



# **Business Operations Plan Fiscal Years 2020-2022**

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FY20 Mid-Year Update



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# The Department of the Navy Business Operations Plan

## Introduction: Why does the Department need a plan?

Under the Secretary of the Navy's strategic guidance, leaders at every level across the Department today are urgently partnering with key stakeholders, gleaming best practices from private and public sectors, and monitoring impact and performance to share lessons learned to integrate combat and support operations. Such guidance inspires operational and management leaders to act, to take risks, and to be decisive. However, without overall coherence and coordination, great ideas often become siloed while others languish.

The Business Operations Plan provides that coordination through measurable objectives and initiatives for the Navy and Marine Corps team to use as a uniting function. It is an agile, guiding tool, not an immovable strategy – indeed, to be successful our objectives and timelines will necessarily evolve as the external environment and capabilities of both partners and adversaries change. We therefore need a Business Operations Plan that enables our Department to:

- ❖ Improve support operations to enhance combat effectiveness and efficiency
- ❖ Coordinate our activities as one team, and rapidly find intersections of common purpose

- ❖ Focus on our key stakeholders, both public and private, across the broader institution
- ❖ Marshal scarce resources exactly where and when they are required
- ❖ Maintain budgetary and program coherence while remaining attentive to disruption
- ❖ Capitalize upon our differences by sharing diverse approaches to our challenges
- ❖ Take advantage of key best practices as well as mistakes – as a united Department of the Navy

Finally, this plan will adapt and evolve along with the demands of the institution, enabling improved readiness and lethality while creating greater agility and accountability. The initial BOP, published October 2018, promulgated the Secretary's vision to every echelon, and detailed the many outstanding initiatives throughout the Department, while measuring performance against plans. This FY 2020-2022 DON BOP links our strategic vision and operations, and promotes continuous learning, evolution, and growth as one naval team as we continue to deliver combat-ready naval forces.

“ The business of the Department of the Navy is to man, train, and equip Navy and Marine Corps forces for global operations. ”

“In order for our Navy to project power from the sea and win, our Sailors and Navy civilians must have the best possible platforms, combat systems and support infrastructure we can provide. The Navy is America's “Away Team” and we must always be ready to bring the fight to our adversary's backyard while at the same time we experiment with and develop new technologies as we build the Fleet of tomorrow. There will always be a natural tendency to gravitate toward the wolf closest to the sled—readiness. However, we must continue to invest in our future to maintain our edge that includes investment in our most capable weapons system—our asymmetric advantage—the brave men and women who serve in defense of our country.”

— Admiral Robert P. Burke

“The Marine Corps is the premier Naval Expeditionary Force-in-Readiness forward positioned to support maritime operations, enable sea control, support sea denial, and be ready to respond to crisis when the Nation needs us the most. In order to build and sustain the Navy and Marine Corps team that this country requires, we must modernize the force to deter our adversaries, exploit emerging advances in technology, and enhance employment strategies that enable us to successfully fight and win our Nation's battles. To achieve this end, the Marine Corps remains committed to sharpening its business practices and maximizing its buying power to give the Congress and the Nation the most lethal, relevant and affordable Marine Corps possible”

— General Gary L. Thomas



# DON BOP FY2020 - 2022: What's New?



## Significant Changes

The DON BOP continues to serve as the integrated plan that aligns the Department of the Navy to the National Defense Strategy. This FY2020 Mid-year Update shows progress against the initiatives set out in October 2019, when the last BOP was published. Since that time, there have been 38 completed initiatives, 3 removed initiatives and 22 initiatives that had their due dates extended. All of these updates are included in this document, as well as an appendix with 36 new initiatives since last publishing.

### SOME PRIORITY AREAS OF PROGRESS ARE:

Human Capital Pilot Programs to employ best practices and evaluate innovative approaches to most effectively compete for talent and provide an effective workforce.

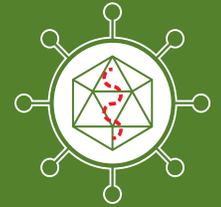
Modernization of the DON's supply chain through a cross-departmental Supply Chain Working Group to formulate a strategic plan and conduct Business Process Reengineering.

Initiation of a Stem-to-Stern (S2S) review to identify resources to fund a Fleet and Force required by the threats posed by our near peer competitors, through reducing, eliminating and restructuring programs.

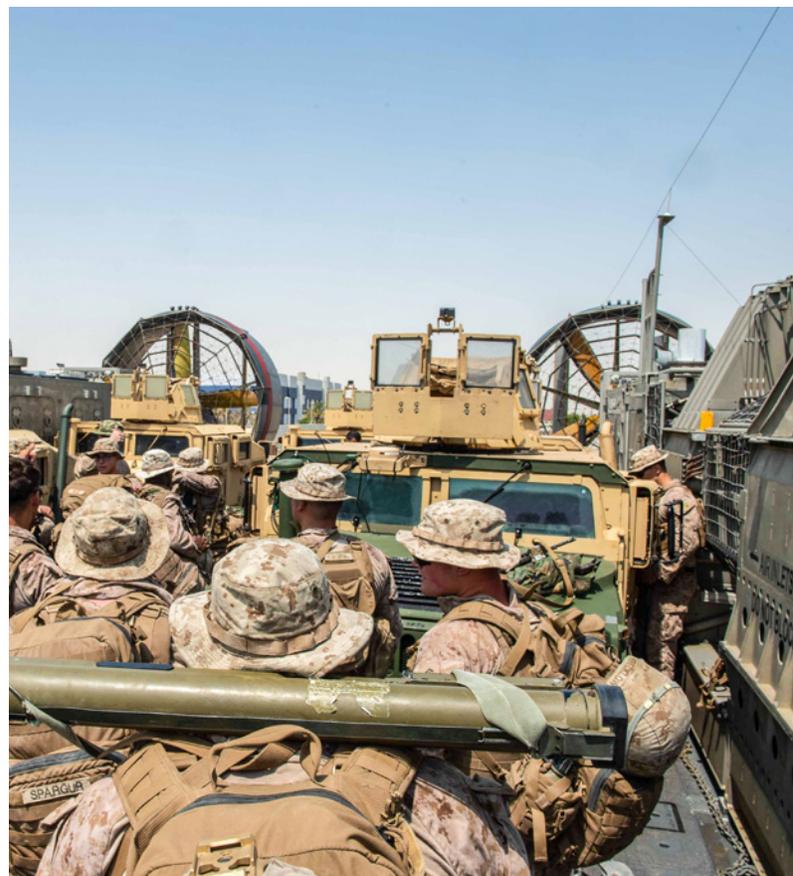
To keep track of evolving priorities and ongoing and completed efforts, the BOP's rhythm going forward for Mid-Year and Annual publications will follow a set process:

- ❖ Annual updates: Published annually in the Fall, annual updates are an opportunity to re-evaluate current Focus Areas and Initiatives to ensure alignment with strategic priorities and any changes at the DON or DoD level.
- ❖ Mid-year updates: These will be published between each Annual update in the late Spring/early Summer. Mid-Year Updates are an opportunity to show progress against initiatives set out in the fall, and to share any new initiatives developed since previously publishing.

