensity. The DON is continually challenged to produce the required capabilities to conduct effective early threat detection and effective system protection.

**Solution:** The DON will develop and field secure, modernized networks and data systems in place that are accessible to DON personnel, protected from external attack, and possess appropriate detection and response capabilities.
- Implement Risk Management Framework across the DON
- Implement Navy Situation Awareness, Boundary Protection, and Response capability
- Implement ASN (EI&E) Energy Security Risk Management Framework

### Cyber Detection Capabilities

**Problem:** The number of cyber intrusions and attacks to DON networks and our Defense Industrial Base (DIB) partners have exponentially increased over time. The sheer number of attacks severely challenge our ability to detect and assess threats to our networks and operating systems.

**Solution:** The DON will develop advanced detection capabilities to quickly assess large volumes of data to maximize both cyber situational awareness and our ability to defend our critical networks.
- Increase Detection-in-Depth (DiD) capabilities to enable Navy forces to detect cyber threats across the multiple Navy networks and conduct network monitoring and analysis
- Develop Navy Cyber Situational Awareness Rapid Deployment Capability, a tailored, near real-time visualization of network health, vulnerabilities, and operational readiness through the correlation of data from multiple sources
- Increase of accountability DIB performers and visibility of DIB networks associated with the protection of DON data
- Implement Navy Comply to Connect (C2C)
- Implement Marine Corps Network Access Control, Compliance, and Remediation / C2C

# Critical Milestones Required for Success

**MILESTONE KEY**    ● USMC    ♦ USN    ■ Secretariat

## 1.3.A » Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)

| | |
|---|---|
| **Data Centers and Cloud Services** | ■ Develop and publish DON OCIO data center architecture end state and associated consolidation execution plan and timeline<br>■ Develop DON OCIO inventory of cloud-ready systems with associated migration plans and timelines<br>● Publish Marine Corps cloud strategy and develop the framework to enable rationalization and migration of systems and applications to the cloud<br>♦ Update Navy Cloud First policy to accelerate transition to cloud services |
| **Enterprise Business Systems Architecture** | ■ Document target end-to-end business processes and conduct systems mapping<br>■ Define target system architecture<br>■ Ensure investments in both new capabilities and modernization of existing capabilities are aligned to the target systems architecture |
| **Navy Enterprise Networks Ashore** | ♦ Complete a revised technical refresh plan that replaces older equipment allowing the use of higher speed connections<br>♦ Replace existing connections with fiber optic connections that utilize higher data rate connections able to support the increased demand of users and services<br>♦ Streamline interconnections to reduce unnecessary hops in connecting to services |
| **Spectrum Dependent Systems (SDS)** | ■ Establish guidance and assess policy effectiveness to ensure that SDS are certified to full operational capability, enabling operational flibility to share with commercial systems and operate in multiple frequency brands<br>■ Establish guidance and assess policy effectiveness to ensure that DON mission critical systems have a discrete radio frequency assignment to provide protection from electromagnetic interference<br>Update existing guidance and promulgate DON way ahead for management of EMS access and risk ■<br>Establish guidance and institute governance structure to provide ■ oversight and guidance in thedevelopment and implementation of Electromagnetic Battle Space strategy, policy, and doctrine<br>■ Establish guidance and track efficiencies in Spectrum Supportability Software Source Code Development<br>■ Develop and promulgate DON Spectrum Supportability Risk Assessment guidance<br>Assess and establish DON Electromagnetic Spectrum Workforce ■ policy to align with Electromagnetic Battlespace, Frequency Management, and Spectrum Supportability policy, integrating artificial intelligence |

## 1.3.B » Increase DON's ability to deter, detect, defeat, and recover from cyber-attacks

| | |
|---|---|
| **Reduction of Attack Surfaces** | Implement Risk Management Framework across the DON ■<br>♦ Implement Navy Situation Awareness, Boundary Protection and Response capability<br>■ Implement ASN (EI&E) Energy Security Risk Management Framework |
| **Cyber Detection Capabilities** | ♦ Increase DiD capabilities to enable Navy forces to detect cyber threats across the multiple Navy networks as well as allowing Navy forces to conduct network monitoring and analysis<br>♦ Develop Navy Cyber Situational Awareness Rapid Deployment Capability, a tailored, near real-time visualization of network health, vulnerabilities and operational readiness through the correlation of data from multiple sources<br>♦ Increase accountability of DIB performers and visibility of DIB networks associated with the protection of DON data<br>♦ Implement Navy C2C<br>● Implement Marine Corps Network Access Control, Compliance, and Remediation/C2C |

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
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| | FY 2019 | | | | FY 2020 | | | | FY 2021 | | |

## *From the deckplate...*

### NCIS Mission Integration Center

The NCIS Mission Integration Center is leading a data and capability integration effort that will enhance NCIS' ability to detect, deter, deny, and degrade criminal and foreign intelligence entity efforts. This effort will aid in combining diverse skill sets and substantial resources to choreograph complex criminal investigations, or launch proactive counterintelligence or counterterrorism initiatives.

### Identity Dominance System

The Identity Dominance System program has proven to be "value-added" since its introduction in 2013 -- providing a decisive advantage to our visit, board, search, and seizure teams conducting maritime interdiction operations. Proactive measures (business reforms) are currently underway to maintain this biometric identification capability within the Fleet, in support of NDS strategic goals. This multi-modal (fingerprint, iris, and face) biometric collection system provides a reliable and effective capability to collect, share, match, and store identity information.

# 1.4 Ensure the Best Intelligence, Counterintelligence, and Security Support for DoD Operations

## Why This Matters

In this new era of great power competition, our Nation faces not only adversaries with military and strategic capabilities similar to ours, but also rogue regimes focused on regional destabilization, and empowered fringe groups and non-state actors seeking mass disruption. Our adversaries are rapidly collecting increasing amounts of information on the U.S. and our military through successful cyber-attacks, exploitation of social media, and other third party sources. Counterintelligence and security support is essential to all our efforts, especially the ability to deliver uncompromised capability to the operational forces. The safety of our Sailors, Marines, and their families, both at sea and ashore, depends on our united efforts to continually fight for an intelligence edge.

> **1.4.A » Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage**

## How We'll Get There

### To be successful, the DON must prioritize:

**Access to Information**

Information needs to be collected and organized in a way that enables secure access, and ensures that the data can be searched, discovered, and correlated for exploitation.

**Accuracy of the Data**

Accurate data is the key enabler of informed decisions. Manipulated and distorted information can cause severe damage, fatalities, and eroded trust in not only our data, but also the intelligence community as a whole.

**Speed of Exploitation**

Both the U.S. and our adversaries will compile enormous amounts of data; the ability to quickly exploit and connect data for targeting or action will dictate who has the upper hand.

## The DON will Focus on Four Major Objectives

### Operations

**Problem:** Current intelligence and counterintelligence efforts are largely reactive in nature.

**Solution:** A proactive approach aids in identifying threats and other risks prior to the event and produces a more secure environment. The DON will enhance intelligence and counterintelligence activities by establishing policies and dedicated support teams to proactively combat threats from domestic and foreign adversaries.

- Establish formal business rules and timelines for the submission of requests for NCIS Security Training Assistance and Assessment Teams (STAAT) support
- Publish the Naval Intelligence Strategy, Vision, and Guidance for the enterprise
- Review and improve intelligence analysis and production processes for the Navy
- Develop a Navy Counterintelligence Functional Services element in support of its bases, stations, and installations
- Provide dedicated counterintelligence analytic support to Marine Corps-related Committee for Foreign Investment in the United States cases and insider threat program
- Create and resource regionally-aligned counterintelligence support teams for Marine Corps to provide support for critical infrastructure and fielded technologies

### Security Information Sharing

**Problem:** Current DON Insider Threat Activities have inherent inefficiencies due to information sharing and organizational gaps and seams.

**Solution:** The DON will create a single Insider Threat Hub, supported by appropriate Service and Secretariat-level activities.

- Establish a physical Insider Threat Hub for the DON
- Establish DON personnel and resourcing requirements to support Hub operations
- Implement Identity Matching Engine for Security and Analysis and DoD Global Watch capabilities in the NCIS Multiple Threat Alert Center

### DON Counter-intelligence Enterprise

**Problem:** Increasingly complex and rapidly evolving activities by foreign intelligence entities are threatening to compromise achievement of the DON's strategic goals. DON counterintelligence organizations are responding, but their impact against the threat is undermined by the absence of a unifying coordinating authority.

**Solution:** The DON will establish a Counterintelligence Enterprise with Navy, Marine Corps, and NCIS to conduct synchronized and coordinated activities across the DON. The DON will also leverage all available resources to maximize impact across the counterintelligence threat spectrum and enhance capabilities to detect, identify, neutralize, and exploit foreign intelligence entities, their clandestine agents, and their activities.

- Establish and staff a functional DON Counterintelligence Coordinating Activity, led by NCIS, to synchronize actions and related support activities across the enterprise
- Promulgate a DON counterintelligence plan
- Develop Navy counterintelligence instructions
- Develop Marine Corps counterintelligence program order

### System Improvements

**Problem:** The DON's legacy systems are unable to maintain pace with current operational requirements and need to be updated.

**Solution:** The DON will provide enhanced technological capabilities.

- Field a secure case management system to synchronize Navy, Marine Corps, and NCIS Counterintelligence activities through a secure, common information and data storage network
- Refresh the DON's biometric identification capability within the Fleet
- Increase availability and usage to the NCIS Tips system to deter and report criminal activity

# Critical Milestones Required for Success

**MILESTONE KEY**  ● USMC  ♦ USN  ■ Secretariat

**1.4.A »** Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage

**Operations**

● Provide dedicated counterintelligence analytic support
♦ Review and improve intelligence analysis and production processes
● Create and resource regionally-aligned CI support teams
♦ Develop a Navy Counterintelligence Functional Services element
♦ Publish Naval Intelligence Strategy, Vision, and Guidance
■ Establish business rules and timelines for submission requests for NCIS STAAT support

**Security Information Sharing**

■ Establish physical Insider Threat Hub
♦ Establish DON personnel and resourcing requirements
■ Implement Identity Matching Engine and Global Watch Capabilities

**DON Counter-intelligence Enterprise**

♦ Develop Navy counterintelligence instructions
● Develop Marine Corps counterintelligence program order
■ Promulgate a DON Counterintelligence plan
■ Establish and staff a functional DON Counterintelligence Coordinating Activity

**System Improvements**

Refresh the DON's biometric identification capability ♦
■ Field a secure case management system
■ Increase availability to the NCIS Tips system

| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
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| | | FY 2019 | | | | FY 2020 | | | | FY 2021 | | |

## From the deckplate...

### Sailor 2025: Talent Management to Build and Sustain Tomorrow's Fleet

The Sailor 2025 program is modernizing personnel management and training policies and systems to identify, recruit, and train, talented people more effectively, and manage the force of tomorrow while improving warfighting readiness. The modern, innovative IT infrastructure the Navy is building will more accurately and efficiently assign talent across the force, better design and account for compensation packages, and generate a system that affords greater flexibility and permeability.

### MyNavy Career Center (MNCC)

Launching a new HR Operations center, MyNavy Career Center (MNCC), enables the Navy to offer 24/7 self-service options, call center availability, shared service capabilities, and transactional HR support to Sailors. This brings Navy HR Operations into the 21st century and meets the complex and unique needs of Sailors and their families. It also reduces operating costs and simultaneously improves all HR functional areas. The design process leverages proven and fielded industry-wide technology to create a robust and modern service delivery platform that improves quality of service, accountability, and transparency.

# 1.5 Implement Initiatives to Recruit and Retain the Best Total Force to Bolster Capabilities and Readiness

## Why This Matters

People are our most precious resource. Without them, there is no warfighting success. The agility, adaptability, and creativity of our Sailors, Marines, and civilians make up the only real means of victory in an age of increasing complexity and peer competition. For too long, the DON has relied on personnel management systems designed just after World War II. Not only are the effects of the Blended Retirement System upon future necessary retention unknown, so too are measures of the differentiated qualities of our people who decide to leave, stay, or return. This Plan will revolutionize the way in which we develop and retain a rich bench of leaders in the areas the DON will need most, from Seaman to Admiral, from Private to General, and from apprentice to executive.

**» 1.5.A » Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs**

## How We'll Get There

More complex missions, emerging threats, and new technologies demand that DON recruits possess an ability to learn quickly on the job and master new, complex skills over a career. The DON will improve Fleet and Force Readiness through predictive analytics that will enhance Sailor, Marine, and civilian fit, talent matching, retention, and agile responses to meet dynamic needs. To build the Department's talent management system for the future, we require an information technology backbone and data analysis capability that can get us there. The DON will streamline processes and systems, automate as many personnel functions as possible, and integrate commercial-off-the-shelf (COTS) cloud-based IT solutions. This transformation is a holistic effort intended to streamline personnel management and dramatically improve quality of service to Sailors, Marines, civilians, their Commanders, and the entire Department. The DON will improve the speed, accuracy, and quality of personnel and pay services, better positioning the Department to take care of our most valuable resource, our people.

## Navy Manpower, Personnel, Training and Education (MPT&E) Transformation: Modernizing HR Services to Support Efficiency and Customer Service

This restructured business model implements an industry-standard tiered customer service delivery capability through the MyNavy Portal (Self Service Portal with Mobile Access) and Customer Service Support, which assists complex transactions to include travel, transfers and moves, and status changes between Active and Reserve duty. These changes will require modernizing Navy HR systems by establishing an Authoritative Data Environment, and developing a Navy Pay and Personnel system that streamlines operations, optimizes data management processes, drives efficiency, and allows Sailors to conduct personnel matters with ease.



