



DoD Reforms May Lack Glamour, But Not Importance

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WASHINGTON – While the DoD budget request has finally hit the \$60 billion acquisition mark, how the money would be spent is as important as how much is spent.

“DoD cannot afford to do business the old way,” said Stan Soloway, Deputy Under Secretary of Defense for Acquisition Reform. “The acquisition community must mirror the changes happening to combat forces. Like them, the acquisition community must be lean, nimble, and able to capitalize on emerging technologies.”

Soloway is also the Director of the Department’s Defense Reform Initiative [DRI] effort. He is quick to say the two efforts have not merged.

“The Defense Reform Initiative office has a small staff, but it is separate from acquisition reform,” he said. “This allows us to cross-pollinate a bit to leverage off the skills of each other, because acquisition and logistics reforms are a huge piece of the DRI.”

Neither the Defense Reform Initiative nor acquisition reform has been in the news much, but this does not mean they are unimportant. “The chore of implementing or institutionalizing this stuff is neither sexy nor always visible,” Soloway said. “Our goal is to actually make this stick, to make these changes real.”

The DRI made news when Defense Secretary William S. Cohen announced it, but DoD officials today are not making new announcements. Instead, acquisition personnel are working on the methods, procedures, and processes they need to make reforms work.

“When acquisition reform started and the DRI came out, one thing the DoD leadership did not want to have is another fancy little report that went on the shelf,” Soloway said. “That’s why we are so focused on long-term performance measures.”

Some of the major acquisition reforms officials are examining include paperless contracting, reinventing the travel card system, increasing use of the government purchase card, organizational streamlining, public/private competitions, and transforming logistics.

Making change happen is the charter. Acquisition reform is focusing on working with and tracking the progress of the components responsible for the major defense directives.

“We are continually updating our information and data,” Soloway said. “The components responsible for the major directives have a monthly routine review – it’s often with me, but also with [then] Deputy Defense Secretary John Hamre. This office is the front office’s eyes and ears on the progress in the directives.”

“The DRI and acquisition reform are looking to ensure the Department uses the right kind of performance measures and metrics for the directives,” he said. “You can take an organizational directive and say, ‘You will reduce the Office of the Secretary of Defense by 1,000 people’ and when it’s done, it’s done,” Soloway said. “But there are other directives not as clear cut.” He pointed to directives dealing with logistics reform.

“We’ve always assumed the logistics response time is the correct measurement and by reducing the response time we would be fulfilling the directive,” he said. “Now, logistics teams and experts are

working on a strategic plan, and what emerges from their studies is that the real metric is something called 'customer wait time'—how long it takes for the customer to receive the part."

Another area receiving a lot of attention is electronic commerce. "If we're really going to move into this E-business world, there are a number of issues we need to get our arms around," Soloway said. "The best way to do this is to talk to the industries."

He said DoD hosted a meeting in May 1999 split evenly between government and industry to try to identify key issues in electronic commerce such as common processes, common standards, and information assurance. From that meeting grew four working groups operating under the joint sponsorship of Soloway's office and the Assistant Secretary of Defense for Command, Control, Communications and Intelligence.

"These groups come in every six weeks and meet and tell us where they are going," he said. These groups ultimately are expected to recommend ways for DoD to facilitate E-business.

"DoD must learn to deal with the challenges of information technology, Soloway said. "Information technology in business processes is really driving

the changes in the industry today," he said. "We're not just talking E-mail or an electronic mall. We're talking about fully integrated enterprises, to the point where a chief executive officer at some of these companies could press a button and see virtually every piece of information he wants — sales, human resources, energy, performance, you name it."

Developing this type of capability is a massive undertaking, and DoD is taking lessons from industry. "We organized a group of 15 very senior folks from various commands and activities, and I took them to Federal Express," Soloway said. "We spent a day with their top technology and management people just talking about this. We went to hear about what they went through from a customer perspective — what are the keys, what were their acquisition strategies, what pitfalls they encountered.

"We need to study what industry offers. We need to learn from them, and in some cases, partner with them," Soloway said. "Then we need to share that information and make it second nature for people to embrace change."

Editor's Note: This information is in the public domain at <http://www.defenselink.mil/news> on the Internet.