## COVID-19 Response



As this mid-year update to the BOP goes to print, the Department of the Navy is battling an invisible enemy: COVID 19. Our Sailors, Marines and Civilians have risen to this challenge and continue to protect the American people and the force. For example, we have vastly increased our network and remote work capabilities; activated our Reserve components to assist in communities across the nation; empowered our laboratories and scientists to identify a cure; reconfigured our workshops to provide personal protective equipment; and established mobile clinics and deployed hospital ships to assist state and local health care providers. We have done all of this while maintaining our global presence to ensure the safety and security of the Nation.



# Alignment to the National Defense Strategy

## NDS Lines Of Effort

## NDBOP Strategic Objectives

## DDON BOP Strategic Objectives (14)

**1** Rebuild Military Readiness as We Build a More Lethal Joint Force

**1.1** Restore Military Readiness to Build a More Lethal Force

1.1.A Fully restore aviation/ship/ground readiness to meet missions

1.1.B Restore inventory of weapons and ammunition to meet warfighting requirements

**1.2** Lay the Foundation for Future Readiness through Recapitalization, Innovation, and Modernization

1.2.A Deliver platforms that possess greater combat power and longer reach in support of missions across all domains

1.2.B Deliver innovative technologies that provide greater combat power and longer reach in support of missions across all domains

1.2.C Develop and implement a sustainable path to infrastructure modernization

**1.3** Enhance IT & Cybersecurity Capabilities

1.3.A Optimize DDON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)

1.3.B Increase DDON's ability to deter, detect, defeat and recover from cyber-attacks

**1.4** Ensure the Best Intelligence, Counterintelligence, and Security Support for DoD Operations

1.4.A Deliver timely and relevant intelligence, counterintelligence and security support to Sailors and Marines to provide a decisive and dominant advantage

**1.5** Implement Initiatives to Recruit and Retain the Best Total Force to Bolster Capabilities and Readiness

1.5.A Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs

**2** Strengthen our Alliances and Attract New Partners

**2.1** Reform the Security Cooperation Enterprise

2.1.A Implement a more strategic, coordinated approach to security cooperation

**3** Reform the Department's Business Practices for Greater Performance and Affordability

**3.1** Improve and Strengthen Business Operations through a move to DoD-Enterprise or Shared Services; Reduce Administrative and Regulatory Burden

3.1.A Increase the use of data analytics and artificial intelligence in DDON-wide decision making

3.1.B Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

**3.2** Optimize Organizational Structures

3.2.A Reduce redundancies across the enterprise (to include OPNAV, HQMC and Secretariat) to achieve cost savings and improve agility

**3.3** Undergo an Audit, and Improve the Quality of Budgetary and Financial Information that is Most Valuable in Managing the DoD

3.3.A Institutionalize annual audit and remediation, and establish a near term path to a clean opinion

**This chart illustrates alignment of the DDON BOP's Initiatives to the Lines of Effort in the National Defense Strategy.**

## Focus Areas (36)

## Initiatives (230)

## Initiative Owners

Ship Readiness	7	ASN (RD&A), NAVSEA
Aviation Readiness	4	CNAF, DC A, OPNAV N4, NAVAIR
Ground Readiness	2	DC P&R, DC I&L
Acquisition Agility	9	ASN (RD&A), MCSC, DC I&L, NCIS, CNR
Acquisition Affordability	6	ASN (RD&A)
Acquisition Integrity	3	ASN (RD&A), OGC
Acquisition Workforce	6	ASN (RD&A)
New Technologies	4	ASN (RD&A), OGC
Shore and Base Infrastructure	12	ASN (EI&E)
Operational, Test, and Training Range Effectiveness	7	ASN (EI&E)
Data Centers and Cloud Services	7	SAIM/CIO, OPNAV (N2/N6), MCSC, DC I
Enterprise Networks	9	SAIM/CIO, DC I, OPNAV (N2/N6)
Spectrum Dependent Systems	9	SAIM/CIO
Cybersecurity Readiness	11	ASN (EI&E), SAIM/CIO, OPNAV (N2/N6), DC I, NCIS
Intelligence	1	OPNAV (N9)
Counterintelligence and Security	6	DUSN, DC I, NCIS
Criminal Investigations and Operations	6	NCIS
Military Personnel	18	ASN (M&RA), OPNAV (N1/CNP), DC CD&I, DC M&RA, DC I
Civilian Workforce	4	ASN M&RA
Total Force	7	ASN (M&RA), ASN (RD&A), ASN (EI&E), BUMED, HQMC BRB, OGC
Allies and Partners Synchronization	4	DUSN, ASN (RD&A)
Security Cooperation	4	OPNAV (N3/N5), DC PP&O, DUSN
Enterprise Data Quality, Standards, Integration, and Investment	9	DON OCMO
Improve Decision Making	3	ASN (RD&A), DC CD&I
Business Systems	6	DON OCMO, OPNAV (N4), OPNAV (N1/CNP)
Enterprise Risk Management (ERM)	8	DON OCMO
Small Business Inclusiveness	3	OSBP
Reform Business Operations	14	ASN (EI&E), DC I&L, MCSC, DMCS, HQMC BRB, DON OCMO
Enhance Organizational Structure	5	DON OCMO
Education for Seapower (E4S)	6	CLO
Accounting Systems Consolidation	7	ASN (FM&C)
Contract Authority	1	ASN (FM&C)
Financial Reporting and Fund Balance with Treasury	3	ASN (FM&C)
Inventory and Operating Materials and Supplies (OM&S)	4	ASN (FM&C), OPNAV (N4), DC I&L
Real Property	2	ASN (FM&C), ASN (EI&E)
Budgetary Reform	4	ASN (FM&C)
IT General Controls	2	ASN (FM&C)
Contractor Held Property	3	ASN (RD&A), ASN (FM&C)
Contingent Legal Liabilities	2	OGC, ASN (FM&C)
Environmental and Disposal Liabilities	2	ASN (EI&E), ASN (RD&A), ASN (FM&C)



## NDS Line of Effort 1: Rebuild Military Readiness as We Build a More Lethal Joint Force

“

The surest way to prevent war is to be prepared to win one. Building a more lethal force requires a competitive approach to force development and multiyear investment to restore warfighting readiness. We must recognize conflict's interactive nature, account for emerging technologies, identify and exploit asymmetries in our operational concepts, and validate our solutions through rigorous testing and experimentation. We must look forward to prevail in future competitions, inventing warfighting methods that will increase lethality, resilience, and operational surprise. Our aim is a ready Joint Force that possesses decisive advantages for key potential warfights, while remaining competent across the entire conflict spectrum.

— National Defense Strategy

”

More than a decade and a half of wartime demands in the Middle East, together with normal high-tempo operations worldwide, taxed our capacity to maintain a ready force. Ship and aircraft maintenance periods were either delayed or cancelled, and shore infrastructure resources went to fund immediate readiness needs. The DON's depots were challenged to deliver ships and aircraft on time, which impacted training time prior to deployment. These challenges were further aggravated by shortages of parts and availability of spares. Our Department's readiness needs an injection of resources and attention.