## The DON will Focus on Five Major Objectives

### Operations

**Problem:** Our legacy operating model, designed before most of our Sailors and Marines were born, results in administrative disconnects and training disruptions that leave the Fleet and Marine Operating Force less than optimally manned for combat.

**Solution:** The DON will implement manpower programs and tools that increase process efficiency and improve Sailor and Marine career development through modernized recruiting efforts, streamlined processes, and training that is available whenever and wherever Sailors and Marines need it most.

- Establish MNCCs to enable 24/7 self-service options, call center availability, shared services capabilities, and transactional support
- Increase automation and streamline processes to allow Sailors to conduct personnel issues, including pay, leave, and interactions with detailers
- Begin implementation of "Detailing Marketplace" to allow Sailors to negotiate job assignments directly with gaining commands
- Enhance career flexibility by leveraging Navy rating modernization and providing greater training and credentialing opportunities
- Utilize the Navy Leader Development Framework to conduct a holistic look at career paths and warfighting skills
- Align Navy force management to focus on talent retention and development
- Modernize Marine Corps Military Occupational Specialties
- Modernize Marine Corps Manpower organizations, processes, and systems to achieve the human resources demands of Force 2025
- Reform Marine Corps Special Duty Assignment Pay by accurately targeting incentives to attract qualified Marines to volunteer for hard-to-fill, critical assignments

## Technology

**Problem:** Many of our current data systems for personnel management are antiquated and do not communicate with one another.

**Solution:** The Department will modernize personnel management and training systems by standing up a core suite of integrated systems (i.e., COTS cloud-based solutions) and developing integrated systems.

- Develop ability to optimize workforce mix (military, civilian, contractor) through use of data
- Continue improving the Board for Correction of Naval Records' (BCNR) efficiency over processing petitions, and transition to a new case management system
- Transform the Council of Review Boards (CORB) technology, specifically the Physical Evaluation Board (PEB), by migrating current patchwork of database and case management systems to a start of the art ATLAS case management system
- Establish Navy Authoritative Data Environment and associated governance
- Integrate Navy Personnel and Pay System
- Release initial mobile version of MyNavy Portal
- Leverage cloud-hosted training content to increase the speed of updates to Navy training
- Rationalize Navy MPT&E systems portfolio by First Quarter FY 2021 and integrate remaining systems into a cloud-hosted system by FY 2023
- Continue design, development, and deployment of Marine Corps Human Resource Management System modernization effort; move applications to the cloud and refactor/reprogram applications to make them mobile friendly

## Governance and Change Management

**Problem:** Previous piecemeal efforts to improve the lives of our Sailors lacked a holistic approach and the necessary funding.

**Solution:** The Department has formed transformation teams, and all stakeholders have input to governance forums.

- Establish a Navy transformation team led by an industry experienced Executive Director, supported by a Results Delivery Office and executed top down from the senior leadership team through assigned Business Design Owners
- Establish a Communications and Change Management plan to reach all Navy stakeholders

## Civilian Workforce

**Problem:** Rapidly changing global demands require a skilled and developed workforce able to meet mission needs.

**Solution:** The DON will develop and implement workforce solutions focused on growth and development of the civilian workforce in support of changing mission needs.

- Continue "Hiring is a Team Sport" initiative with targeted focus on improving civilian time to hire
- Maximize direct and expedited hiring flexibilities to ensure the right talent at the right time
- Provide leadership and participate in DoD working groups in support of the Defense Civilian Human Resources Management System SaaS/Cloud Implementation and other enterprise-wide human resources (HR) reform efforts
- Continue the work started by Navy Civilian Workforce Framework by developing Navy-wide guidance for civilian Navy acculturation and leader development

## Ethical Midfield for DON Civilian and Military Workforce

**Problem:** Engagement in unethical or illegal behavior by the DON workforce can and has degraded the readiness of the organization.

**Solution:** The OGC will provide detailed guidance, procedures, and training that reinforce ethical standards in Sailors, Marines, and civilians creating a workforce that is aware and avoids ethical pitfalls.
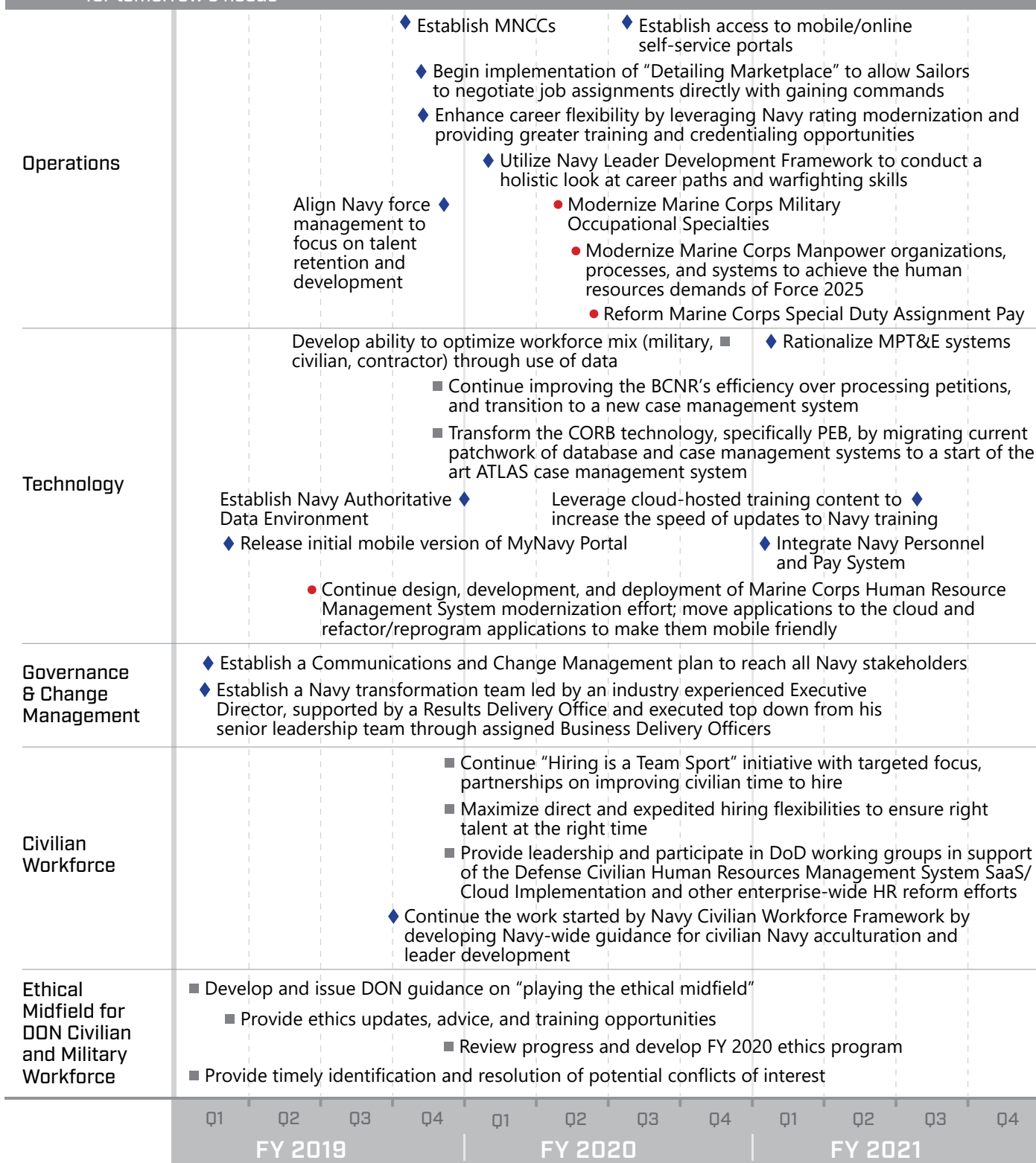
- Develop and issue DON guidance on "playing the ethical midfield"
- Provide ethics updates, advice, and training opportunities to all DON employees on a continuous basis, and develop the FY 2020 ethics program
- Provide timely identification and resolution of potential conflicts of interest

# Critical Milestones Required for Success

| MILESTONE KEY | ● USMC | ♦ USN | ■ Secretariat |

**1.5.A » Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs**

## Operations

♦ Establish MNCCs

♦ Establish access to mobile/online self-service portals

♦ Begin implementation of "Detailing Marketplace" to allow Sailors to negotiate job assignments directly with gaining commands

♦ Enhance career flexibility by leveraging Navy rating modernization and providing greater training and credentialing opportunities

♦ Utilize Navy Leader Development Framework to conduct a holistic look at career paths and warfighting skills

Align Navy force management to focus on talent retention and development ♦

● Modernize Marine Corps Military Occupational Specialties

● Modernize Marine Corps Manpower organizations, processes, and systems to achieve the human resources demands of Force 2025

● Reform Marine Corps Special Duty Assignment Pay

## Technology

Develop ability to optimize workforce mix (military, civilian, contractor) through use of data ■

♦ Rationalize MPT&E systems

■ Continue improving the BCNR's efficiency over processing petitions, and transition to a new case management system

■ Transform the CORB technology, specifically PEB, by migrating current patchwork of database and case management systems to a start of the art ATLAS case management system

Establish Navy Authoritative Data Environment ♦

Leverage cloud-hosted training content to increase the speed of updates to Navy training ♦

♦ Release initial mobile version of MyNavy Portal

♦ Integrate Navy Personnel and Pay System

● Continue design, development, and deployment of Marine Corps Human Resource Management System modernization effort; move applications to the cloud and refactor/reprogram applications to make them mobile friendly

## Governance & Change Management

♦ Establish a Communications and Change Management plan to reach all Navy stakeholders

♦ Establish a Navy transformation team led by an industry experienced Executive Director, supported by a Results Delivery Office and executed top down from his senior leadership team through assigned Business Delivery Officers

## Civilian Workforce

■ Continue "Hiring is a Team Sport" initiative with targeted focus, partnerships on improving civilian time to hire

■ Maximize direct and expedited hiring flexibilities to ensure right talent at the right time

■ Provide leadership and participate in DoD working groups in support of the Defense Civilian Human Resources Management System SaaS/Cloud Implementation and other enterprise-wide HR reform efforts

♦ Continue the work started by Navy Civilian Workforce Framework by developing Navy-wide guidance for civilian Navy acculturation and leader development

## Ethical Midfield for DON Civilian and Military Workforce

■ Develop and issue DON guidance on "playing the ethical midfield"

■ Provide ethics updates, advice, and training opportunities

■ Review progress and develop FY 2020 ethics program

■ Provide timely identification and resolution of potential conflicts of interest

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|----|----|----|----|----|----|----|----|----|----|----|----|
| FY 2019 | | | | FY 2020 | | | | FY 2021 | | | |

# NDS Line of Effort 2:
## Strengthen Our Alliances and Attract New Partners

"

Mutually beneficial alliances and partnerships are crucial to our strategy, providing a durable, asymmetric strategic advantage that no competitor or rival can match.  This approach has served the United States well, in peace and war, for the past 75 years...Every day, our allies and partners join us in defending freedom, deterring war, and maintaining the rules which underwrite a free and open international order.

"

### — National Defense Strategy

Strengthening alliances and partnerships is vital to U.S. national security and represents one of the core missions of the Department of the Navy.  To quote Secretary of Defense James Mattis, "Nations with allies thrive, and those without allies decline."  When advancing our national interests, U.S. naval forces normally operate far from American shores, while leveraging a constellation of alliances and partnerships to implement our National Defense Strategy.

The interconnected nature of our national security interests underscores the importance of nurturing and strengthening strategic relationships, and reinforcing our traditional alliances and partnerships.  This entails working with our allies and partners to:

- Facilitate interoperability with U.S. naval forces;
- Provide U.S. naval forces access to key naval capabilities and technologies;
- Plan security cooperation events, personnel exchanges, and quality professional military education and training; and
- Conduct staff talks and key leader engagements to advance vital relationships.

Our security cooperation activities are designed to build and develop allied and friendly security capabilities for self-defense and multinational operations.  These activities help to build critical trust and yield overseas access for the Navy-Marine Corps team during peacetime or contingency operations.  Although currently successful, the DON's efforts cannot become stagnant.  Rapidly changing international power dynamics, shaped by changing financial flows and technological disruptions, demand that we continuously assess our policies and international arrangements, and measure the results we expect from our cooperative efforts.

## *From the deckplate...*

### DON-UK Ministry of Defence Partnership

The Department is supporting the United Kingdom's (UK) re-establishment of its carrier fleet in a manner that is highly interoperable with U.S. naval forces.  By partnering with the UK to integrate USMC F-35B aircraft on HMS Queen Elizabeth's inaugural deployment, the DON is demonstrating the joint resolve and interoperability of two of the world's most advanced militaries, and extending and strengthening the national security of both nations.  Former UK Secretary of State for Defence Michael Fallon said in a statement: "I can welcome the commitment of the United States to deploying F-35s on the first operational deployment of HMS Queen Elizabeth in 2021.  And in the fullness of time, we expect our F-35s to be welcome on the American Carriers."

### Historic USS CARL VINSON Visit to Vietnam

In March 2018, the U.S. aircraft carrier USS CARL VINSON (CVN-70) visited the Vietnamese people in the port of Da Nang.  The Carl Vinson carries 6,000 crew members, stretches more than 1,000 feet, and weighs more than 100,000 tons.  The four-day port call sent a clear message of American intent for peace through strength.  Ship visits, combined maritime exercises, and staff planning drills with partners throughout the South China Sea help to maintain peace, stability, security, cooperation, and development in this strategically significant region.

