



**BUSINESS INITIATIVE COUNCIL (BIC)
PRESENTED BY
Mr. Ronald L. Orr
Chairman, BIC Executive Directors**

May 15, 2003



PURPOSE OF BRIEF

- **PROVIDE AN INFORMATIONAL OVERVIEW AND UPDATE OF THE BIC EFFORT**
 - **SUMMARIZE TASKING APPROACH**
 - **REVIEW ORGANIZATIONAL STRUCTURE**
 - **REVIEW CURRENT PORTFOLIO OF INITIATIVES**
 - **PHASE I “QUICK HITS” (ROUND 1)**
 - **ROUNDS 2 - 8 OF INITIATIVES**
 - **DISCUSS THE WAY AHEAD**



TASKING (PER BIC CHARTER)

- **RULE OF ENGAGEMENT:**

- “WHEN A DOD COMPONENT IMPLEMENTS AN INITIATIVE...IT WILL RETAIN THE SAVINGS AND THE ABILITY TO REALLOCATE THEIR USE”.

- **REQUIREMENTS:**

- “RESEARCH AND IDENTIFY NEAR-TERM QUICK HITS AND MAKE RECOMMENDATIONS FOR IMMEDIATE IMPLEMENTATION (INCLUDING DEVELOPMENT OF OR CHANGES TO REQUISITE POLICIES / DIRECTIVES / BUDGET DECISIONS)”
- “RECOMMEND LONGER-TERM BUSINESS INITIATIVES FOR FURTHER ANALYSIS / ACTION”

- **DELIVERABLES:**

- “IDENTIFICATION OF REFORM OPPORTUNITIES, BOTH QUICK HIT AND LONG-TERM”
- “IN-PROGRESS REVIEW TO THE BIC AT THE COMPLETION OF EACH PHASE”