Today, thanks to sustained support by Congress, we are on the path to recovery. Our current and planned budgets deliberately prioritize improved readiness and wholeness of our current Fleet and operational Marine force. Unfortunately, funding alone is not the long-term answer. This Business Operations Plan adjusts our business processes and inserts innovative, more efficient means to assess our progress, so that every taxpayer dollar possible goes to increased readiness and modernization of our forces. Recovering this lost readiness will take time, but our investments will be more properly balanced across all the dimensions of naval power to consistently meet our national strategic objectives



## From the deckplate...

### On Trajectory to Meet Aviation Readiness Goals

The Naval Sustainment System (NSS) addresses all elements of aviation maintenance including people, parts, and processes. Strike Fighter Squadron (VFA) 106 adapted lessons learned from the NSS implementation at NAS Lemoore to reduce maintenance turnover timeframes, increase the average number of mission capable (MC) aircraft, and return several long-term down aircraft to flying status. Through collaboration and a whole-of-aviation approach, the Naval Aviation Enterprise is on its way to achieve and sustain its readiness goal.

### Charting a New Course to Fleet Readiness

Several tragic accidents involving U.S. Navy ships in the Western Pacific in 2017 highlighted the degradation of Fleet readiness over the last three decades. The Secretary of the Navy’s Strategic Readiness Review (SRR) and Commander, Fleet Forces Command’s Comprehensive Review (CR) provided recommendations to correct the institutional deficiencies contributing to these incidents. The Readiness Reform and Oversight Council (RROC), co-chaired by the Under Secretary of the Navy and the VCNO, was established to “provide continuity to see reforms and recommendations through to effective completion, and thereby guard against similar future trends and challenges that adversely impact the Department of the Navy’s readiness.”

# 1.1 Restore Military Readiness to Build a More Lethal Force

## Why This Matters

Our armed forces have been involved in the longest continuous stretch of conflict in our Nation’s history. The continuous nature of these engagements have truncated essential maintenance and training, leading to deficiencies in safety, reliability, and availability of Fleet and Marine assets. Concurrently, these operations have led to the depletion of weapons and ammunition stocks, as well as degradations to their supporting systems. Investment uncertainty resulting from budget control actions have further complicated our efforts to maintain readiness and stable ordnance inventories, creating an erosion of capability across the force. The DON is making targeted, disciplined increases in personnel, platforms, weapons, ammunition, training, and maintenance to ensure that a larger, more lethal naval force is prepared to conduct combat operations against peer adversaries in any high-intensity conflict around the world.



### 1.1.A » Fully restore aviation/ship/ground readiness to meet missions





## From the deckplate... continued

The RROC consolidated 111 readiness reform recommendations from a total of 117 recommendations put forth by the SRR and CR as well as several other reports including the Government Accountability Office and the Inspector General. Of these 111 recommendations, 105 were implemented as of 25 September 2019. The remaining 6 will be adjudicated through upcoming RROC reviews. Examples of recommendations recently implemented include:

- Prioritized Navy Manning in support of Operational Requirements.
- Improved and increased the frequency of formal professional skill assessments for Surface Warfare Officers.
- Reduced and consolidated Inspections, Certifications and Assist Visits (ICAV), resulting in 63 fewer events (32%) to allow ships more time for operations and training.

### 1.1.A » 3 Focus Areas 13 Initiatives\*

\*As of Oct 2019

#### Ship Readiness



**PROBLEM:** The U.S. Navy (Navy) continues to be challenged by a combination of high-tempo operations and a reduced fleet size. These factors have resulted in a maintenance backlog and reduced readiness rates for Navy ships. Further exacerbating these problems, budget shortfalls in previous years have diminished parts, decreased spares availability, and reduced capacity for depot/shipyard level repairs.

**SOLUTION:** The Navy is focusing its efforts on improving the readiness of the surface and subsurface warfare enterprise by closely managing ship schedules to ensure all required maintenance is completed prior to operational employment. Additionally, the Navy is developing and executing plans to optimize both public and private shipyards for maximum capability and capacity.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (RD&A)	Finalize implementation of ASN (RD&A)'s new Title 10 sustainment responsibilities with stand-up of DASN (Sustainment)		●	✓										
NAVSEA	Complete simulation and modeling of all processes critical to submarine and CVN maintenance at Puget Sound, Norfolk and Portsmouth public shipyards		●		●									
NAVSEA	Execute Naval Shipyard Infrastructure Optimization Plan (SIOP) through restoration, modernization, and recapitalization projects that address shipyard maintenance capacity limitations through dry dock recapitalization, optimize shipyard layout and work flow, and modernize capital equipment to industry standards		●		●									
NAVSEA	Develop and implement a plan to improve P2P rates in private shipyards with a focus on establishing more accurate availability duration estimates		●											●
ASN (RD&A)	Improve readiness outcomes and efficiency in the sustainment enterprise		●											●
ASN (RD&A)	Develop 30-year Shipbuilding Plan and Long Range Plan for Maintenance and Modernization of Naval Vessels to support annual President's Budget		●					●				●		→
NAVSEA	Implement improvements to enhance shipyard predictability and reduce the difference between planned and executed availabilities		●											→



## Aviation Readiness



**PROBLEM:** The Navy and U.S. Marine Corps (Marine Corps) aviation assets have experienced years of fast-paced, demanding operations that have decreased the number of mission capable aircraft. The resulting restricted flying hours and reduced training have led to decreased readiness rates and reduced operational effectiveness. Depots also lack a sufficient number of skilled workers and available aviation spares, both of which must be addressed to increase the quantity of fully mission capable aircrafts.

**SOLUTION:** The Navy and Marine Corps aviation enterprise is focusing on reducing the quantity of non-mission capable aircraft through focused maintenance and supply chain management, and expanding training to develop a broader base of highly trained maintenance personnel.

OPR	Initiative	Key: ○ USN ● USMC	○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022							
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
CNAF	Develop and implement a plan to achieve MC Total Aircraft Inventory to meet and sustain warfighting requirements																		
NAVAIR	Implement the Naval Sustainment System to optimize workflow through the Fleet Readiness Centers																		
OPNAV (N4)	Ensure implementation of supply chain improvements to increase material availability and reduce backorders																		
DC A	Complete Marine Corps aviation readiness recovery model and transition																		



## Ground Readiness



**PROBLEM:** The Marine Corps continues to be challenged by a combination of high-tempo operations and budget shortfalls in previous years that impacted training and parts for equipment.

**SOLUTION:** The Marine Corps has implemented procedures to effectively link resources to readiness. These include increasing ground equipment readiness through data-driven decisions.

OPR	Initiative	Key: ○ USN ● USMC	○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022							
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
DC P&R	Reform Unit Reserve Activation/Per-Diem to improve traceability and visibility of funds during Reserve Components' activation																		
DC I&L	Enhance the Marine Corps' Enterprise Ground Equipment Management (EGEM) efforts to improve operational availability																		



## 1.1.B » Restore inventory of weapons and ammunition to meet warfighting requirements

### Procurement, Maintenance and Distribution of Munitions



**PROBLEM:** Our shift towards peer competition requires a re-evaluation of the types and quantities of weapons and ammunition, as well as a determination of how and where they will be globally distributed to meet the challenges of the future security environment.