# 2.1  Reform the Security Cooperation Enterprise

## Why This Matters

The United States is a maritime nation, bounded by two oceans and bordering a third.  The Nation is connected to the rest of the world by the global commons of the sea, and relies upon our naval services to protect them.  Our allies and partners on distant shores, as well as those nearby, greatly enable and enhance America's economic and security future.  Therefore, strengthening those alliances and partnerships is vital to U.S. national security, continued prosperity, and our way of life.

» ### *2.1.A » Implement a more strategic, coordinated approach to security cooperation*

## How We'll Get There

To be highly successful in developing, maintaining, and advancing partnerships requires a dedicated mindset and an expert workforce skilled in and oriented to furthering these objectives.  Furthermore, DON processes and policies must be agile and adaptable to the challenges and opportunities presented by partner engagement, effective overseas presence, and enterprise-wide approaches.  They must be coordinated, aligned, and comprehensive with regard to the DON's partnership goals.

## The DON will Focus on Two Major Objectives

### Allies and Partners Synchronization

**Problem:** Engagement priorities are currently organization-specific, with minimal synchronization of activities across the Department; this wastes resources and risks sending inconsistent messages to our allies and partners.

**Solution:** The Deputy Under Secretary of the Navy (DUSN) will develop Departmental policies to prioritize engagement with our allies and partners. The Services will implement this guidance through activities in prioritized regions with specified countries to achieve desired end states.

- Develop DON policies and tools by DUSN to enable international key leader engagement synchronization
- Release implementation guidance for Marine Corps Security Cooperation Strategy
- Develop and publish Navy Security Cooperation Guide

### Security Cooperation
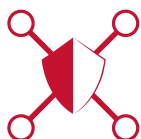
**Problem:** The DON lacks appropriate mechanisms to monitor and evaluate Security Cooperation activities and ensure that the outcomes of these activities will support the DON's priorities and the National Defense Strategy.
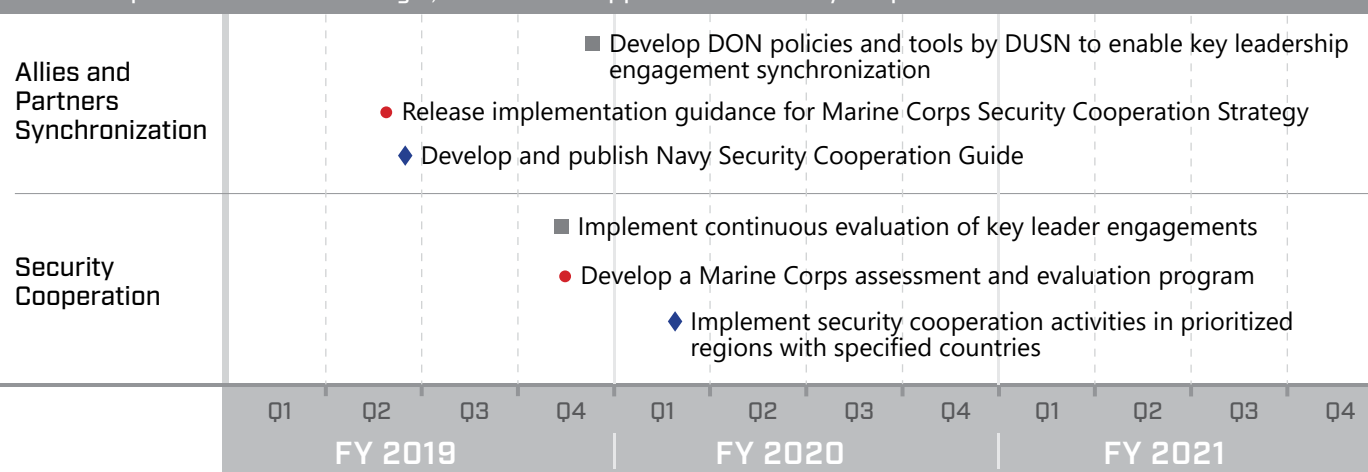
**Solution:** The DUSN will establish a process to continuously evaluate and validate the Department's security cooperation efforts across the Secretariat and Services in order to ensure that efforts are consistent with the National Defense Strategy, and that security cooperation reforms are being fully implemented.

- Implement continuous evaluation of key leader engagements through monthly DUSN-led stakeholder review
- Develop a Marine Corps assessment and evaluation program to monitor progress against the Commandant's security cooperation objectives
- Implement security cooperation activities in prioritized regions to achieve U.S. Navy desired end states

## Critical Milestones Required for Success

**MILESTONE KEY** ● USMC ◆ USN ■ Secretariat

**2.1.A » Implement a more strategic, coordinated approach to security cooperation**

**Allies and Partners Synchronization**
- ■ Develop DON policies and tools by DUSN to enable key leadership engagement synchronization
- ● Release implementation guidance for Marine Corps Security Cooperation Strategy
- ◆ Develop and publish Navy Security Cooperation Guide

**Security Cooperation**
- ■ Implement continuous evaluation of key leader engagements
- ● Develop a Marine Corps assessment and evaluation program
- ◆ Implement security cooperation activities in prioritized regions with specified countries

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2019 | | | | FY 2020 | | | | FY 2021 | | | |

# NDS Line of Effort 3: Reform the Department's Business Practices for Greater Performance and Affordability

"

We must transition to a culture of performance where results and accountability matter.  We will put in place a management system where leadership can harness opportunities and ensure effective stewardship of taxpayer resources.  We have a responsibility to gain full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people.

**— National Defense Strategy**

"

Building the naval forces we need to address emerging challenges will require a new, critical self-assessment in every supporting function across the Department.  Therefore, the DON will place a renewed emphasis on transforming our business mission areas to incorporate best practice management methods and uses of technology that improve visibility and accountability.  This will inform better data and risk-based decision-making – emphasizing agility over bureaucracy.  Key to these efforts will be the implementation of business reforms that yield significant savings, as well as more incremental ones, in order to free up capital to fund our large capital requirements.

The Department will realign incentive and reporting structures to increase speed of delivery, enable design tradeoffs in the requirements process, expand the role of warfighters and intelligence analysis throughout the acquisitions process, and utilize non-traditional suppliers.  Prototyping and experimentation will be used prior to defining requirements and commercial-off-the-shelf systems.  To accomplish our business reform objectives, the DON will drive a culture of agility, accountability, and continuous learning for our people.  We are building a new, flatter, and faster organization in which data is routinely verified, processes are clean and understood, and business controls enable faster, more informed decisions.

## From the deckplate...

**Digital Warfare Office**

The Navy's Digital Warfare Office (DWO) uses data analytics to tackle numerous challenges facing the Navy. For example, DWO and the Center for Naval Analyses examined the issue of Super Hornet (F/A-18E/F strike fighter) readiness and recommended data-driven solutions that leveraged underutilized sensor data. A five-month pilot program began on 10 Jul 2017, at the Fleet Readiness Center at Oceana in Virginia Beach, Virginia, and was implemented on APG-65 and APG-73 radars. During the pilot program, repair time was reduced by 45% with a 40% reduction in the number of parts being ordered per repair, as well as a 30% reduction in the number of order iterations per repair.

# 3.1 Improve and Strengthen Business Operations Through a Move to DoD-Enterprise or Shared Services; Reduce Administrative and Regulatory Burden

## Why This Matters

Strengthening the Department's business operations is about reforming how we do business in order to better serve the Sailors, Marines, and civilians who need spare parts, ammunition, fuel, and supplies at the right time and place to get the job done. Therefore, the Department's business functions are inextricably linked to warfighting capability and readiness. Each of the Department's related support processes exerts a critical downrange effect on the warfighter. Innovative business reform will deliver greater organizational agility and free up resources to reinvest in greater lethality.

>> *3.1.A » Increase the use of data analytics and artificial intelligence in DON-wide decision-making*

## How We'll Get There

Organizational agility is a function of how quickly and accurately the DON determines the effects of its decisions. This agility also depends on the DON's access to quality data and ability to analyze that data for insight. The DON will align data and advanced analytics improvements to support clearly defined readiness and productivity initiatives. Additionally, the DON will ensure these improvements are sustained by integrating data and analytics capabilities with performance governance, end-to-end processes, business information systems, and improved human capital management. Our long-term goals include:

- Improving data quality, standards, visibility, access, and security;
- Enhancing information integration through expanded interoperability, integration, and reuse;
- Establishing and continuously improving capabilities to perform analysis to enable the speed and effectiveness of decision-making;
- Building a skilled data workforce; and
- Governing for outcomes by institutionalizing the management of data and analytics products.

### Enterprise Data Quality, Standards, Integration, and Investment

**Problem:** The Department lacks an enterprise framework for integrating data and analytics with process and mission performance outcomes, as well as information system portfolios and services roadmaps. This challenges the DON's ability to deliver insights to support agile decision-making.

**Solution:** DON OCMO will design and implement a data and analytics framework that incorporates best practices to determine where, when, and how to deploy data standards, architectures, tools, and skilled analytical teams.

- Prioritize data improvement based on readiness, workforce, and financial management initiatives
- Incorporate data improvement and relationship objectives into functional area portfolio roadmaps and process owner objectives
- Develop a data and analytics governance plan
- Support DoD-level governance bodies to implement enterprise data management and analytics provisions of the National Defense Authorization Act (NDAA) of FY 2018

### Data and Analytics Workforce

**Problem:** The Department has an inconsistent understanding and competency in the use of data and analytics to support decision-making and mission and business outcomes.

**Solution:** DON OCMO will implement a program to develop workforce competency and capacity to better apply data and analytics in business process and mission areas, and will enhance workforce understanding and accountability for their roles in managing quality data.

- Develop and implement data and analytic baseline training for mid/senior leaders
- Develop plan to establish cadre of data science and architecture experts
- Review and update Data-Savvy Workforce initiative to address the needs of total workforce

### Artificial Intelligence (AI)
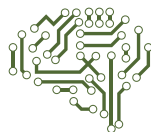
**Problem:** The Navy's intelligence community risks falling behind our adversaries in the use of analytic and predictive tools to support acquisition and Fleet decisions.

**Solution:** Benefiting from both the intelligence community's Augmented Intelligence with Machines campaign and DoD's Joint Artificial Intelligence Center (JAIC), Naval Intelligence is making full and effective use of data analytics and artificial intelligence to arm the acquisition community and Fleet at machine speed and a massive scale with intelligence. The DON will provide the JAIC with subject matter expertise to aid in defining AI use cases beyond intelligence that provide DoD-wide benefit. The Navy will conduct a series of mission-focused artificial intelligence and machine-learning (AI/ML) projects phased in 90-day increments, with leadership reviews at each increment.

- Conduct AI/ML summit
- Complete undersea warfare (USW) increment
- Complete social media exploitation (SME) increment
- Complete cargo tracking increment
- Complete adaptive antisubmarine warfare (ASW) increment

### Strategic Management

**Problem:** The Marine Corps lacks visible and accessible data and tools to make force development and readiness decisions with sufficient precision, while still meeting force management and PPBE timelines.

**Solution:** The Marine Corps will design and develop a decision support solution that includes quality data, effective and timely assessments of current and future capability needs and risks, and enables optimization of our investments and force development activities. The Marine Corps will complete the Business Capability Acquisition Cycle (BCAC) Phase 2 Solution Implementation Plan.

- Develop Enterprise Master Data Management and Data Integration Services
- Complete data quality improvements
- Conduct business process reengineering and decision quality enhancements
- Improve analytic, visualization, and decision support technologies
- Gain authority to proceed to BCAC Phase 3

## 3.1.B » *Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality*

## How We'll Get There

The Secretary of Defense directed the Department's components to conduct a thorough business review to identify reform initiatives to effectively and efficiently restore military lethality and readiness. The DON is committed to identifying and reforming outdated business practices that no longer contribute to meeting the demands of the operating forces. These practices impede our ability to anticipate and adapt to changes in a highly competitive environment.

## The DON will Focus on Two Major Objectives

### Development of DON Reform Roadmap



**Problem:** The development and pursuit of long-term DON reform initiatives can be pushed aside under the pressure to respond to urgent, near-term, and external tasking.

**Solution:** The DON will develop and pursue a robust array of reform initiatives across all functional areas that advance the interest of and provide value to the Secretariat, Navy, and Marine Corps.

- See Figure 2

### Cross-DoD Reform Coordination
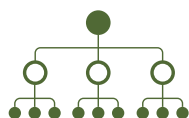


**Problem:** Without proper coordination, reform initiatives established at the Service, Military Department, and DoD-wide can result in multiple, potentially conflicting activities that consume resources and time, ultimately diminishing our capacity to deliver reform.