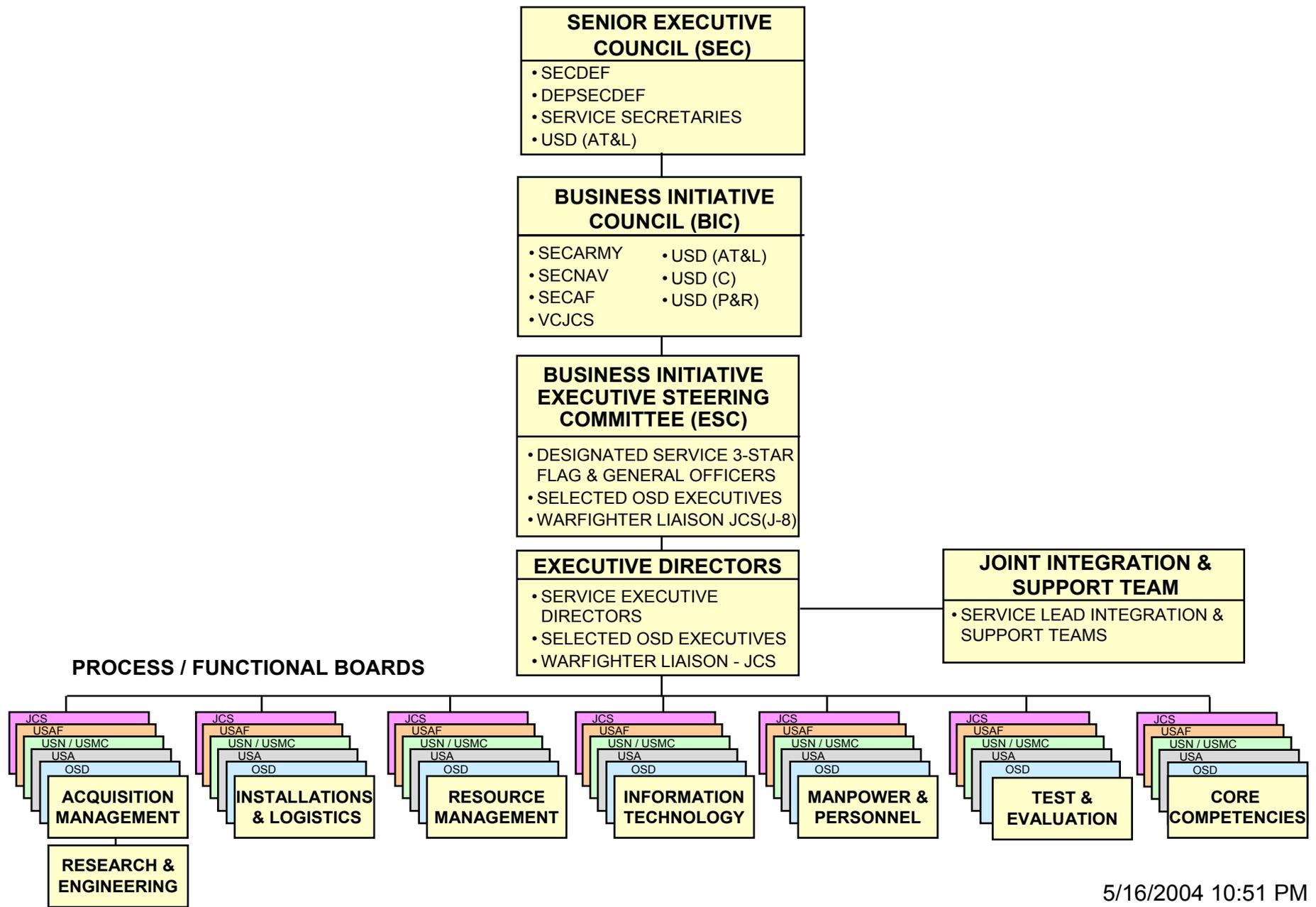
**REF: BIC CHARTER 21 Jun 02



APPROACH

- **A PHASED EFFORT WITH ROTATING LEAD SERVICE RESPONSIBILITY**
 - **PHASE I (JUL – SEP 01) NAVY LEAD:** DEFINE SCOPE OF EFFORT (QUICK HIT AND LONG-TERM), ESTABLISH TEAMS AND OPERATING NORMS
 - **PHASE II (OCT 01 – MAR 02) AIR FORCE LEAD:** IDENTIFY LONGER-TERM INITIATIVES, DEVELOP PLANS AND BEGIN IMPLEMENTATION
 - **PHASE III (APR – SEP 02) ARMY LEAD:** CONTINUE TO IMPLEMENT APPROVED INITIATIVES AND DEVELOP LEGISLATIVE STRATEGY/PRIORITIES
 - **PHASE IV (OCT 02 – MAR 03) MARINES LEAD:** PROPOSE NEW INITIATIVES AND CONTINUE TO IMPLEMENT APPROVED INITIATIVES
 - **PHASE V (APR – SEP 03) AIR FORCE LEAD:** PURSUE BIC-DIRECTED FOCUS AREAS AND CONTINUE TO IMPLEMENT/CLOSE-OUT INITIATIVES

DoD BUSINESS INITIATIVE STRUCTURE / PARTICIPANTS



**CURRENT PORTFOLIO
OF
APPROVED BIC INITIATIVES**



APPROVED PHASE I INITIATIVES (14 SEP 01) – 10 TOTAL

PEOPLE PROCESSES

- ONE-TIME CLEARANCE OF PRIORITY PLACEMENT FOR SCIENTIFIC & ENGINEERING POSITIONS
- MODIFY 180-DAY WAITING PERIOD TO HIRE RETIRED MILITARY**
- MANPOWER MIX MANAGEMENT FLEXIBILITY

CORPORATE OPERATIONS PROCESSES

- RECOVERY AUDITING
- RAISING BELOW-THE-THRESHOLD THRESHOLD
- WEB-BASED INVOICE / RECEIPT PROCESSING
- COMMON RANGE SCHEDULING TOOL
- CELL PHONE MINUTE POOLING

ACQUISITION MANAGEMENT PROCESSES

- ENTERPRISE SOFTWARE INITIATIVE
- COMMON FLIGHT CLEARANCE PROCESS



APPROVED PHASE II INITIATIVES (3 DEC 01) – 14 TOTAL

PEOPLE PROCESSES

- ALLOW FOR CONTRACTING OF CIVILIAN SECURITY GUARDS
- *OPTIMIZE PROFESSIONAL CONTINUING EDUCATION **
- *MODIFY JOINT PROFESSIONAL MILITARY EDUCATION II REQUIREMENTS **