**SOLUTION:** The U.S. Navy and Marine Corps have determined the weapons and ammunition required to source the NDS and are budgeting for those munitions and establishing policy for their global positioning. Last year, the US Navy conducted a gap analysis and determined the number and types of weapons and associated munitions required to support air, surface, and subsurface combat missions.

### Navy Identifies Munitions Needs of the Fleet

The Navy’s munitions process balances acceptable levels of risk in a resource-constrained environment while taking into account facets such as appropriate production levels to sustain the industrial base, continual warfighting capability improvements to munitions, and the significant cost necessary to reach Total Munitions Requirement [TMR] for every munition. Each weapon is unique and managed within the POM process using TMR as a goal and as a benchmark from which to measure risk. Additionally, in calculating the risk associated with weapons that were or were not resourced to TMR, each weapon is valued through the lens of warfighting guidance to ensure appropriate alignment to any future naval fight.

The Navy’s re-invigorated requirements review, embodying the Business Operations Plan to revolutionize management processes, engaged key stakeholders to identify needs of the Fleet, enabled DON to better align resources, and promoted the Navy’s goal of increased capability and capacity to support the National Defense Strategy. Additionally, U.S. Fleet Forces Command and U.S. Pacific Fleet released a new munitions Allocations Process Instruction to establish fleet policy and assign responsibilities associated with allocating, prioritizing, and distributing available conventional ordnance for those munitions delivered to the Fleet as a result of the POM process.





## From the deckplate...

### Joint Light Tactical Vehicle (JLTV) Delivered Ahead of Schedule

The Joint Light Tactical Vehicle (JLTV) reached initial operating capability (IOC) on 02 August, ten months ahead of its THRESHOLD date of Jun 2020. Improved business processes enabled this accomplishment and greatly improves the lethality of the Marine Corps' ground combat capabilities. Mr. James Geurts, ASN for RD&A noted that "Changing the speed in which we deliver... is a fine example of increasing Marine Corps capabilities at the speed of relevance which enables our Marines to compete and win on the modern battlefield."

### Accelerating Speed of Aircraft Carrier Delivery and Reducing Procurement Costs

The Navy awarded a single contract for the construction of CVN 80 and CVN 81. Employing agile acquisition strategies, this contract will generate significant savings - exceeding \$4 billion when compared to the Navy's estimate of buying these carriers separately. The contract also includes ship integration costs of several modifications required to meet emerging threats including the F-35C Lightning II, MK 38 gun system and MQ-25 Stingray Unmanned Aircraft System. These modifications increase the lethality of the FORD Class, and represent an additional \$100 million in savings.

# 1.2 Lay the Foundation for Future Readiness through Recapitalization, Innovation, and Modernization

## Why This Matters

Changes in the geo-political environment have led to increased global competition, characterized by a decline in the long-standing, rules-based international order. The resulting volatility and complexity will only increase in the future as potential adversaries demonstrate increasing speed and agility. This threatens our technological superiority and creates further challenges to maintaining our national security.



**1.2.A » Deliver platforms that possess greater combat power and longer reach in support of missions across all domains**





## 1.2.A » 4 Focus Areas 24 Initiatives\*

\*As of Oct 2019

### Acquisition Agility



**PROBLEM:** The acquisition process is often characterized as slow to respond. While current policy allows for the tailoring of acquisition processes to improve responsiveness, it has not been universally adopted.

**SOLUTION:** ASN (RD&A) has established policies, programs, and procedures to improve and expedite DON acquisition processes and is enabling prototyping enhancements to deliver future capabilities.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
MCSC	Implement Business Capability Acquisition Cycle (BCAC) framework to acquire business solutions more efficiently				○	→	●											
DC I&L	Publish a weapon system management handbook to standardize organization, processes, management tools, and to codify weapon system team roles and responsibilities to better support Total Life Cycle System Management				●													
NCIS	Improve the NCIS acquisition system/process in order to ensure mission critical equipment and services are provided as required, minimizing time from requirement identification to receipt by end user				●													
OGC	Develop a reporting process to track data rights challenges and their resolutions in order to inform DON data rights strategies during acquisition planning and contract performance, as well as to inform DON legislative and regulatory priorities				●		✓											
ASN (RD&A)/ CNR	Reduce timelines by using authorities resident in the Small Business Innovation Research and Small Business Technology Transfer programs measured by: SBIR Time to Phase II Award and SBIR Time Without Funding				●													
ASN (RD&A)	Train the workforce on available acquisition tools, and increase their use (Sec 804 (Middle Tier Acquisition Authority, National Sea Based Deterrence Fund (NSBDF), Other Transaction Authority (OTA), NDAA Sec 233 (Pilot Program for DoD R&D Labs)				●													
ASN (RD&A)	Expand wartime acquisition playbooks by engaging industry in the efforts of the Wartime Acquisition Support Plan (WASP)				●													
ASN (RD&A)	Reduce bureaucratic drag on the acquisition and sustainment operations through elimination of non value-added paperwork, streamlined Gate Reviews, delegation of ASN(RDA) reviews (DD 818's), and streamlined CIMS correspondence reviews				●													
ASN (RD&A)	Use new authorities and policies to reduce barriers to agility through the use of streamlined approvals of acquisition documentation, contract authority for advanced development of prototypes, limitation of cost charging related to data rights, and data rights associated with IRAD				●						●							→



## Acquisition Affordability



**PROBLEM:** Budgetary instability limits the ability to affordably acquire capabilities. Additionally, this uncertainty stifles the DON's ability to negotiate effectively, impedes auditability, and leads to long-term readiness issues.

**SOLUTION:** The DON has expanded its efforts to maximize efficiency and affordability by executing multiyear contracts and block buys. These efforts are further complemented by enhancing the competitive contracting environment, modernizing acquisition program delivery, and diversifying the industrial base through increased use of non-traditional suppliers.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
ASN (RD&A)	Improve relationships with small business and non-traditional suppliers in coordination with Office of Small Business Programs					●										
ASN (RD&A)	Support audit and incorporate relevant findings from external; audit agencies to improve business efficiency					●					●					●
ASN (RD&A)	Execute existing multiyear contracts on cost/schedule and continue to identify opportunities for additional multiyear/block buy contracting strategies to drive affordability					●					●					●
ASN (RD&A)	Evolve new DON programs with confidence by awarding Virginia Class Block V Multi-year contract and the Frigate detail design and construction contract					●					●					●
ASN (RD&A)	Establish and maintain a credible competitive environment at the prime and sub contractor level															●
ASN (RD&A)	Modernize the force by delivering acquisition programs within program parameters															●

## Acquisition Integrity



**PROBLEM:** The DON's technological and industrial acquisition integrity is undermined by product substitution, procurement fraud, and the contractors, subcontractors, and vendors who provide counterfeit parts to the Navy and Marine Corps. Substitute and counterfeit components fail at a higher rate than legitimate parts, causing operational degradation to critical weapons systems. As a result, these fraudulent parts jeopardize warfighter safety and threaten battlefield superiority.