**Solution:** The DON will proactively identify and advance initiatives with the highest potential to deliver value to the DON.
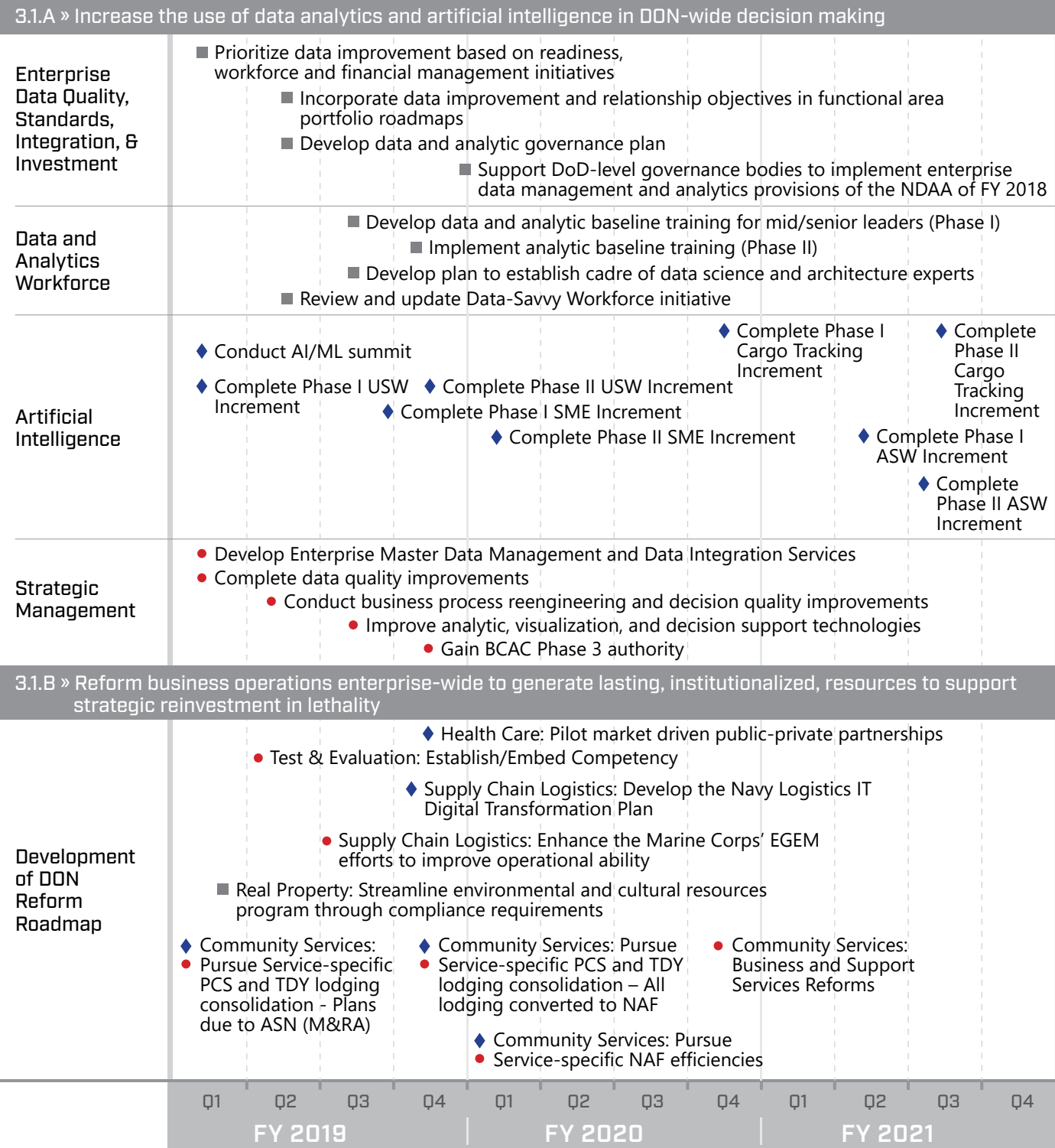
**Figure 2.** DON Reform Roadmap

| Reform Area | Internal DON Initiatives |
|---|---|
| Health Care Management | • Pilot market-driven public-private partnerships to increase readiness and improve healthcare outcomes |
| Test & Evaluation | • Establish and embed test & evaluation competency within the Marine Corps |
| Supply Chain Logistics | • Develop the Navy Logistics IT Digital Transformation Plan<br>• Enhance the Marine Corps' Enterprise Ground Equipment Management (EGEM) efforts to improve operational ability |
| Real Property Management | • Streamline environmental compliance through legislative/regulatory relief and improved policy/processes |
| Community Services Management | • Pursue Service-specific permanent change of station (PCS) and temporary duty (TDY) lodging consolidation<br>• Execute Marine Corps Business and Support Services Reforms<br>• Pursue Service-specific non-appropriated funds (NAF) efficiencies (e.g., shared services, outsourced supply chain, standardized procurement and staffing, etc.) |

# Critical Milestones Required for Success

**MILESTONE KEY** ● USMC | ♦ USN | ■ Secretariat

## 3.1.A » Increase the use of data analytics and artificial intelligence in DON-wide decision making

**Enterprise Data Quality, Standards, Integration, & Investment**
- ■ Prioritize data improvement based on readiness, workforce and financial management initiatives
  - ■ Incorporate data improvement and relationship objectives in functional area portfolio roadmaps
  - ■ Develop data and analytic governance plan
    - ■ Support DoD-level governance bodies to implement enterprise data management and analytics provisions of the NDAA of FY 2018

**Data and Analytics Workforce**
- ■ Develop data and analytic baseline training for mid/senior leaders (Phase I)
  - ■ Implement analytic baseline training (Phase II)
  - ■ Develop plan to establish cadre of data science and architecture experts
- ■ Review and update Data-Savvy Workforce initiative

**Artificial Intelligence**
- ♦ Conduct AI/ML summit
- ♦ Complete Phase I USW Increment
  - ♦ Complete Phase II USW Increment
  - ♦ Complete Phase I SME Increment
    - ♦ Complete Phase II SME Increment
- ♦ Complete Phase I Cargo Tracking Increment
- ♦ Complete Phase II Cargo Tracking Increment
  - ♦ Complete Phase I ASW Increment
    - ♦ Complete Phase II ASW Increment

**Strategic Management**
- ● Develop Enterprise Master Data Management and Data Integration Services
- ● Complete data quality improvements
  - ● Conduct business process reengineering and decision quality improvements
    - ● Improve analytic, visualization, and decision support technologies
      - ● Gain BCAC Phase 3 authority

## 3.1.B » Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

**Development of DON Reform Roadmap**
- ♦ Health Care: Pilot market driven public-private partnerships
- ● Test & Evaluation: Establish/Embed Competency
  - ♦ Supply Chain Logistics: Develop the Navy Logistics IT Digital Transformation Plan
  - ● Supply Chain Logistics: Enhance the Marine Corps' EGEM efforts to improve operational ability
- ■ Real Property: Streamline environmental and cultural resources program through compliance requirements
- ♦ Community Services:
- ● Pursue Service-specific PCS and TDY lodging consolidation - Plans due to ASN (M&RA)
- ♦ Community Services: Pursue
- ● Service-specific PCS and TDY lodging consolidation – All lodging converted to NAF
- ● Community Services: Business and Support Services Reforms
  - ♦ Community Services: Pursue
  - ● Service-specific NAF efficiencies

| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|----|----|----|----|----|----|----|----|----|----|----|----|
| | **FY 2019** | | | | **FY 2020** | | | | **FY 2021** | | | |

## *From the deckplate...*

**Streamlining Navy Supply**

In April 2018, the Naval Supply Systems Command (NAVSUP) disestablished the NAVSUP Global Logistics Support (NAVSUP GLS), ultimately realigning NAVSUP GLS performed functions to NAVSUP Headquarters (HQ) located in Mechanicsburg, PA.  By realigning functions to NAVSUP HQ, NAVSUP removed an intermediate layer of command—thus improving command oversight and customer alignment, delivering efficiencies that enable faster support and greater accountability, and reducing redundant administrative burdens. The result is a flatter NAVSUP organization, leading to a savings of $48 million over the next five years and providing comprehensive and tailored support to the Navy and Joint warfighter.

# **3.2** Optimize Organizational Structures

## Why This Matters

To build a more lethal force and reform the DON for greater performance and affordability, the DON must continuously assess and adapt its organizational structure to provide improved support to the warfighter.  Management structures and processes are intended to empower the warfighter with knowledge, equipment, and support systems ready to fight and win.  Organizational structures that have a limiting impact on lethality or performance must be consolidated, eliminated, or restructured.  A closer relationship to the "customer" – in this case, the warfighter – is key. This may include efforts to optimize organizational structures, or remove counterproductive layers of oversight and administration.

» ***3.2.A » Reduce redundancies across the enterprise (to include Office of the Chief of Naval Operations (OPNAV); Headquarters, Marine Corps (HQMC); and Secretariat) to achieve cost savings and improve agility***

## How We'll Get There

**DON organizational structures will be grounded in the following principles:**

- Organization structures must enable urgency/speed of execution.
- Large teams and support structures are not necessary.
- Delegate authority down to the greatest extent practical.
- Duplication of higher-level organization structures is not desired.

## The DON will Focus on Two Major Objectives

### Eliminate Duplication and Increase Speed of Execution

**Problem:** Additional layers of bureaucracy and redundant processes impede agility and efficient operations resulting in increased overhead and duplication of efforts.

**Solution:** The DON will pursue operational improvements by reviewing organizational structures and eliminating unnecessary layers that lead to duplication of efforts and redundant processes. We have implemented this approach in the Navy by streamlining Navy supply operations and disestablishing Navy Supply Global Logistics Support.

- Provide 6-month updates on the development, implementation, and monitoring of elimination of duplication-related organizational changes

### Delegation of Authority
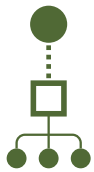
**Problem:** Management of execution-related tasks at the executive level can inhibit the Department's ability to optimally perform against objectives. A culture of agility, accountability, and enhanced lethality demands business operations that employ faster access to information, streamlined processes, and rapid decision-making.

**Solution:** Delegation of execution-related authorities within the DON is required to achieve these results. We have implemented this approach with the Secretariat staff by reviewing and delegating authorities previously held by DON OCIO to OPNAV and HQMC. The DON will implement efficient internal controls that provide visibility and oversight of the delegation of the authorities.

- Provide 6-month updates on the development, implementation, and monitoring of delegation of authority-related organizational changes

## Critical Milestones Required for Success

**MILESTONE KEY**    ● USMC    ♦ USN    ■ Secretariat

**3.2.A » Reduce redundancies across the enterprise (to include Office of the Chief of Naval Operations (OPNAV); Headquarters, Marine Corps (HQMC); and Secretariat) to achieve cost savings and improve agility**

### Eliminate Duplication and Increase Speed of Execution

♦ Provide updates on development
● 
♦ Provide 6-month updates on implementation
●
♦ Provide 6-month updates on monitoring
●
♦ Provide updates on development
●
♦ Provide 6-month updates on implementation
●
♦ Provide 6-month updates on monitoring
●

### Delegation of Authority

■ Provide updates on development
■ Provide 6-month updates on implementation
■ Provide 6-month updates on monitoring
■ Provide updates on development
■ Provide 6-month updates on implementation
■ Provide 6-month updates on monitoring

| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY 2019 | | | | FY 2020 | | | | FY 2021 | | | |

## *From the deckplate...*

### Audits Create Budgetary Reforms and Reinvest Savings to Increase Readiness

Based on an audit finding and recommendation, the Navy began reviewing and validating its funding obligations on a routine basis.  As a result, the Commander, U.S. Pacific Fleet tightened the controls on its obligation management, which expanded the Navy's purchasing power to fund some ship repair costs ($4.4M) for the USS PAUL HAMILTON (DDG-60).  Audits serve to find hidden efficiencies, resulting in savings of taxpayer dollars that are reinvested into increased readiness for the Fleet and Marine Operating Forces, as well as fund the modernization of platforms, weapons, technology, and equipment.

### Audits Drive Verifiable, Trusted Inventories for Greater Combat Effectiveness

When auditors performed a site visit to test government-furnished property related to the F/A-18 E/F Super Hornet, they uncovered a warehouse that was not included in the original listing provided to them.  Personnel at the warehouse presented an up-to-date list of inventory currently housed in that warehouse.  The auditors performed testing procedures, including inspection and validating accuracy of property stored in the warehouse.  Audits like these reveal efficiencies and hidden seams that are often buried in legacy paper-based accounting processes.  As the Department digitizes its holdings with clean data and advanced analytics, Sailors and Marines will be able to count on the same verifiable accounting data for all their platforms and equipment.

# **3.3** Undergo an Audit and Improve the Quality of Budgetary and Financial Information that is Most Valuable in Managing the DoD

## Why This Matters

For the first time, the DON will complete an enterprise-wide audit of all its processes, systems, and resources that place the capacity for lethality directly in the hands of our warfighters.  Audits are about identifying opportunities to better track the count, location, and condition of the DON's inventory and property assets.  Better information on the DON's military equipment, real property, spares, and parts allows for better analysis and forecasting of its readiness capabilities and planning for large capital investments.  They are also about the repeatable, dependable capability to place a receipt in the hands of American taxpayers for every dollar sent to the Armed Forces, proving they will get what they paid for – a Navy and Marine Corps team ready for the complexity and challenges of a new age.

> **》 *3.3.A 》 Institutionalize annual audit and remediation, and establish a near term path to a clean opinion***

## How We'll Get There

Unlike other tests taken in the Department, the DON wants to identify shortfalls when talking about audits.  Discrepancies prove what needs attention from the rest of the team – well before they have unintended consequences.  Audits will also expose inconsistencies and lack of communications between systems that order, inventory, and pay for the things that provide the Sailors and Marines a warfighting edge.  More than anything else, the DON must shift its managerial culture to one that rewards the exposure of common mistakes for the benefit of the team.  The DON will use standard accounting practices and audit remediation techniques to communicate disconnects, shifting risks that are more predictable to the rear of combat support and implementing solutions to reduce them.

## The DON will Focus on Eight Major Objectives

### Accounting Systems

**Problem:** The DON has too many legacy systems, interfaces, and insufficient IT controls. Much of the DON's information cannot be documented or traced to the point of origin.