CORPORATE OPERATIONS PROCESSES

- ESTABLISH FUNDING FLEXIBILITY WITHIN A PROGRAM
- INCREASE FLEXIBILITY OF EXPIRED YEAR FUNDS
- INCREASE EXPENSE/INVESTMENT THRESHOLD
- ESTABLISH OPERATIONS & MAINTENANCE CLOSE-OUT FLEXIBILITY
- *IMPROVE THE SPEED AND QUALITY OF THE DECISION-MAKING PROCESS WITHIN DOD**

LOGISTICS / READINESS PROCESSES

- REVISE DAVIS-BACON ACT THRESHOLDS
- IMPROVE INTERSERVICE PRODUCT QUALITY/DEFICIENCY REPORTING (PQDR) BUSINESS PROCESS
- ESTABLISH PROCESS FOR PROPERTY CONVEYANCE FOR CONSERVATION PURPOSES

ACQUISITION MANAGEMENT PROCESSES

- *STREAMLINE CONTRACT CLOSE-OUT PROCESS **
- STREAMLINE CLINGER-COHEN IMPLEMENTATION
- ELIMINATE EXCISE TAX ON DOD TACTICAL VEHICLES

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE II INITIATIVES

(6 FEB 02) – 4 Total

PEOPLE PROCESSES

- ***STREAMLINE THE GENERAL OFFICER/FLAG OFFICER NOMINATION PROCESS ****

ACQUISITION MANAGEMENT PROCESSES

- ***COMMERCIALIZING ACQUISITION: RAISE TRUTH IN NEGOTIATIONS ACT THRESHOLDS ****
- **COMMERCIALIZE MILITARY-DEVELOPED SYSTEMS**
- **IMPLEMENT VIRTUAL INFORMATION TECHNOLOGY MARKETPLACE**

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE II INITIATIVES (18 Mar 02) – 4 Total

PEOPLE PROCESSES

- CELL PHONE SUBSIDY

LOGISTICS / READINESS PROCESSES

- STREAMLINE INFORMATION TECHNOLOGY (IT) EQUIPMENT DISPOSAL PROCESS

ACQUISITION MANAGEMENT PROCESSES

- STREAMLINE TECHNOLOGY READINESS ASSESSMENTS
- ELIMINATION OF VALUE ENGINEERING REPORTING

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE III INITIATIVES

(31 May 02) – 5 Total

PEOPLE PROCESSES

- SIMPLIFY PHYSICAL ACCESS CONTROL AT DOD FACILITIES BY USING THE COMMON ACCESS CARD

CORPORATE OPERATIONS PROCESSES

- ALTERNATIVES TO A-76 PROGRAM
- BUY TO BUDGET
- ELIMINATE UNNECESSARY REPORTS

ACQUISITION MANAGEMENT PROCESSES

- EMBEDDED INSTRUMENTATION

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE III INITIATIVES

(4 Sep 02) – 11 Total

PEOPLE PROCESSES

- PROVIDE ADEQUATE FITNESS FACILITIES

CORPORATE OPERATIONS PROCESSES

- RE-ENGINEER LEGISLATIVE COORDINATION PROCESS
- WORKING CAPITAL FUND – BUSINESS PRACTICES
- MANAGING FOR RESULTS
- CONSOLIDATE DEFENSE AGENCY OVERHEAD FUNCTIONS
- RE-ENGINEER PERSONNEL SECURITY INVESTIGATION

LOGISTICS / READINESS PROCESSES

- COST EFFECTIVE MULTI-YEAR CONTRACTING ARRANGEMENTS AND/OR PURCHASE OF MILITARY SEALIFT COMMAND SHIPS
- GUARANTEED FIXED PRICE REMEDIATION

ACQUISITION MANAGEMENT PROCESSES

- INTERNATIONAL ELECTRONIC INFORMATION RELEASE POLICY
- E-CONTENT ENTERPRISE LICENSING
- IMPROVE VISIBILITY OF DOD CONTRACTOR SERVICES

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE IV INITIATIVES (13 DEC 02) – 5 Total