**SOLUTION:** The DON continues to develop tactics, techniques, and procedures to identify product substitution and counterfeit parts prior to their entry into the Naval acquisition system. Additionally, the DON is expanding its Office of General Counsel (OGC) program to train the DON's acquisition workforce to deter, detect, and prevent acquisition fraud.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
ASN (RD&A)	Incorporate Committee on Foreign Investment in the United States supply chain expertise into the DASN Sustainment portfolio, and effectively protect products, services, data, and the supply chain from foreign actors					●				✓						
OGC	Enhance and continue Acquisition Integrity Office program to train the acquisition workforce to deter, detect, and prevent fraud															●
OGC	Continue execution of engagement program with the top 100 contractors regarding the role of the Acquisition Integrity Office and the importance of ethical compliance															●



## Acquisition Workforce



**PROBLEM:** While Congress has provided the DoD with new/expanded acquisition authorities and tools, implementing these new concepts/tools requires time to educate the DON Acquisition Workforce and make the necessary cultural changes to fully recognize the benefit of the changes.

**SOLUTION:** ASN (RD&A) is developing plans and mechanisms to manage the acquisition workforce to improve certification rates and overall performance.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022								
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
ASN (RD&A)	Accelerate the pace of the robustness of learning in the acquisition enterprise by increasing the use of COTS learning tools by 50%				●														
ASN (RD&A)	Ensure 75% of the Acquisition Workforce are contained in the new Talent Management System				●														
ASN (RD&A)/ ASN (M&RA)/ OCHR	Improve talent across the DON acquisition workforce through the use of multiple recruiting methodologies (Section 1111 hiring authority, rotational assignment, expedited hiring, cross-training opportunities)				●														
ASN (RD&A)	Streamline the hiring process and the ability to recruit and retain talent through meeting or exceeding the OPM timeline of 80 days for all hiring actions				●														
ASN (RD&A)	Ensure a trained and certified acquisition workforce (100% certified to competency) aligned to DON priorities				●														
ASN (RD&A)	Execute the FY20 Defense Acquisition Workforce Development Fund to DoD-wide benchmarks				●														



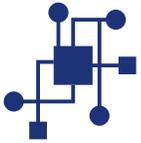


## 1.2.B » Deliver innovative technologies (e.g., weapons, sensors, force enablers) that provide greater combat power and longer reach in support of missions across all domains

### 1.2.B » 1 Focus Area 4 Initiatives\*

\*As of Oct 2019

#### New Technologies



**PROBLEM:** The DON's ability to retain a competitive technological advantage is threatened by an increasingly complex security environment defined by rapid technological change, threats from adversaries in every operating domain, and the rise of inter-state strategic competition.

**SOLUTION:** The DON is implementing processes and procedures to develop innovative and evolving technologies and will field them to the warfighter at the speed of relevance.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (RD&A)	Implement applicable findings of the Navy Research Development Enterprise (NRDE) Study to improve Science and Technology (S&T) alignment with NDS priorities and linkages between Naval Postgraduate School (NPS), Office of Naval Research (ONR), U.S. Naval Research Laboratory (NRL), and the Program Executive Offices (PEOs)			✓										
OGC	Develop an OGC trademark docketing system to track registration of DON trademarks and oppositions to protect DON trademarks including the ability to obtain royalty payments					✓								
OGC	Assert DON rights in patents, trademarks, and technical data, and ensure DON obtains adequate rights in non-commercial intellectual property during disputes with contractors													→
OGC	Continue to enhance and provide OGC data rights training to DON acquisition and program professionals regarding the process for ensuring adequate data rights in non-commercial source selections as well as the process for challenging restrictive markings													→



## 1.2.C » Develop and implement a sustainable path to infrastructure modernization

### 1.2.C » 2 Focus Areas 15 Initiatives\*

\*As of Oct 2019

#### Shore and Base Infrastructure

**PROBLEM:** The DON's infrastructure condition, configuration, technical sufficiency, and capacity does not effectively or efficiently support current or future naval operations.

**SOLUTION:** The DON is executing its right-size, reset, and recapitalization strategy to restore and modernize its infrastructure.



OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change >>> ✓ Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
ASN (EI&E)	Address munitions of explosive concern (MEC) on Guam and the Commonwealth of the Northern Mariana Islands to mitigate construction cost and schedule impacts	○	>>>	●														
ASN (EI&E)	Improve installation resilience posture for energy, utilities, and environment in order to increase DON mission assurance at key mission critical facilities	●	✓															
ASN (EI&E)	Integrate and deploy "small-cellular" and 5G wireless broadband technologies on DON CONUS installations in order to enhance command and control capabilities, and improve the quality of life for personnel and dependents living on base																	
ASN (EI&E)	Execute a Nationwide Program Alternative with the Advisory Council on Historic Preservation for National Historic Preservation Act compliance for the Shipyard Infrastructure Optimization Program to streamline local project reviews with more predictable timelines and solutions for shipyard projects																	
ASN (EI&E)	Apply the full range of authorities to business operations and infrastructure investments at Marine Corps and Navy installations to reduce operating costs and pursue new opportunities for the delivery of facilities and services																	
ASN (EI&E)	Improve the capability and capacity of DON ordnance magazines at each ordnance installation to meet the Global Requirements Based Load Plan																	
ASN (EI&E)	Support Defense Policy Readiness Initiative (DPRI) and Indo-Pacific readiness through execution of Joint Region Marianas Portion of DPRI																	
ASN (EI&E)	Improve capability and capacity of DON organic industrial base infrastructure to improve depot throughput, reduce operating costs, and support future force structure																	



## Shore and Base Infrastructure (cont'd)

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change ✓ Completed	FY 2020				FY 2021				FY 2022			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (EI&E)	Improve infrastructure project delivery across the installations portfolio in order to recover force generation, projection, and sustainment capabilities														
DC I&L	Divest 11.5M sq. ft. of Q4 facilities by FY22														

## Operational, Test, and Training Range Effectiveness



**PROBLEM:** The DON lacks a comprehensive plan to sustain – and where required, expand – operational, test, and training range capabilities that are vital to generating readiness.

**SOLUTION:** ASN (EI&E) is developing an integrated range management plan that assesses current and future range requirements and capabilities, monitors and prevents encroachment, and produces a risk-based investment strategy that supports operational, test, and training requirements.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Completed	FY 2020				FY 2021				FY 2022			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (EI&E)	Through the Recovery and Sustainment Partnership initiative with US Fish & Wildlife Service, secure regulatory rulemaking for Endangered Species Act delisting of at least one listed species to remove environmental encumbrances on Marine Corps and Navy installations														
ASN (EI&E)	Sign National Environmental Policy Act Records of Decision for Fallon Range Training Complex Expansion, Northwest Training and Testing, and Mariana Island Training and Testing to triple the size of the Fallon Range and conduct at-sea readiness activities in over 1 million square nautical miles														
ASN (EI&E)	Project future range requirements, accounting for future weapon capabilities and operational tactics, techniques, procedures, and concepts of operation														
ASN (EI&E)	Complete required actions necessary to secure or expand DON real estate holdings to enable force generation requirements at key aviation (El Centro, Fallon, BMGR) and ground-based training ranges/complexes														
ASN (EI&E)	Create an integrated priority list of range improvements that leverage live and virtual training and testing solutions to meet range capability requirements and mitigate encroachment														



## *From the deckplate...*

### **Navy Modernizes Its Afloat End-to-End Architecture**

Compile to Combat in 24 Hours (C2C24) is the Navy's effort to modernize the afloat end-to-end architecture. Instead of the legacy construct of building and installing multiple servers on the ship, capability providers now develop and field micro services code which will be hosted on shared infrastructure. The result allows the Navy to deploy new software capabilities in under 24 hours, not the 18-month timeframe that's now common.