**Solution:** The DON will reduce the total accounting systems footprint to two by FY 2020 with the ultimate goal of one accounting system (Navy Enterprise Resource Planning System (Navy ERP)) in the target environment. The DON will also expand the financial management functionality in the Navy ERP to include processing receipt, acceptance, and Treasury disbursement operations for vendor and contract payments.

- Remediate system control weaknesses in the Marine Corps Standard Accounting, Budgeting and Reporting System (SABRS)
- Reduce the number of accounting systems to two (SABRS and Navy ERP)
- Enable Treasury Direct Disbursing functionality in Navy ERP
- Migrate Working Capital Fund Commands into Navy ERP
- Upgrade Navy ERP software to de-customize and correct posting logic
- Standardize the procure-to-pay transaction workflow in Navy ERP

### Audit-Relevant Business Systems Consolidation

**Problem:** The DON has a long-standing material weakness related to its business systems environment. Factors that contribute to the material weakness include complex and non-standard business processes, non-compliance with data standards, and lack of interoperability between systems.

**Solution:** In addition to developing a business systems architecture discussed previously, the DON will re-engineer business processes, enforce systems to comply with data standards, and identify opportunities to streamline business systems. The DON is starting with the Logistics IT audit-relevant business systems portfolio.

- Conduct a targeted business process re-engineering (BPR) effort for the Military Standard Requisitioning and Issue Procedures (MILSTRIP) process

### Financial Reporting

**Problem:** The DON's systems do not communicate with one another, and therefore limit the ability to track dollars from point of origination through execution, or report on financial statements without manual interventions and adjustments.

**Solution:** The DON will correct accounting system posting logic and underlying business processes to reduce the number of manual and automated adjustments to financial statements. Additionally, the DON will establish and implement compliant business processes and controls to enable improvements in financial reporting.

- Perform root cause analysis and update the Navy ERP general ledger system to reduce/eliminate journal vouchers
- Eliminate funding system overlay and implement budget funding and reporting in Navy ERP
- Remediate impediments and deploy unadjusted trial balance by budget submitting office across the DON
- Resolve intragovernmental eliminations that impact the presentation of Marine Corps' financial statements

### Fund Balance with Treasury
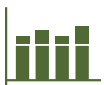
**Problem:** Currently, the DON is unable to reconcile its fund balance with the Treasury.

**Solution:** The DON will streamline this process and transition to U.S. Treasury disbursing and collection shared services, starting in FY 2020.

- Remediate Marine Corps audit findings through Treasury Direct Disbursing and reform of Defense Finance and Accounting Service processes
- Transition DON payment types to Treasury Direct Disbursing, including Military Pay, Civilian Pay, Retired and Annuitant Pay, Contract Pay, Vendor Pay, and Travel Pay
- Transition to Deployable Disbursing System on Navy ships

## Inventory and Operating Materials & Supplies (OM&S)

**Problem:** The DON's processes, controls, and systems are non-standard and compartmentalized.

**Solution:** To manage item quantity, condition, and location, the DON will create new governance, identify gaps in key controls with a re-engineered process, and re-baseline the populations of its items.

- Remediate Marine Corps audit findings on OM&S
- Develop a viable audit path for Marine Corps ammunition held by Army
- Document and standardize Navy processes
- Establish data standards for property systems of record for the Navy
- Define and develop plan for Navy target accountable property system
- Ensure execution of wall-to-wall inventory for the Navy
- Cleanse and reconcile data from Navy property system to financial system

## Real Property

**Problem:** Initial audits have highlighted weaknesses in the DON's processes to properly account for our real property assets.

**Solution:** The DON will complete real property asset existence and completeness inventory and improve end-to-end processes.

- Remediate Marine Corps audit findings
- Complete Navy 100% existence and completeness inventory in FY 2019
- Generate, fund, and implement DON real property sustainment requirements for FY 2020 and beyond

## Budgetary Reform

**Problem:** The DON often spends its dollars in a decentralized manner through reimbursable agreements internal to the Navy and other government agencies, resulting in loss of visibility to available resources.

**Solution:** The DON will move funds to where they are used, relieving the need for burdensome documentation and reconciliation requirements at various level of organizations. The DON will change the intragovernmental payment process (with other government agencies) to enforce proper receipt of goods or services before payments are processed.

- Improve funds distribution process
- Perform pilot to change intragovernmental payment and collection (IPAC) process
- Develop plan to roll out IPAC process changes to rest of the DON's trading partners

## IT General Controls

**Problem:** The DON has identified opportunities to improve controls over our IT systems.

**Solution:** By implementing the new risk management framework into the entire IT acquisition process from beginning to end, the DON will enable increased oversight, security controls, and interoperability. The DON will leverage new technologies and retire legacy systems to accelerate our consolidation into a modern and secure system environment.

- Correct material weaknesses adversely affecting DON IT controls

# Critical Milestones Required for Success

**MILESTONE KEY** ● USMC ◆ USN ■ Secretariat

## 3.3.A » Institutionalize annual audit and remediation, and establish a near term path to a clean opinion

### Accounting Systems

- ● Obtain qualified opinion for Marine Corps financial statements
- ■ Migrate to 2 accounting systems (SABRS and Navy ERP)
- ● Remediate system control weaknesses in the Marine Corps Standard Accounting, Budgeting and Reporting System (SABRS)
- ■ Migrate Working Capital Fund Commands onto Navy ERP
- ■ Upgrade Navy ERP Software to Decustomize and Correct Posting Logic
- ■ Enable Treasury Direct Disbursing Functionality in target accounting system (Navy ERP)
- ■ Standardize Procure to Pay Transaction Workflow in Navy ERP

### Audit Relevant Business Systems Consolidation

- ■ Conduct a targeted BPR effort for MILSTRIP process

### Financial Reporting

- ■ Define Navy ERP requirements to eliminate funding system overlay
- ■ Complete root cause analysis over journal vouchers
- ■ Complete system improvements to eliminate journal vouchers
- ■ Remediate impediments to the unadjusted trial balance
- ■ Deploy unadjusted trial balance by budget submitting offices across the DON (Comptroller certification)
- ● Resolve intragovernmental eliminations that impact the presentation of Marine Corps' financial statements
- ■ Complete Navy ERP system changes to eliminate funding system overlay

### Fund Balance with Treasury

- ● Remediate Marine Corps audit findings through Treasury Direct Disbursing and reform of Defense Finance and Accounting Service processes
- ● Transition Marine Corps Military Pay to Treasury Direct Disbursing
- ■ Transition Vendor Pay processed in Navy ERP to Treasury Direct Disbursing
- ■ Transition Civilian Pay to Treasury Direct Disbursing
- ■ Transition Navy Military Pay to Treasury Direct Disbursing
- ■ Transition Vendor Pay processd in legacy systems to Treasury Direct Disbursing
- ■ Transition Retired and Annuitant Pay to Treasury Direct Disbursing
- ■ Transition to Deployable Disbursing System on Navy ships

### Inventory and Operating Materials & Supplies

- ◆ Document Navy Processes ● Remediate Marine Corps audit findings
- ■ Establish data standards for Navy property systems of record
- ◆ Define and develop plan for target Navy accountable property system
- ● Develop Agreed-Upon Procedures for testing Marine Corps ammunition held by Army
- ◆ Standardize Navy processes and remediate control gaps
- ◆ Ensure execution of wall-to-wall inventory for the Navy
- ◆ Cleanse and reconcile data from Navy property system to financial system
- ● Implement an approach to value Marine Corps ammunition
- ● Obtain a Service Organization Controls report for Marine Corps ammunition held by Army to support Marine Corps financial statement audit

### Real Property

- ● Remediate Marine Corps audit findings
- ■ Complete 100% existence and completeness audit during FY 2019
- ■ Generate, fund, and implement real property sustainment requirements for FY 2020 and beyond

### Budgetary Reform

- ■ Conduct kick-off for pilot to change intragovenmental payment and collection process
- ■ Develop plan to change intragovernmental payment and collection process
- ■ Change process to distribute General Funds to organizations where they are executed
- ■ Execute and test plan
- ■ Develop plan to roll-out intragovernmental payment and collection process changes to rest of DON trading partners

### IT General Controls

- ■ Correct material weaknesses adversely affecting DON IT controls

| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY 2019 | | | | FY 2020 | | | | FY 2021 | | |

# Implementation

In a large, complex organization such as the DON, a decentralized structure is the most efficient and effective means of ensuring best service and continued relevance to the warfighter. Indeed, just as many private corporations have found in the marketplace, the practice of leading at the level closest to the customer makes for a more agile institution. This decentralized framework includes sub-organizations that are responsible for specific functions, and remain flexible and adaptable through continual communications across all lines of effort and every level of management. However, even with the most inclusive team approach, a decision-making body is required to effect true and lasting change.

## Governance

The **DON Business Operations Management Council (BOMC)** is the primary senior leader decision-making forum that monitors major business initiatives across organizations and functional boundaries.  The BOMC's mission is to lead large-scale DON business operations and management efforts that both improve core business processes and deliver greater performance and accountability in support of the warfighter.  In his capacity as the Chief Management Officer (CMO), the Under Secretary of the Navy chairs the BOMC.

The BOMC will complement the work of other permanent business mission governance bodies, such as the Audit Committee and the Senior Management Council, along with business mission working groups, such as the Reform Management Groups, Readiness Reform Oversight Council, and Military Training review.

This overall governance framework creates a continuous feedback loop across all echelons to adapt and update the Plan, as relevant changes occur in the internal and external context that impact DON operations. As a result, we will continually monitor performance and ensure accountability for the outcomes and milestones in the Plan, as well as assess and manage risks that may impede progress toward the achievement of desired outcomes.
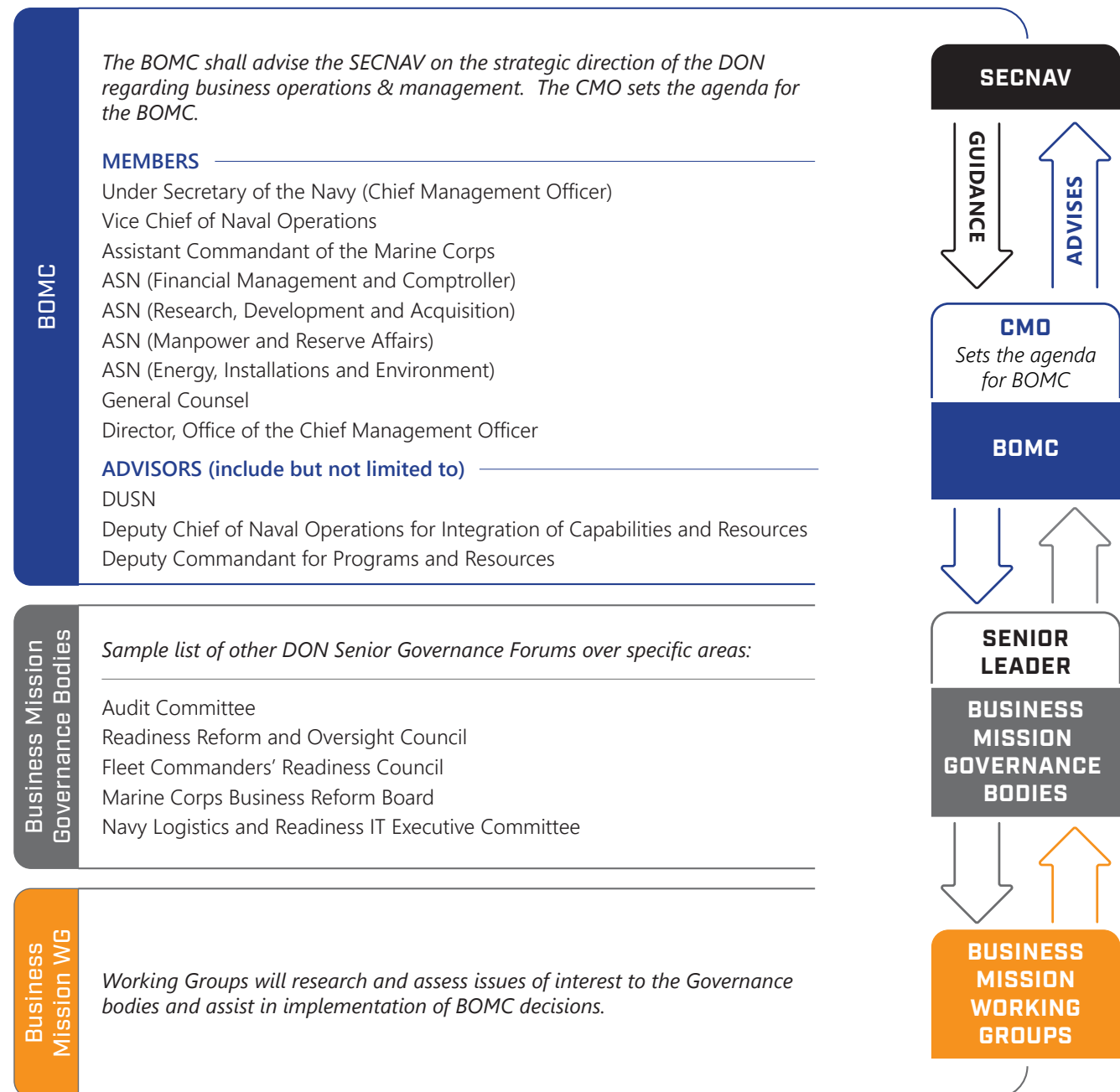
## OPERATIONALLY READY FORCES



**Figure 3.**  The Chief Management Officer, through the BOMC, will lead the various components of enterprise governance

# Business Mission Governance Bodies

Over the past year, several new governance bodies have been established or are in the process of being restructured to improve agility, accountability, and lethality in the DON.  The governance bodies identified below are in various stages of maturity and represent only a sample of the many monitoring and oversight organizations and groups in the DON.  When fully established and aligned, these governance bodies will collectively form the backbone of comprehensive and effective DON governance. Making substantive progress towards achieving our most critical national defense and business operations priority initiatives is critical.  As a necessary complement, it will be equally critical to monitor and sustain this progress through a robust integrated culture of strategic performance, controls, and risk management practices.

