



The Army Management Enterprise: Focus on the Future

Congressionally Mandated Transformation

Since 2000, Congress has enacted a series of laws aimed at ensuring that the Department of Defense (DoD) and the military departments effectively and efficiently manage their business operations. Most recently, the National Defense Authorization Acts (NDAA) for Fiscal Years (FYs) 2008, 2009 and 2010 include mandates that DoD and each military department designate their Under Secretaries as Chief Management Officers (CMOs) and establish an Office of Business Transformation (OBT) to oversee transformation initiatives, including business systems architecture, information technology acquisition oversight and business process reengineering.

The Army Enterprise

The Secretary of the Army established the Army Office of Business Transformation (OBT) in April 2009, indicating that the missions, functions, structure and responsibilities of the OBT and its director would be formalized in the near future, after the designation of the CMO.

In October 2009, the Secretary of the Army designated the Under Secretary of the Army as the Army's Chief Management Officer (USA/CMO), with the mandated responsibilities, duties and authorities pursuant to the NDAA for FYs 2008 and 2009. The USA/CMO was further designated to lead the Army's business transformation, including working with the Secretary of the Army and other pertinent stakeholders

to determine the missions, roles, responsibilities and staffing of the OBT.

Chief Management Officer

The Honorable Joseph W. Westphal, the Army's first Chief Management Officer, serves as the senior advisor to the Secretary of the Army on all business transformation matters. This overarching responsibility requires aggressively developing the way forward for achieving the One Army Management Capability—the end-to-end, top-to-bottom integration through collaborative partnerships that engender innovation.

The USA/CMO will lead and impact the Army's efforts in three key management areas:

- **Business operations** include the policies, processes, information and systems relating to the end-to-end financial, logistical, facility management, human capital, acquisition, administrative and other functions of the Army that support the warfighter.
- **Business process reengineering** includes identifying and streamlining those end-to-end processes in an organization that directly impact customer products and value.
- **Business decisions** provide the direction and guidance on how the Army will generate trained and ready units capable to support combatant commanders and support national security objectives.



Office of Business Transformation

The Office of Business Transformation will assist the CMO to align, integrate and innovate Army Business operations in accordance with statutory requirements. This function is end-to-end, from oversight of resource and requirements inputs, to the business management policies and procedures used to generate trained and ready forces and capabilities; and top-to-bottom by setting the business management direction for the Army Secretariat, the Army Staff, Direct Reporting Units and Army Commands that ultimately execute the Army's generating force functions. The OBT is responsible for developing and implementing an enduring business transformation plan, an enterprise-wide business systems architecture plan and a transition plan, all with the intent of achieving a fully integrated management system for the Army's business operations. Transforming the Army's business processes and practices includes the responsibility of addressing the functionality and capabilities within the following managerial areas:

Business Transformation. Business transformation will generate business operations improvements by actively identifying and closing process and systems gaps within the Army's business missions, as well as through horizontal integration across business mission areas.

Business Operations. By migrating from a systems-centric approach to a process-centric approach based on capabilities across its business missions, the Army is reengineering its approach to business transformation. Leveraging the Army's current transformational momentum and fostering unity of effort will enhance

efficiencies of scope and scale and preclude redundancies, as well as enable a culture of continuous, measurable improvement that eliminates non-value-added activities and improves quality and responsiveness for Soldiers, civilians, Army families and the nation.

Business Assessment. Measures that are clear and well monitored will allow the Army to continuously improve its business operations and support decisionmakers with accurate and timely information.

Managing the Army's Capability

The Army's business transformation is driven by an urgent requirement to align the end-to-end business processes of the generating force, and the capabilities they provide, to the operational needs of an expeditionary and campaign-capable force.

The USA/CMO is specifically positioned at the intersection of the Secretariat, the Army Staff and the field to integrate vertically and horizontally and innovate with the goal of improving effectiveness and efficiency within Army's business operations and providing the most capable Army within available resources.

The OBT's activities are integral to enabling the USA/CMO to bridge policy and execution gaps across the Army and create a more efficient and effective generating force in support of the Total Army. The ability to institutionalize Army business transformation, including cultural change, requires a comprehensive organization with the leadership, resources, skills and commitment to make it successful and thus preserve the long-term health of the Army.

Key Points

- The Army's Chief Management Officer (USA/CMO) manages Army business operations in order to achieve "One Army Management Capability end-to-end and top-to-bottom."
- The Office of Business Transformation (OBT) has organizational responsibility for executing the statutory requirements of the USA/CMO.
- The OBT's activities are integral to enabling the USA/CMO to bridge policy and execution gaps across the Army.