## **1.3 Enhance IT and Cybersecurity Capabilities**

### **Why This Matters**

The development of an entirely new approach to how we acquire, use, and protect information technology (IT) is critical to our increased agility in business operations. Due to disparate requirements, priorities, and budgets over the years, we have often purchased separate IT systems that do not communicate with one another at both the network and system levels. Leadership in IT requires great foresight in scanning the technological landscape for solutions that will hold long-term relevance. Adaptive management in scaling our IT systems and aligning their architecture with new end-to-end processes will result in outcomes that serve our Sailors' and Marines' needs in the fleet and field enabling them to focus completely on their mission.



**1.3.A » Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)**





### 1.3.A » 3 Focus Areas 20 Initiatives\*

\*As of Oct 2019

#### Data Centers and Cloud Services



**PROBLEM:** The DON possesses many data centers that are geographically separated and not optimized for efficient and effective operation. Additionally, the DON has not implemented the changes required to transition to an architecture that will support cloud-based services across the enterprise.

**SOLUTION:** The DON is developing and implementing plans and procedures for data center optimization and accelerating its transition to secure cloud services in order to create an efficient and effective computing environment.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change ✓ Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
OPNAV (N2/N6)	Update Navy "Cloud First" strategy/policy to accelerate transition to cloud services			○	→	→	●											
SAIM/CIO	Develop a Navy implementation plan to align with and adopt DoD CIO's Enterprise Collaboration and Productivity Services (ECAPS) Defense Enterprise Office Solution						●											
SAIM/CIO	Develop a Marine Corps implementation plan to align with and adopt DoD CIO's Enterprise Collaboration and Productivity Services (ECAPS) Defense Enterprise Office Solution						●											
MCSC	Execute Data Center Optimization Initiative Plan to consolidate and optimize all Marine Corps data centers						●											
SAIM/CIO	Develop DON CIO inventory of cloud-ready systems with associated migration plans and timelines						●											
DC I	Modernize IT by leveraging the Federal "Cloud Smart" Strategy to improve return on investments, enhance security, and provide higher quality services						●											●

#### Enterprise Networks



**PROBLEM:** An increased number of users, coupled with aging networks and inefficient software installations, continually exposes our ashore networks to the threat of over-saturation.

**SOLUTION:** The DON is modernizing its shore IT infrastructure standards to reflect best practices identified by industrial and commercial partners.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
SAIM/CIO	Develop a Navy implementation plan, in coordination with DoD CIO, that supports DoD CIO IPv6 strategy						●											
SAIM/CIO	Develop Marine Corps implementation plan, in coordination with DoD CIO, that supports DoD CIO IPv6 strategy						●											
DC I	Consolidate Domains of the Marine Corps Enterprise Network to centralize, unfragment, and increase ease of defense						●											



## Enterprise Networks (cont'd)

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DC I	Establish Enterprise IT Service Provider(s)		----- ----- ----- -----				----- ----- ----- -----				----- ----- ----- -----			
OPNAV (N2/N6)	Implement Multi-Protocol Label Switching (MPLS) at multiple Navy sites to increase network performance and prepare for future modernization efforts.		----- ----- ----- -----				----- ----- ----- -----				----- ----- ----- -----			

## Spectrum Dependent Systems (SDS)



**PROBLEM:** The Electromagnetic Spectrum (EMS) has become congested and contested by both hostile actors and peaceful civil use. The DON is increasingly challenged to ensure that sufficient spectrum is available for spectrum-dependent systems (SDS) to train, operate, and fight successfully.

**SOLUTION:** The DON is developing and fielding SDS that are more agile, efficient, and resilient to meet mission requirements and accommodate increasing sharing initiatives such as 5G and beyond.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ⇨ Date change ✓ Completed	FY 2020				FY 2021				FY 2022				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
SAIM/CIO	Implement guidance and assess policy effectiveness to ensure that SDS are certified to full operational capability, enabling operational flexibility to share with commercial systems and operate in multiple frequency bands		●	✓											
SAIM/CIO	Develop and promulgate DON Spectrum Supportability Risk Assessment guidance		----- ----- ----- -----	○	⇨	●									
SAIM/CIO	Assess effectiveness of 8 August 2019 policy memo ("Reducing Electromagnetic Spectrum Fratricide") directing all spectrum-dependent systems (SDS) to complete risk evaluation and management steps to reduce the recurrence of electromagnetic spectrum (EMS) fratricide (inadvertent self, friendly, or neutral electromagnetic interference caused by SDS)		----- ----- ----- -----	○	⇨	●									
SAIM/CIO	Establish guidance/policy to streamline commercial broadband 5G/small cell deployment on Navy and Marine Corps property, leveraging the DON's streamlined process for large cell deployment which reduced the overall deployment time from 5+ years to less than one year		----- ----- ----- -----	●	✓										
SAIM/CIO	Develop and promulgate updated DON guidance that depicts acceptable use practices for DON IT		----- ----- ----- -----	●	✓										
SAIM/CIO	Implement guidance and institute governance structure to provide oversight and guidance in the development and implementation of Electromagnetic Battle Space strategy, policy, and doctrine		----- ----- ----- -----	●											





## 1.3.B » Increase DON's ability to deter, detect, defeat, and recover from cyber-attacks

### 1.3.B » 1 Focus Area 6 Initiatives\*

\*As of Oct 2019

#### Cybersecurity Readiness



**PROBLEM:** Our complex, interconnected, global networks are critical to our operational success and provide us with tremendous military advantage. However, that reliance also makes us a target for disruptive and damaging attacks. Attacks on our networks are not new but attempts to steal critical information are increasing in both severity and sophistication. We must act decisively to fully understand both the nature of these attacks and how to prevent further loss of vital military information.

**SOLUTION:** The DON is enhancing the DON's cybersecurity posture and processes to ensure optimization, alignment of authority, accountability and responsibility in the cyber domain that incorporates best practices from both government and industry.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DC I	Implement Marine Corps Network Access Control, Compliance, and Remediation / C2C		●	✓										
ASN (EI&E)	Improve DON mission assurance posture of operational technology (facility related control systems) by completing an inventory of systems and implementing plans, processes, and tools in order to identify, track, respond to, and mitigate vulnerabilities													
OPNAV (N2/N6)	Continue incremental improvement to Navy Cyber Situational Awareness Rapid Deployment Capability until system disposition decision													
NCIS	Provide a shared understanding of cyber capabilities across the Military Department Counterintelligence Organization and mission partners to deliver a whole of government unified depiction of technical and cyber collection efforts across the Department of Defense Information Network and Defense Industrial Base													
SAIM/CIO	Implement Risk Management Framework across the DON													
OPNAV (N2/N6)	Complete first installation of Navy Situational Awareness, Boundary Enforcement and Response (SABER) capability									✓				



## From the deckplate...

### NCIS Streamlines Counterintelligence Operations

NCIS analyzed its existing business processes and eliminated multiple layers of internal review by establishing the Virtual Operation Center (VOC) as a field office in 2019. The VOC's goal is to detect, identify, neutralize, and exploit attempts of foreign intelligence entities (FIEs) to penetrate the Department of the Navy (DON) and erode its warfighting edge. As a result, NCIS was able to decrease the authorization time to initiate seven complex operations, from one year to 60 days, through proactive counterintelligence and counterterrorism initiatives.