## BOMC

*The BOMC shall advise the SECNAV on the strategic direction of the DON regarding business operations & management.  The CMO sets the agenda for the BOMC.*

### MEMBERS

Under Secretary of the Navy (Chief Management Officer)
Vice Chief of Naval Operations
Assistant Commandant of the Marine Corps
ASN (Financial Management and Comptroller)
ASN (Research, Development and Acquisition)
ASN (Manpower and Reserve Affairs)
ASN (Energy, Installations and Environment)
General Counsel
Director, Office of the Chief Management Officer

### ADVISORS (include but not limited to)

DUSN
Deputy Chief of Naval Operations for Integration of Capabilities and Resources
Deputy Commandant for Programs and Resources

## Business Mission Governance Bodies

*Sample list of other DON Senior Governance Forums over specific areas:*

Audit Committee
Readiness Reform and Oversight Council
Fleet Commanders' Readiness Council
Marine Corps Business Reform Board
Navy Logistics and Readiness IT Executive Committee

## Business Mission WG

*Working Groups will research and assess issues of interest to the Governance bodies and assist in implementation of BOMC decisions.*

SECNAV

GUIDANCE
ADVISES

CMO
*Sets the agenda for BOMC*

BOMC

SENIOR LEADER
BUSINESS MISSION GOVERNANCE BODIES

BUSINESS MISSION WORKING GROUPS

# Performance and Accountability

The DON recognizes that accurate performance measurement is critical to driving and supporting successful transformation objectives.  To truly transform our business operations will require the DON to go beyond reporting statistics from lagging indicators, and instead aggressively search for leading indicators that enable process changes that could prevent undesirable outcomes.  An immediate priority will be for the offices with primary responsibility for solutions that address specific objectives (identified in Appendix I) to develop and report the status of both

leading and lagging indicators for those objectives.  The leading indicators shall be based on the activities already identified in the solutions identified in the Plan, while the lagging indicators will be based on specific, measurable results.  For example, one leading indicator for Aviation Readiness would be based on the activity, "Establish clear and accountable maintenance and readiness roles and authorities," while a lagging indicator could be the percent increase in the number of mission capable aircraft.

# Assessing and Managing Risk

The principle of "calculated risk" is a fundamental description of how naval leaders operate in an uncertain and dangerous world.  The DON asks the Fleet to operate on the principle of calculated risk every day; it is a critical element of the DON's naval heritage and ethos.  Similarly, when executing the DON's Title X functions to man, train, equip, operate, sustain, and maintain our naval forces, we must employ a comprehensive review of risk that will enable and enhance decision-making across the organization.  Early identification of risks and deficiencies allows the DON to focus on root causes and engage the appropriate stakeholders to help mitigate the manifestation of risks long before they become an issue, or even present a crisis.

Leaders at all levels will use timely risk insight to determine appropriate trade-offs and responses to enhance the DON's ability to achieve its strategic objectives.  As with performance information, this insight will come in both quantitative and qualitative forms.  The BOMC will make decisions based on such leading and lagging indicators, and emulate a proactive posture for effective risk management.

Additionally, the BOMC will lead the way in creating the conditions for a culture that embraces risk transparency.  Recognizing that this transformation will mature over time, the BOMC will also utilize the DON OCMO to perform targeted, independent risk assessments to provide relevant risk insights for timely and effective decision making in support of the highest priority performance goals outlined in this Business Operations Plan.

# DEPARTMENT OF THE NAVY

## Major Objectives and Activities

AGILITY and **Accountability**

Fiscal Years
**2019-2021**

## 1.1.A Fully restore aviation/ship/personnel readiness to meet missions

| Major Objective | OPR | Activity |
|---|---|---|
| Ship Readiness | OPNAV (N8) | » Produce a Navy Performance to Plan (P2P) instruction for Aviation, Surface, Undersea, Safety, and Information Warfare<br>» Execute Surface Warfare Enterprise P2P to increase platform operational availability<br>» Execute Undersea Warfare Enterprise P2P to increase platform operational availability |
| | NAVSEA | » Implement improvements to enhance shipyard predictability and reduce the difference between planned and executed availabilities<br>» Increase public shipyard manning to reduce time and increase throughput of ship repairs<br>» Develop and implement a plan to improve P2P rates in private shipyards<br>» Develop initial optimized naval shipyard layouts<br>» Conduct simulation and modeling of all processes critical to submarine and CVN maintenance at the four public shipyards<br>» Execute naval shipyards optimization projects |
| | ASN (RD&A) | » Develop, publish and execute ASN (RD&A) 30-year ship maintenance and modernization plan<br>» Improve readiness outcomes and efficiency in the sustainment enterprise<br>» Implement ASN (RD&A)'s new Title 10 sustainment responsibilities |
| Aviation Readiness | OPNAV (N8) | » Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare |
| | HQMC Aviation | » Implement Marine Corps aviation readiness programs |
| | CNAP/CNAF | » Develop and implement pilot program to reduce Long Term Down aircraft trends |
| | CNAF | » Identify material requirements to increase aviation readiness levels |
| | OPNAV (N4) | » Ensure implementation of supply chain improvements to increase material availability and reduce backorders |
| | NAVAIR | » Implement a plan to develop artisan-level depot workers and to manage depot workflow |
| Personnel Readiness | OPNAV (N1/ CNP) | » Establish a learning and training continuum that will accelerate the performance of every Sailor, timed to optimize Fleet operational readiness<br>» Modernize training content to enable tailored training delivery to ensure every Sailor receives the appropriate level of training at the real world point of need to support assigned tasking<br>» Modernize training delivery options to accelerate learning, minimize atrophy and provide on-the-job performance support |
| | OPNAV (N8) | » Produce a Navy P2P instruction for Aviation, Surface, Undersea, Safety, and Information Warfare |
| | HQMC (M&RA) | » Produce a Marine Corps Manpower Modernization Plan which balances enterprise risk across the five Modernization goals<br>» Continue programs to increase rates of personnel readiness by reducing the numbers of Marines Awaiting Training at formal learning centers, and the numbers of non-deployable Marines in the Operating Forces |

## 1.1.A Fully restore aviation/ship/personnel readiness to meet missions (CONT'D)

| Major Objective | OPR | Activity |
|---|---|---|
| Personnel Readiness (CONT'D) | Naval Safety Center and Marine Corps Safety Office | » Execute Service-specific Command-level safety actions to reduce non-combat fatalities and heighten awareness of trends leading to fatalities and mishaps, and implement appropriate risk management procedures<br>» Implement Navy and Marine Corps programs to reduce the rate of non-deployable personnel |
| | ASN (EI&E) | » Execute safety program improvements, including mishap reporting, data analytics, awareness campaign, and training programs |

## 1.1.B Restore inventory of weapons and ammunition to meet warfighting requirements

| Major Objective | OPR | Activity |
|---|---|---|
| Baseline Munitions Requirements (BMR) | OPNAV (N9) | » Conduct a Navy gap analysis to determine the number and types of weapons and associated munitions required to support air, surface, and subsurface combat missions |
| | HQMC (PP&O) | » Conduct a Marine Corps gap analysis to determine the number and types of weapons and associated munitions required to sustain combat missions |
| Maintenance and Procurement of Munitions | OPNAV (N9) | » Fund and procure munitions to meet the Total Munitions Requirements for the Navy |
| | HQMC (PP&O) | » Develop and resource Approved Acquisition Objectives for the Marine Corps |
| Prioritized Distribution of Munitions | HQMC (PP&O) | » Establish the Marine Corps' policy to prioritize positioning and distribution of ordnance to enable Marine Corps Component Commands to react to multiple global combat operations, small scale contingencies, and ensure global force power projection |
| | OPNAV (N9) | » Establish the Navy's policy to prioritize positioning and distribution of ordnance to enable Navy Component Commands to react to multiple global combat operations, small scale contingencies, and ensure global force power projection |

## 1.2.A Deliver platforms that possess greater combat power and longer reach in support of missions across all domains

| Major Objective | OPR | Activity |
|---|---|---|
| Agile DON Acquisition Process | ASN (RD&A) | » Reduce bureaucratic drag on the acquisition and sustainment operations<br>» Expand wartime acquisition playbooks<br>» Evolve the acquisition toolset, train the force on them, and increase their use<br>» Pursue new authorities and policies to reduce barriers to agility |
| | OSBP | » Utilize time-saving authorities resident in the Small Business Innovation Research and Small Business Technology Transfer programs |

| Major Objective | OPR | Activity |
|---|---|---|
| Agile DON Acquisition Process (CONT'D) | HQMC (P&R) | » Implement Marine Corps Fast Lane initiatives<br>» Improve Marine Corps capability requirements development and solution fielding timelines, and utilize the Rapid Capability Office to quickly assess emergent capabilities to inform requirements development and investment planning |
| Delivery of Lethal Capabilities | ASN (RD&A) | » Initiate new DON programs with confidence<br>» Modernize the force by delivering acquisition programs within program parameters<br>» Effectively protect products, services, data, and the supply chain from foreign actors |
| Drive Affordability | ASN (RD&A) | » Effectively negotiate multiyear contracts to reduce cost and stabilize Navy modernization efforts through 2025<br>» Support audit and incorporate relevant findings to improve business efficiency<br>» Establish and maintain a credible competitive environment<br>» Improve relationships with small business and non-traditional suppliers<br>» Increase the use of artificial intelligence, machine learning, and data transparency |
| Acquisition Integrity | NCIS | » Establish Naval Criminal Investigative Service (NCIS) procedures to detect and identify product substitution, counterfeit parts, and the contractors, subcontractors, and vendors that import such products and parts before they impact DON acquisition integrity<br>» Develop an NCIS plan to target those contractors, subcontractors, and vendors that engage in illegal product substitution and import counterfeit products and parts<br>» Continue NCIS training of the acquisition workforce to deter, detect, and prevent fraud; identify and reduce product substitution; and ensure DON's protection of DON's capital investment in technology |
| | OGC | » Establish an Office of General Counsel (OGC) engagement program for the top 100 contractors regarding the role of the Acquisition Integrity Office and the importance of ethical compliance<br>» Enhance and continue OGC training of the acquisition workforce to deter, detect, and prevent fraud<br>» Expand the utilization by OGC of administrative agreements, suspension, debarment, and show-cause letters to change contractor behavior and exclude contractors who fail to comply |
| DON Acquisition Workforce | ASN (RD&A) | » Understand and improve talent across the DON acquisition workforce<br>» Execute the Defense Acquisition Workforce Development Fund to DoD-wide benchmarks<br>» Accelerate the pace of the robustness of learning in the acquisition enterprise<br>» Streamline the hiring process and the ability to recruit and retain talent<br>» Ensure a trained and certified acquisition workforce aligned to DON priorities |

## 1.2.B Deliver innovative technologies (e.g., weapons, sensors, force enablers) that provide greater combat power and longer reach in support of missions across all domains

| Major Objective | OPR | Activity |
| --- | --- | --- |
| New Technologies | ASN (RD&A) | » Improve science and technology alignment with NDS priorities and linkages between Naval Postgraduate School, Office of Naval Research, U.S. Naval Research Laboratory, and Program Executive Offices when developing Navy (unmanned systems, directed energy, artificial intelligence/machine learning, advanced munitions, advanced networks, additive manufacturing capabilities, and hypersonics) and Marine Corps (unmanned systems, advanced networks, swarming technologies, artificial intelligence/machine learning capabilities, and autonomous littoral connectors) technology priorities |
| Intellectual Property, Trademarks and Data Rights | OGC | » Develop an OGC trademark docketing system to track registration of DON trademarks and oppositions to protect DON trademarks including the ability to obtain royalty payments<br>» Develop and provide OGC data rights training to DON Acquisition and program professionals regarding the process for ensuring adequate data rights in non-commercial source selections as well as the process for challenging restrictive markings<br>» Secure the authority to allow the government to exercise "government purpose rights" in intellectual property pending government challenges to a contractor's asserted restrictions on the government's use of intellectual property<br>» Assert DON rights in patents, trademarks, and technical data, and ensure DON obtains adequate rights in non-commercial intellectual property during disputes with contractors |
| | NCIS | » Strengthen partnerships with law enforcement offices to enhance cyber investigations and operations targeting threat actors who undermine the DON's capital investment in technology<br>» Strengthen NCIS cyber and data analytics support to investigations and operations |

## 1.2.C Develop and implement a sustainable path to infrastructure modernization

| Major Objective | OPR | Activity |
| --- | --- | --- |
| Navy Shore Infrastructure | ASN (EI&E) | » Complete the Navy Infrastructure Readiness Plan (IRP)<br>» Implement the IRP enterprise-wide to achieve alignment and change thinking about infrastructure requirements and solutions<br>» Generate adjusted investment planning<br>» Achieve quick wins at every installation to demonstrate opportunities to think differently and improve infrastructure readiness |
| Marine Corps Base Infrastructure | HQMC (I&L) | » Eliminate all Q4 facilities by Fiscal Year (FY) 2022<br>» Standardize base facility requirements |
| | ASN (EI&E) | » Support Indo-Pacific (INDOPAC) readiness through execution of Guam Portion of Defense Policy Review Initiative |
| Operational, Test, and Training Range Effectiveness | ASN (EI&E) | » Complete gap analysis, comparing "as-is" operational, test, and training range capabilities compared to current requirements<br>» Complete an assessment of encroachment risks for every range |