CORPORATE OPERATIONS PROCESSES

- FUND TRAVEL IN CURRENT YEAR
- MILITARY AIR TRAFFIC CONTROL
- SCORING CRITERIA FOR CAPITAL LEASING

LOGISTICS / READINESS PROCESSES

- DoD COMMERCIAL LODGING
MANAGEMENT

ACQUISITION MANAGEMENT PROCESSES

- SHARE IN SAVINGS

***NOTE: BIC-DIRECTED FOCUS AREAS**



APPROVED PHASE V INITIATIVES

(14 MAR 03) – 5 Total

PEOPLE PROCESSES

- DIRECT ENTRY INDIVIDUAL READY RESERVE PROGRAM
- STREAMLINE DOD PASSPORT APPLICATION PROCESS

LOGISTICS / READINESS PROCESSES

- RE-ENGINEER/STREAMLINE DEPOT MAINTENANCE REPORTING

ACQUISITION MANAGEMENT PROCESSES

- VALIDATED COMBAT REQUIREMENTS EXCEPTION
- NEW START THRESHOLDS

***NOTE: BIC-DIRECTED FOCUS AREAS**



Archived Initiatives

- **Cell Phone Minute Pooling**
- **Streamline Technology Readiness Assessment**
- **Buy to Budget**
- **Elimination of Value Engineering Reporting**
- **Manpower Mix Management Flexibility**
- **Eliminate Excise Tax on DoD Tactical Vehicles**
- **Streamline Compliance with Clinger-Cohen (Phase I)**
- **Revise Davis-Bacon Act Thresholds**
- **Streamline the General Officer/Flag Officer Nomination Process**
- **Cost Effective Multi-Year Contracting Arrangements and/or Purchase of Military Sealift Command Ships**
- **Commercializing Acquisition: Raise Truth In Negotiations Act Thresholds**



March 2003 Program Review

- **Summary of Inputs From Key BIC Participants**
- **Bureaucratic Hurdles**
 - Easy to coordinate initiatives
 - Despite BIC Principals' approval, many initiatives stall or languish
- **Character of Initiatives**
 - **General:**
 - BIC should become the premier management reform forum and clearinghouse for all business initiatives
 - Should take-on ideas generated by the SEC and ESC
 - Should be internal versus legislative
 - Should be bold and cross-cutting
 - Do "eaches" -- take incremental improvement approach
 - Select those that are big enough to make a difference but doable (dollar value or amount of pain/suffering inflicted)
 - Decide on a case-by-case basis



THE WAY AHEAD.....

- CONTINUE TO PUSH THE IMPLEMENTATION OF APPROVED INITIATIVES AND ACCELERATE, WHERE POSSIBLE
- KEEP NEW INITIATIVES “MODERATE BUT MEANINGFUL” AND FOCUS ON INTERNAL DOD PROCESSES
- BE SELECTIVE IN PURSUING NEW INITIATIVES
- “JUMPSTART” INITIATIVES AND DEVELOP IMPLEMENTATION PLANS IMMEDIATELY (WITH PRINCIPALS’ APPROVAL PENDING)
- CONTINUE TO EXPLORE BIC PRINCIPALS’-DIRECTED FOCUS AREAS
 - ACQUISITION OF SERVICES
 - REDUCE PROCESS/DECISION CYCLE TIME
- CONTINUE TO SEEK TEAMING EFFORTS WITHIN DOD
- INTERFACE WITH DEFENSE BUSINESS BOARD
- ADVERTISE SUCCESS STORIES



SUMMARY

- **GREAT TEAM EFFORT TO DATE !!**
- **A LOT OF GOOD IDEAS HAVE COME FORWARD, AND MORE OPPORTUNITIES ARE OUT THERE**
- **MANY LESSONS LEARNED, ROADBLOCKS OVERCOME, COMMUNICATION CHANNELS OPENED**
- **CHALLENGES AHEAD:**
 - **SEE EACH INITIATIVE THROUGH TO SUCCESSFUL COMPLETION**
 - **MEASURE INVESTMENTS/SAVINGS/BENEFITS**
 - **COMPLEMENT BIC EFFORTS WITH OTHER ONGOING DOD COUNCILS, BOARDS, ETC.**
 - **KEEP MOMENTUM GOING**