



THE ASSISTANT SECRETARY OF THE NAVY

(RESEARCH, DEVELOPMENT AND ACQUISITION)

1000 NAVY PENTAGON

WASHINGTON DC 20350-1000

JAN 13 2008

MEMORANDUM FOR COMMANDER, NAVAL AIR SYSTEMS COMMAND
COMMANDER, NAVAL SEA SYSTEMS COMMAND
COMMANDER, SPACE AND NAVAL WARFARE
SYSTEMS COMMAND
COMMANDER, MARINE CORPS SYSTEMS
COMMAND

SUBJECT: Systems Command/Program Executive Office/Naval Warfare Center
Business Model

This memorandum directs the Systems Commands (SYSCOMs), Program Executive Officers (PEOs) and Naval Warfare Centers (NWC) to align within a Competency Aligned Organization (CAO)/Integrated Product Team (IPT)/Naval Warfare Center (CAO/IPT/NWC) business model. CAO/IPT/NWC is a collaborative operating structure designed to operate horizontally across stakeholder and organizational boundaries while honoring lines of command, fiscal accountability, program requirements, and competency technical authority. An effective model for this type of organization is the Naval Air Systems Command CAO/IPT/NWC organization that was implemented in 1995.

Competencies are Command-wide 'nationally' aligned technical authorities and will draw upon capabilities from all aligned elements. This will result in key technical disciplines with clear technical lines of authority. Competencies will support program execution and aid in balancing the cost, schedule and performance pressures inherent in program management. Additionally, they will assist in identifying program risks and participate in developing strategies to mitigate these risks.

PEOs and Program Managers manage cost, schedule, and performance of assigned programs. PEOs will identify current and planned workload to the competency leaders. Competency leaders will work collaboratively with PEOs, PMs and IPT leaders to deliver technical support to program execution and business operations. Technical support can be provided by organic or contractor resources and may require reimbursement. Technical support will be assigned to programs in priority order and will be sourced from appropriate Command elements and mapped into IPTs.

NWCs will be fully integrated subordinate commands of SYSCOMs and provide science, engineering, and technical support to the broader Naval community. NWC capabilities will be available, generally on a reimbursable

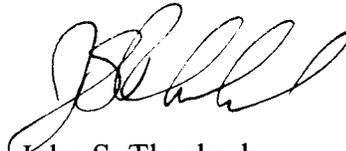
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basis, for assignment to support program execution and other mission requirements. The capabilities will be cultivated to provide focus on collective best value to the Navy and Marine Corps customers. National Competency and NWC leadership must work collaboratively to optimize national technical needs with local NWC business operations.

Development of a common and consistent interpretation of fiscal policy is a key enabler for application of reimbursable workforce to leverage the available flexibilities under financial management policies for program management and support functions.

The SYSCOM Commanders and PEOs are directed to develop plans of action and milestones that create a collaborative plan for reorganizing under the fundamental tenants and basic operating principles of the above CAO/IPT/NWC construct.

Request you brief status to me on February 29, 2008, or as soon as practicable.



John S. Thackrah
Acting

cc:

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RDA DASN (SHIPS)
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RDA DACM
DRPM (SSP)
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PEO (C4I)

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cc (cont'd):

PEO (EIS)

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PEO (LMW)

PEO (LS)

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