## 1.2.C Develop and implement a sustainable path to infrastructure modernization (CONT'D)

| Major Objective | OPR | Activity |
| --- | --- | --- |
| Operational, Test, and Training Range Effectiveness (CONT'D) | ASN (EI&E) | » Project future range requirements, accounting for future weapon capabilities and operational tactics, techniques, procedures, and concepts of operation<br>» Create an integrated priority list and range of solutions that leverage the full range of potential solutions responding to requirements and potential encroachment concerns |

## 1.3.A Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)

| Major Objective | OPR | Activity |
| --- | --- | --- |
| Data Centers and Cloud Services | DON OCIO | » Develop and publish the DON Office of the Chief Information Officer (OCIO) data center architecture end state and associated consolidation execution plan and timeline<br>» Develop DON OCIO inventory of cloud-ready systems with associated migration plans and timelines |
| | HQMC (C4I) | » Publish Marine Corps cloud strategy and develop the framework to enable rationalization and migration of systems and applications to the cloud |
| | OPNAV (N2/N6) | » Update Navy "Cloud First" policy to accelerate transition to cloud services |
| Enterprise Business Systems Architecture | DON OCMO | » Document target end-to-end business processes and conduct systems mapping<br>» Define target system architecture<br>» Ensure investments in both new capabilities and modernization of existing capabilities are aligned to the target systems architecture |
| Navy Enterprise Networks Ashore | OPNAV (N2/N6) | » Complete a revised technical refresh plan that replaces older equipment allowing the use of higher speed connections<br>» Replace existing connections with fiber optic connections that utilize higher data rate connections able to support the increased demand of users and services<br>» Streamline interconnections to reduce unnecessary hops in connecting to services |
| Spectrum Dependent Systems (SDS) | DON OCIO | » Establish guidance and procedures to ensure that SDS in development are operationally effective in multiple frequency bandsEstablish guidance and assess policy effectiveness to ensure that SDS are certified to full operational capability, enabling operational flexibility to share with commercial systems and operate in multiple frequency brands<br>» Establish guidance and assess policy effectiveness to ensure that DON mission critical systems have a discrete radio frequency assignment to provide protection from electromagnetic interference<br>» Update existing guidance and promulgate DON way ahead for management of EMS access and risk<br>» Track efficiencies in Spectrum Supportability Software Source Code DevelopmentEstablish guidance and institute governance structure to provide oversight and guidance in the development and implementation of Electromagnetic Battle Space strategy, policy, and doctrine |

## 1.3.A Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.) (CONT'D)

| Major Objective | OPR | Activity |
|---|---|---|
| Spectrum Dependent Systems (SDS) (CONT'D) | DON OCIO | » Establish guidance and track efficiencies in Spectrum Supportability Software Source Code Development<br>» Develop and promulgate DON Spectrum Supportability Risk Assessment guidance<br>» Assess and establish DON Electromagnetic Spectrum Workforce policy to align with Electromagnetic Battlespace, Frequency Management, and Spectrum Supportability policy, integrating artificial intelligence |

## 1.3.B Increase DON's ability to deter, detect, defeat, and recover from cyber-attacks

| Major Objective | OPR | Activity |
|---|---|---|
| Reduction of Attack Surfaces | DON OCIO | » Implement Risk Management Framework across the DON |
| | OPNAV (N2/N6) | » Implement Navy Situation Awareness, Boundary Protection and Response capability |
| | ASN (EI&E) | » Implement ASN (EI&E) Energy Security Risk Management Framework |
| Cyber Detection Capabilities | OPNAV (N2/N6) | » Increase Detection-in-Depth (DiD) capabilities to enable Navy forces to detect cyber threats across the multiple Navy networks and conduct network monitoring and analysis<br>» Develop Navy Cyber Situational Awareness Rapid Deployment Capability, a tailored, near real-time visualization of network health, vulnerabilities, and operational readiness through the correlation of data from multiple sources<br>» Increase accountability of DIB performers and visibility of DIB networks associated with the protection of DON data<br>» Implement Navy Comply to Connect (C2C) |
| | DMCS C4I | » Implement Marine Corps Network Access Control, Compliance, and Remediation / C2C |

## 1.4.A Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage

| Major Objective | OPR | Activity |
|---|---|---|
| Operations | NCIS | » Establish formal business rules and timelines for the submission of requests for NCIS Security Training Assistance and Assessment Teams support |
| | OPNAV (N2/N6) | » Publish the Naval Intelligence Strategy, Vision and Guidance for the enterprise<br>» Review and improve intelligence analysis and production processes for the Navy<br>» Develop a Navy Counterintelligence Functional Services element in support of its bases, stations, and installations |
| | HQMC (PP&O) | » Provide dedicated counterintelligence analytic support to Marine Corps-related Committee for Foreign Investment in the United States cases and insider threat program |

## 1.4.A Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage (CONT'D)

| Major Objective | OPR | Activity |
|---|---|---|
| Operations (CONT'D) | HQMC (PP&O) | » Create and resource regionally-aligned counterintelligence support teams for Marine Corps to provide support for critical infrastructure and fielded technologies |
| Security Information Sharing | DUSN | » Establish a physical Insider Threat Hub for the DON |
| | OPNAV (N2/N6) | » Establish DON personnel and resourcing requirements to support Hub operations |
| | NCIS | » Implement Identity Matching Engine for Security and Analysis and DoD Global Watch capabilities in the NCIS Multiple Threat Alert Center |
| DON Counterintelligence Enterprise | NCIS | » Establish and staff a functional DON Counterintelligence Coordinating Activity, led by NCIS, to synchronize actions and related support activities across the enterprise |
| | DUSN | » Promulgate a DON counterintelligence plan<br>» Develop Navy counterintelligence instructions |
| | HQMC (PP&O) | » Develop Marine Corps counterintelligence program order |
| System Improvements | NCIS | » Field a secure case management system to synchronize Navy, Marine Corps, and NCIS Counterintelligence activities through a secure, common information and data storage network<br>» Increase availability and usage to the NCIS Tips system to deter and report criminal activity |
| | OPNAV (N2/N6) | » Refresh the DON's biometric identification capability within the Fleet |

## 1.5.A Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs

| Major Objective | OPR | Activity |
|---|---|---|
| Operations | OPNAV (N1/ CNP) | » Establish MyNavy Career Centers to enable 24/7 self-service options, call center availability, shared services capabilities, and transactional support<br>» Increase automation and streamline processes to allow Sailors to conduct personnel issues, including pay, leave, and interactions with detailers<br>» Begin implementation of "Detailing Marketplace" to allow Sailors to negotiate job assignments directly with gaining commands<br>» Enhance career flexibility by leveraging Navy rating modernization and providing greater training and credentialing opportunities<br>» Utilize the Navy Leader Development Framework to conduct a holistic look at career paths and warfighting skills<br>» Align Navy force management to focus on talent retention and development |
| | HQMC (DMCS) | » Modernize Marine Corps Military Occupational Specialties<br>» Modernize Marine Corps Manpower organizations, processes, and systems to achieve the human resources demands of Force 2025<br>» Reform Marine Corps Special Duty Assignment Pay by accurately targeting incentives to attract qualified Marines to volunteer for hard-to-fill, critical assignments |

| Major Objective | OPR | Activity |
|---|---|---|
| Technology | ASN (M&RA) | » Develop ability to optimize workforce mix (military, civilian, contractor) through use of data<br>» Continue improving the Board for Correction of Naval Records' (BCNR) efficiency over processing petitions, and transition to a new case management system<br>» Transform the Council of Review Boards (CORB) technology, specifically the Physical Evaluation Board (PEB), by migrating current patchwork of database and case management systems to a start of the art ATLAS case management system |
| | OPNAV (N1/CNP) | » Establish Navy Authoritative Data Environment and associated governance<br>» Integrate Navy Personnel and Pay System<br>» Release initial mobile version of MyNavy Portal<br>» Leverage cloud-hosted training content to increase the speed of updates to Navy training<br>» Rationalize Navy Manpower, Personnel, Training, and Education systems portfolio by First Quarter FY 2021 and integrate remaining systems into a cloud-hosted system by FY 2023 |
| | HQMC (DMCS) | » Continue design, development, and deployment of Marine Corps Human Resource Management System modernization effort; move applications to the cloud and refactor/reprogram applications to make them mobile-friendly |
| Governance and Change Management | OPNAV (N1/CNP) | » Establish a Navy transformation team led by an industry experienced Executive Director, supported by a Results Delivery Office and executed top-down from the senior leadership team through assigned Business Design Owners<br>» Establish a Communications and Change Management plan to reach all Navy stakeholders |
| Civilian Workforce | ASN (M&RA) | » Continue "Hiring is a Team Sport" initiative with targeted focus on improving civilian time to hire<br>» Maximize direct and expedited hiring flexibilities to ensure right talent at the right time<br>» Provide leadership and participate in DoD working groups in support of the Defense Civilian Human Resources Management System SaaS/Cloud Implementation and other enterprise-wide Human Resources reform efforts |
| | OPNAV (N1/CNP) | » Continue the work started by Navy Civilian Workforce Framework by developing Navy-wide guidance for civilian Navy acculturation and leader development |
| Ethical Midfield for DON Civilian and Military Workforce | OGC | » Develop and issue DON guidance on "playing the ethical midfield"<br>» Provide ethics updates, advice, and training opportunities to all DON employees on a continuous basis, and develop the FY 2020 ethics program<br>» Provide timely identification and resolution of potential conflicts of interest |

## 2.1.A Implement a more strategic, coordinated approach to security cooperation

| Major Objective | OPR | Activity |
| --- | --- | --- |
| Allies and Partners Synchronization | DUSN | » Develop DON policies and tools by Deputy Under Secretary of the Navy to enable international key leader engagement synchronization |
| | HQMC (PP&O) | » Release implementation guidance for Marine Corps Security Cooperation Strategy |
| | OPNAV (N3/N5) | » Develop and publish Navy Security Cooperation Guide |
| Security Cooperation | DUSN | » Implement continuous evaluation of key leader engagements through monthly DUSN-led stakeholder review |
| | HQMC (PP&O) | » Develop a Marine Corps assessment and evaluation program to monitor progress against the Commandant's security cooperation objectives |
| | OPNAV (N3/N5) | » Implement security cooperation activities in prioritized regions to achieve U.S. Navy desired end states |

## 3.1.A Increase the use of data analytics and artificial intelligence in DON-wide decision making

| Major Objective | OPR | Activity |
| --- | --- | --- |
| Enterprise Data Quality, Standards, Integration, and Investment | DON OCMO | » Prioritize data improvement based on readiness, workforce, and financial management initiatives<br>» Incorporate data improvement and relationship objectives into functional area portfolio roadmaps and process owner objectives<br>» Develop data and analytics governance plan<br>» Support DoD-level governance bodies to implement enterprise data management and analytics provisions of the National Defense Authorization Act of FY 2018 |
| Data and Analytics Workforce | DON OCMO | » Develop and implement data and analytic baseline training for mid/senior leaders<br>» Develop plan to establish cadre of data science and architecture experts<br>» Review and update Data-Savvy Workforce initiative to address the needs of total workforce |
| Artificial Intelligence | OPNAV (N2/N6) | » Conduct artificial intelligence/machine learning summit<br>» Complete undersea warfare increment<br>» Complete social media exploitation increment<br>» Complete cargo tracking increment<br>» Complete adaptive antisubmarine warfare increment |
| Strategic Management | HQMC (CD&I) | » Develop Enterprise Master Data Management and Data Integration Services<br>» Complete data quality improvements<br>» Conduct business process reengineering and decision quality enhancements<br>» Improve analytic, visualization, and decision support technologies<br>» Gain authority to proceed to Business Capability Acquisition Cycle Phase 3 |

### 3.1.B Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

| Major Objective | OPR | Activity |
|---|---|---|
| Health Care Management | BUMED | » Pilot market-driven public-private partnerships to increase readiness and improve healthcare outcomes |
| Test & Evaluation | MCSC | » Establish and embed test & evaluation competency within the Marine Corps |
| Supply Chain Logistics | OPNAV (N4) | » Develop the Navy Logistics IT Digital Transformation Plan |
| | HQMC (I&L) | » Enhance the Marine Corps' Enterprise Ground Equipment Management (EGEM) efforts to improve operational ability |
| Real Property Management | ASN (EI&E) | » Streamline environmental compliance through legislative/regulatory relief and improved policy/processes |
| Community Services Management | OPNAV (N4), HQMC (M&RA) | » Pursue Service-specific permanent change of station (PCS) and temporary duty (TDY) lodging consolidation |
| | HQMC (M&RA) | » Execute Marine Corps Business and Support Services Reforms |
| | OPNAV (N4), HQMC (M&RA) | » Pursue Service-specific non-appropriated funds (NAF) efficiencies (e.g., shared services, outsourced supply chain, standardized procurement and staffing, etc.) |

### 3.2.A Reduce redundancies across the enterprise (to include Office of the Chief of Naval Operations (OPNAV); Headquarters, Marine Corps (HQMC); and Secretariat) to achieve cost savings and improve agility

| Major Objective | OPR | Activity |
|---|---|---|
| Eliminate Duplication and Increase Speed of Execution | DNS / DMCS | » Provide 6-month updates on development, implementation and monitoring of elimination of duplication related organizational changes |
| Delegation of Authority | DON OCMO | » Provide 6-month updates on development, implementation and monitoring of delegation of authority related organizational changes |

