



DEFENSE BUSINESS
BOARD

OFFICE OF THE SECRETARY OF DEFENSE!

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

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INFO MEMO

November 19, 2004 5:00 PM

FOR: SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE (COMPTROLLER) *WAB*

FROM: Gus Pagonis, Chairman, Defense Business Board (DBB) *GP has seen 1/2*

SUBJECT: DBB Management Agenda Recommendations for the Next Term

- During our quarterly meeting on November 17th, the DBB presented the outline of a business management agenda for the Department for the next four years. The purpose of this outline is to direct the Department's management energy onto a limited set of initiatives at the core of transformational change. This outline includes several key objectives organized within six main topic areas:
 - Governance and Organization
 - Human Resources
 - Management Information/Financial Operations
 - Base Realignment and Closure (BRAC)
 - Supply Chain/Acquisition Reform
 - Proactive Management of Healthcare
- DBB Task Groups have been formed around each of these areas and I have directed the Task Group leaders to further refine their ideas and present their list of critical objectives to you within the next **30** days.
- The Board members agree strongly that changing the current governance and organizational structure of the Department will be critical to the success of all the individual objectives discussed under the other categories and, as such, believe that governance and organizational transformation should be your highest immediate priority.
- Central to this governance and organizational transformation is the need for a senior leader with the authority to manage the day-to-day business operations of the Department. Several potential options for establishing such a leader were discussed.



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- Denis Bovin, the Task Group leader for this effort, and a small, select group of DBB members would like to brief you on this concept and the broader management agenda topics at your earliest convenience. The DBB believes that you have an unusually attractive opportunity to move out on a reenergized business transformation agenda for the next term and should use that opportunity to its maximum advantage.

Attachments:

None.

Prepared by: T.Modly/Executive Director, DBB/2E314/695-0499