## 1.4 Ensure the Best Intelligence, Counterintelligence, and Security Support for DoD Operations

### Why This Matters

In this new era of great power competition, the United States faces adversaries with similar military and strategic capabilities, rogue regimes focused on regional destabilization, and empowered fringe groups and non-state actors seeking mass disruption. Adversaries are rapidly collecting increasing amounts of information on the United States and its military through successful cyber-attacks, exploitation of social media, and other third party sources. Counterintelligence and security support are essential to combatting those activities. The safety of the nation depends on constant efforts to continually fight for an intelligence edge.

➤ **1.4.A » Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage**

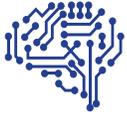




## 1.4.A » 3 Focus Areas 12 Initiatives\*

\*As of Oct 2019

### Intelligence



**PROBLEM:** Great power competition demands an enhanced approach to intelligence and the DON must improve its analytic processes and technology to better recognize threat indicators in today's global security environment.

**SOLUTION:** The DON is establishing policies and operational support teams that will enable a proactive approach to identify threats and risks.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OPNAV (N9)	Refresh the DON's biometric identification capability within the fleet													

### Counter-intelligence and Security



**PROBLEM:** The DON's counterintelligence efforts are largely reactive in nature.

**SOLUTION:** The DON is implementing policies and procedures and establishing dedicated counterintelligence support teams to proactively combat threats from domestic and foreign adversaries.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat >>> Date change ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
DUSN	Create a DON Insider Threat Hub to Initial Operating Capability (IOC)		●	✓										
DUSN	Promulgate a DON counterintelligence plan		○	>>>	●									
DC I	Provide dedicated counterintelligence analytic support to Marine Corps-related Committee for Foreign Investment in the United States cases and insider threat program		●	✓										
DC I	Create and resource regionally-aligned counterintelligence support teams for Marine Corps to provide support for critical infrastructure and fielded technologies		●											
DUSN	Expand capability of DON Insider Threat Hub to Full Operational Capacity (FOC)					●								
NCIS	Generate increased NCIS actions that disrupt and deny growing threats attempting to penetrate critical DON programs; compromise the integrity of the DON acquisition program; and threaten the security of naval forces—by leveraging an expanded Master-at-Arms program													●





## *From the deckplate...*

### **The Navy Embraces the Digital Age through MyNavy HR**

The MyNavy HR Transformation team rapidly delivers business process and IT solutions to the Fleet. Recent initiatives include releasing MyPCS Mobile, MyNavy Family App, and the E-4 to E-6 Advancement Dashboard. Modernizing MyNavy HR remains one of the Secretary of the Navy's and Chief of Naval Operations' top priorities and the Navy's transformation team is at the heart of this effort.

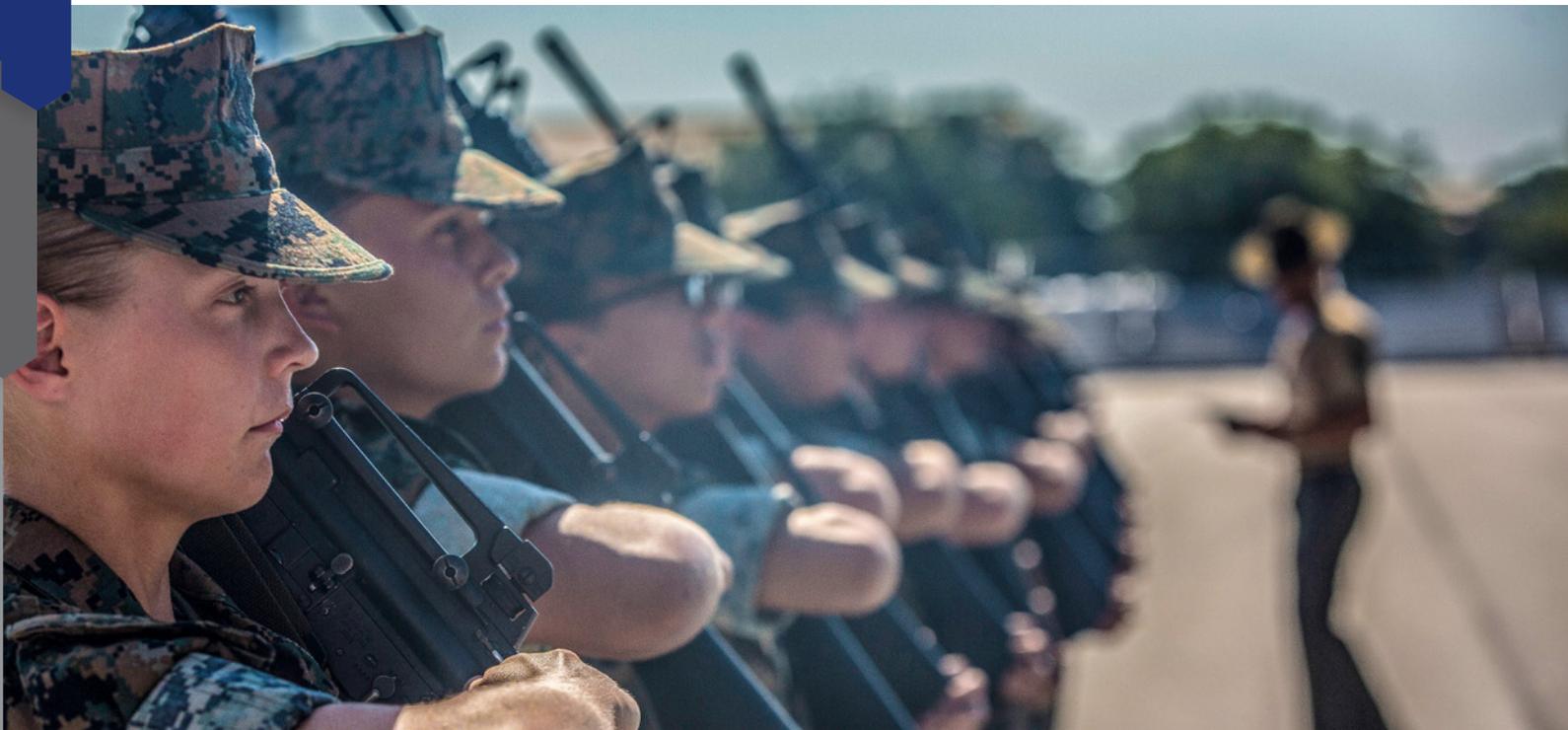
## **1.5 Implement Initiatives to Recruit and Retain the Best Total Force to Bolster Capabilities and Readiness**

### **Why This Matters**

Future military operations will take place in complex and uncertain operational environments. The entire DON workforce – not just the warfighter – needs to be capable of quickly integrating new capabilities, adapting and adjusting warfighting approaches, and making decisions by utilizing the best information available. Development of those capabilities requires that the Department provide the workforce with the necessary tools and training. Further, the DON must create an environment where learning is a continuous process, and knowledge is shared across the organization. The DON must also develop agile and efficient processes to identify evolving workforce skill requirements and workforce mix strategies.