### 3.3.A Institutionalize annual audit and remediation, and establish a near term path to a clean opinion

| Major Objective | OPR | Activity |
|---|---|---|
| Accounting Systems | HQMC (P&R) | » Remediate system control weaknesses in the Marine Corps Standard Accounting, Budgeting and Reporting System (SABRS) |
| | ASN (FM&C) | » Reduce the number of accounting systems to two (SABRS and Navy Enterprise Resource Planning system (ERP))<br>» Migrate Working Capital Fund Commands into Navy ERP<br>» Upgrade Navy ERP software to de-customize and correct posting logic |
| | ASN (FM&C), DON OCMO | » Enable Treasury Direct Disbursing functionality in Navy ERP<br>» Standardize the procure-to-pay transaction workflow in Navy ERP |

| Major Objective | OPR | Activity |
|---|---|---|
| Audit-Relevant Business Systems Consolidation | ASN (FM&C), DON OCMO | » Conduct a targeted business process re-engineering effort for the Military Standard Requisitioning and Issue Procedures (MILSTRIP) process |
| Financial Reporting | ASN (FM&C) | » Perform root cause analysis and update the Navy ERP general ledger system to reduce/eliminate journal vouchers |
| | | » Eliminate funding system overlay and implement budget funding and reporting in Navy ERP |
| | | » Remediate impediments and deploy unadjusted trial balance by budget submitting office across the DON |
| | HQMC (P&R) | » Resolve intragovernmental eliminations that impact the presentation of Marine Corps' financial statements |
| Fund Balance with Treasury | HQMC (P&R) | » Remediate Marine Corps audit findings through Treasury Direct Disbursing and reform of Defense Finance and Accounting Service processes |
| | ASN (FM&C), DON OCMO | » Transition DON payment types to Treasury Direct Disbursing, including Navy Military Pay, Civilian Pay, Retired and Annuitant Pay, Contract Pay, Vendor Pay, and Travel Pay |
| | ASN (FM&C) | » Transition to Deployable Disbursing System on Navy ships |
| Inventory and Operating Materials & Supplies (OM&S) | HQMC (P&R) | » Remediate Marine Corps audit findings on OM&S |
| | | » Develop a viable audit path for Marine Corps ammunition held by Army |
| | OPNAV (N4) | » Document and standardize Navy processes |
| | | » Define and develop plan for Navy target accountable property system |
| | | » Ensure execution of wall-to-wall inventory for the Navy |
| | | » Cleanse and reconcile data from Navy property system to financial system |
| | ASN (FM&C) | » Establish data standards for Navy property systems of record |
| Real Property | HQMC (P&R) | » Remediate Marine Corps audit findings |
| | ASN (EI&E) | » Complete Navy 100% existence and completeness audit during FY 2019 |
| | | » Generate, fund, and implement DON real property sustainment requirements for FY 2020 and beyond |
| Budgetary Reform | ASN (FM&C) | » Improve funds distribution process |
| | ASN (FM&C), DON OCMO | » Perform pilot to change intragovernmental payment and collection (IPAC) process |
| | | » Develop plan to roll out IPAC process changes to rest of the DON's trading partners |
| IT General Controls | ASN (FM&C), DON OCMO, DON OCIO | » Correct material weaknesses adversely affecting DON IT controls |

# DEPARTMENT OF THE NAVY

## Accomplishments from Past 18 Months

AGILITY and **Accountability**

Fiscal Years
**2019-2021**

# Accomplishments from Past 18 Months

As a result of focusing on the three priorities of people, capabilities, and processes in support of the overarching goal of a more lethal Navy and Marine Corps team, the DON has been able to:

- Increase the size of the Fleet,
- Increase the number and quality of our people,
- Increase the number and capabilities of our weapons systems,

- Improve the readiness of the force,
- Achieve cost savings through improved business operations, and
- Continue to meet global operational demands.

## United States Navy

*Quantitative and Qualitative Successes*

| Focus Areas | Quantitative Successes | Qualitative Successes |
|---|---|---|
| Readiness Recovery | • Invested in 11 additional ships (+$10.6B) and 101 additional aircraft (+$8.2B) across FY 2017, FY 2018, and FY 2019 as compared to the previous administration's plan for the same timeframe.<br><br>• Increased F/A-18 E/F readiness by adding 29 fully mission capable Super Hornets since 1 Jan 2018 (from 241 to 270).<br><br>• Increased the force by 4,900 active duty personnel to 325,673 (as of March 2018) for operational forces, improving manpower deficit. | • Increased readiness by increasing funding for ship operations, ship depot maintenance, aviation depot maintenance, aviation spares, and flying hour program to 100% of the requirement, or maximum executable levels. |
| Increased Lethality | • Accelerated acquisition process to reduce the fielding time for UAS and weapons systems: MQ-25 aerial refueling UAS by 6 years, Surface Navy Laser Weapons Systems by 2 years, and Standard Missile 6 Block 1B by nearly 10 years.<br><br>• Added 120 advanced tactical munitions to include tactical tomahawks, long-range anti-ship missiles, rolling airframe missiles, and heavy weight torpedoes.<br><br>• Increased partner and allied military capabilities through $25B of Foreign Military Sales.  (Examples include ~$6B for Royal Saudi Navy ships, and $1B for P-8 to New Zealand.) | • Reestablished Commander, U.S. SECOND Fleet to fill critical offensive and defensive gaps in the North Atlantic.  Moreover, the Navy led an international effort to create a new NATO Joint Force Command with corresponding goals and objectives. |

| Focus Areas | Quantitative Successes | Qualitative Successes |
|---|---|---|
| **Modernization and Innovation** | • Applied Highly Loaded Grain (HLG) technologies to missile and rocket motor designs resulting in increased speed and range for multiple missile systems. | • Initiated modernization of the Navy's Human Resources system, overhauling 55 business IT systems (some up to 40 years old) into a modern, efficient, less costly, and scalable cloud hosted suite of integrated and customer-friendly applications, enabling both the Navy the Nation Needs and world class Sailor self-service.<br><br>• Pioneered Additive Manufacturing techniques to print a F-35 landing gear bump stop on an operational amphibious ship at sea. |
| **Operations** | • Deployed successful April 2017 Tomahawk missile strikes into Syria from USS PORTER and USS ROSS that displayed Administration's change in policy in the Middle East.  April 2018 cruise missile strikes against chemical weapons sites in Syria demonstrated US and allied resolve, and marked the first operational deployment of the Tomahawk missile by a VIRGINIA-class submarine (USS JOHN WARNER). | • Deployed the HARRY S TRUMAN (HST) Carrier Strike Group in a new operational construct, highlighting the adaptability and flexibility of Naval Forces to meet the requirement for US forces to be strategically predictable, but operationally unpredictable. |
| **Business Reform and Savings** | • Closed better business deals.  Booked $4.65 billion of savings in Fiscal Year 2017 and 2018 on ships and aircraft bought through multiyear procurements. | • Initiated a full scope CFO Audit.<br><br>• Reformed personnel policies/procedures to improve performance, manning, and retention. |

## *Top Success Stories*

### Operations

Investments in training and readiness allowed Navy to execute robust Freedom of Navigation operations in the South China Sea and the Taiwan Strait in 2017 and 2018, increasing the confidence of our allies in the U.S. as a reliable partner in the Indo-Pacific, and demonstrating that the U.S. will stand firm in the face of aggressive Chinese tactics.

### Readiness Recovery

Additional funds provided by Congress in 2017 and in the President's Budget in 2018, along with various internal process improvements led to improvements in both aviation and ship readiness.

• **Aviation Readiness.** F/A-18 availability improved in part due to increased aircraft assigned to the Lemoore Fleet Replacement Squadron (VFA-122) and standup of the Lemoore Naval Aviation Maintenance Center of Excellence (NAMCE), as well as a NAVAIR-initiated F/A-18 aircraft depot maintenance pilot based on improved data analytics to accelerate the return of aircraft to service.

• **Ship Readiness.** Emphasis on performance-to-plan resulted in the on-time completion of all four scheduled aircraft carrier maintenance availabilities, enabling these ships to execute their full pre-deployment training cycles.  Maintenance delays have been reduced by over 50% relative to the 2014 peak, and cost overruns have been reduced by approximately 20% from the 2012 peak.

# United States Marine Corps

*Quantitative and Qualitative Successes*

| Focus Areas | Quantitative Successes | Qualitative Successes |
|---|---|---|
| **Readiness Recovery** | • Improved Aviation Readiness by 10%.<br><br>• Increased ground equipment readiness of our Top 25 shoot, move, and communicate platforms by 6%. | • Increased readiness of the Marine Corps Ground Combat Element and Logistics Combat Element to meet numbered OPLAN requirements. |
| **Increased Lethality** | • Increased modernization investments by $2.5B, or 23%, from FY 2017 to FY 2019.<br><br>• Funded procurement of (72) F-35 aircraft to accelerate transition from legacy airframes.<br><br>• Increased the Close Combat lethality of Marine infantry, including 330% increase in combat optics, 63% increase in infantry weapons, and 919% increase in assault rockets. | • Established a Rapid Capability Office to accelerate transition of next generation technologies to the operating forces. |
| **Modernization and Innovation** | • Built a new 1100-person force for offensive & defensive Cyber operations. | • Established Information Department, MEF Information Groups, & Cyber occupational field.<br><br>• Established Additive Manufacturing/3D printing throughout the USMC as a funded program of record. This technology will flatten the supply chain and increase readiness. |
| **Operations** | • Fulfilled Combatant Commander requirements in Syria, Iraq, Afghanistan, and throughout the Pacific.<br><br>• Deployed one-third of our operating force (35K Marines). | • Completed first forward deployment of F-35Bs (Joint Strike Fighter) with the 31st Marine Expeditionary Unit (MEU) in the Western Pacific in the spring of 2018.<br><br>• Supported Operation INHERENT RESOLVE in Iraq, Kuwait, Jordan, Syria, and Turkey countering violent extremist organizations and deployed to Afghanistan in April 2017 to confront Taliban fighters in Helmand Province.<br><br>• Bolstered NATO's presence along Europe's Northern Flank and resumed cold weather training by partnering with Norwegian forces. |
| **Business Reform and Savings** | • Initiated 22 reform priorities. Anticipating returning $3.6B to mission execution (FYDP19-23). | • Became first military service to complete full financial statement audit in November 2017. |

## Increased Lethality

- Increased modernization investments by $2.5B (23%), from FY 2017 to FY 2019.

  - Funded procurement of (72) F-35 aircraft to accelerate transition from legacy airframes.

  - Funded key long-range precision fire munitions to maximum industrial production capacity in FY 2019.

  - Increased the Close Combat lethality of Marine infantry, including 330% increase in combat optics, 63% increase in infantry weapons, and 919% increase in assault rockets.

  - Initiated investments in Sea Control Fires capability to support Fleet maritime superiority and naval expeditionary operations.

- Increased Active Duty end strength by 4,100 Marines to a total of 186,100 in order to generate a more lethal force, including an additional rocket battalion.

- Enhanced cyber and information warfare capabilities through force re-design.

- Procured and forward postured munition starter stocks across Combatant Commands.

- Established a Rapid Capability Office to accelerate transition of next generation technologies to the operating forces.

## Readiness Recovery

The Aviation Combat Element contains the most readiness-challenged major force elements, and continues to improve across all Type/Model/Series to meet global demand.

- Increased aircrew flight hours by 13.4% in FY 2017 and 32.6% in FY 2018, as compared to FY 2016.

- Completed 46% of transition by adding 94 new aircraft to the Fleet.

- Improved Aviation Readiness by 10%.

- Retained 63% of eligible Marines through a targeted bonus to improve Fleet readiness.

- Retained 69% of eligible pilots through an aviator bonus.

- Invested in modernization through new aircraft procurement & legacy Fleet sustainment.

- Conducted the Service's Depot Readiness Initiative, which streamlined the depot process by combining operational maintenance with planned depot events.

- Conducted the USMC CH-53E Reset Program:
  - Returned 18 long-term down aircraft to an operational status (13% of the entire Fleet).
  - Generated 5,500 flight hours in training & operational flights.
  - Improved the T-rating of the heavy-lift squadrons by 23%.
  - Reduced the maintenance man hours per flight hour by 50%.

## Modernization and Innovation

- Established the Deputy Commandant, Information (3-star) & designated new Information/Cyber Operations Units within the Marine Air Ground Task Force (MAGTF).

- Built a 1,100-person strong force dedicated to offensive & defensive cyberspace operations.

  - Developed defensive Indications & Warning capability that consolidated eight service centers

  - Established a single comprehensive 24/7 capability to respond to incidents across the enterprise.

  - Centralized trend analysis.

- Deployed commercial endpoint security tool onto antiquated and vulnerable operating systems.

  - Enhanced ability to remotely administer & secure the enterprise network.

  - Reduced labor costs and increased span of control by 10%.

  - Updated in 62 days (from contract award) for Servers online and deploying agents to protect more than 110K C2 systems.

- Streamlined Operators in the Information Environment from the fields of Intelligence; Command and Control, Communication, & Computers (C4); Cyberspace & Information Operations.

- Partnered with the Joint community to develop formal training pipelines for USMC cyber personnel.

- Partnered with Australia, UK, and Japan to streamline cyber talent management & accelerate deployment of new technology to directly influence conditions in the Indo-Pacific Region.

https://www.navy.mil/DONBOP