***1.5.A » Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs***





# 1.5.A » 3 Focus Areas 27 Initiatives\*

\*As of Oct 2019

## Military Personnel



**PROBLEM:** Our legacy operating model, which was designed before most of our Sailors and Marines were born, causes administrative disconnects and training disruptions that leave the Fleet and Marine Operating Force less than optimally manned and trained.

**SOLUTION:** The Department is modernizing the Navy's human resources systems. It is focused on effectively recruiting, developing and managing the force of tomorrow, transforming how human resources — personnel, pay and training — services are offered throughout a service member's entire career by delivering services to Sailors and Marines and their families with increasing speed and accuracy, and improving readiness.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	»» Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
OPNAV (N1/CNP)	Improve and modernize military personnel management operations through increased automation and process improvements, by implementing a detailing marketplace and by enhancing career flexibility through rating modernization			●	✓												
DC M&RA	Modernize Marine Corps Manpower organizations, processes, and systems to achieve the human resources demands of Force 2025. Produce Marine Corps Manpower Modernization Plan which balances enterprise risk across M&RA's five Modernization goals			○	»»	●											
DC CD&I	Modernize Marine Corps occupational specialties			●	✓												
DC M&RA	Reform Marine Corps Special Duty Assignment Pay by accurately targeting incentives to attract qualified Marines to volunteer for hard-to-fill, critical assignments			●	✓												
OPNAV (N1/CNP)	Establish MNCCs to enable 24/7 self-service options, call center availability, shared services capabilities, and transactional support			○	—	●											
DC I	Zero-Based Review of IT Workforce to determine the costs, skill sets, service delivery value, and service quality of the IT support environment			●	—	✓											
OPNAV (N1/CNP)	Establish a cloud based environment to deliver, track and assess modernized training content that accommodates DoD Controlled Unclassified Information (CUI) (e.g., FOUO) (FY20)			○	—	●											
DC M&RA	Execute Marine Corps Business and Support Services Reforms and Non-Appropriated Fund (NAF) efficiencies (e.g., shared services, outsourced supply chain, standardized procurement and staffing, etc.)			○	—	●											
OPNAV (N1/CNP)	Implement the Culture of Learning (individual and team development through Warrior toughness, Deliberately Developmental Learning Organization (DDLO), & character development) in the Learning Continuum			○	—	●											



Military Personnel (cont'd)

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
OPNAV (N1/CNP)	Implement MyNavy HR's adoption of Artificial Intelligence and Machine Learning by aggressively leveraging automation, machine learning, and cognitive models in the areas of training support, decision support, and robotic process automation			■	■	■	■	■									
OPNAV (N1/CNP)	Deliver an improved PCS move experience including mobile tools, decreased financial burden and HHG schedule support			■	■	■	■	■									
ASN (M&RA)	Determine operational requirements and transform personnel incentives to recruit and retain critical wartime medical specialties in the active and reserve components			■	■	■	■	■									
OPNAV (N1/CNP)	Release initial mobile version of MyNavy Portal			■	■	■	■	■	■								
OPNAV (N1/CNP)	Deliver modernized accession level training content for the next 16 Navy enlisted ratings through the Ready Relevant Learning fielding and delivery process, ensuring every Sailor receives the appropriate level of training at the real world point of need			■	■	■	■	■	■	■							
OPNAV (N1/CNP)	Support Fleet rollout of a Navy-Wide Culture of Excellence to achieve warfighting lethality by fostering mental, physical, and emotional toughness; developing organizational trust and transparency; and promoting connectedness between every Sailor, Family Member and Civilian employee			■	■	■	■	■	■	■	■	■	■	■	■	■	■
ASN (M&RA)	Review elements of military compensation, to include bonuses and allowances, to accomplish more efficient administration and use of funding			■	■	■	■	■	■	■	■	■	■	■	■	■	■
DC M&RA	Continue programs to increase rates of personnel readiness by reducing the numbers of Marines Awaiting Training (MAT) at formal learning centers			■	■	■	■	■	■	■	■	■	■	■	■	■	■
DC M&RA	Continue design, development, and deployment of Marine Corps Human Resource Management System modernization effort; move applications to the cloud and refactor/reprogram applications to make them mobile friendly			■	■	■	■	■	■	■	■	■	■	■	■	■	■



## Civilian Workforce



**PROBLEM:** The DON's human capital practices lag behind industry's, hindering its ability to compete for talent and respond in an agile manner with a workforce capable of meeting the challenges of a rapidly changing global environment.

**SOLUTION:** The DON is creating and implementing workforce solutions focused on acquiring the right talent at the right time and then developing and retaining its workforce to meet the Department's changing mission needs.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (M&RA)	Finalize and begin execution of the 2019-2030 DON Civilian Human Capital Strategy initiatives			✓										
ASN (M&RA)	Provide leadership and engage with DoD in executing 100% of the Defense Civilian Human Resources Management System (DCHRMS) SaaS/Cloud required implementation activities to ensure minimum disruption to the processing of DON civilian human resource transitions and hiring at migration													
ASN (M&RA)	Continue "Hiring is a Team Sport" initiative with targeted focus on improving civilian time to hire by 2% in FY2020 toward meeting the 80-day OPM government standard													

## M&RA's Human Capital Strategy

The DON's Human Capital Strategy aims to enable the DON to build a world-class workforce experience, motivated by the mission, operating within a modern environment with "always on" opportunities for continuous learning and career mobility to drive optimal organizational and individual performance powered by unfettered access to consumer-grade digital platforms.





**Total Force**



**PROBLEM:** There are two critical issues that span the DON workforce: ethics and safety. Engagement in unethical or illegal behavior by the DON workforce can and has degraded the readiness of the organization. In addition, the DON continues to experience non-combat related injuries, fatalities, and mishaps that undermine the DON's ability to execute mission-critical tasking, even when Sailors and Marines are successfully trained.

**SOLUTION:** The DON is providing detailed guidance, procedures, and training that reinforce ethical standards for Sailors, Marines, and civilians and create a workforce that is aware of and avoids ethical pitfalls. The DON is also focusing on safety education, tracking, and oversight to reduce both mishaps and non-combat fatalities.

OPR	Initiative	Key: ○ USN ● USMC	○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
OGC	Develop a streamlined documentation and reporting process for reporting information regarding ethics training and ethics violations in order to better identify trends that will be incorporated in future ethics training and guidance		✓														
ASN (EI&E)	Further strengthen DON-wide safety programs, procedures, oversight and tracking mechanisms; ASN (EI&E) will lead initiatives to improve mishap and near-miss reporting, leverage data analytics to generate leading indicators, roll-out the Secretary's Safety Awareness campaign, and strengthen safety training programs																
HQMC (BRB)	Charter a Travel Reform Initiative Working Group (TRIWG) to plan and execute a series of projects to streamline travel processes and systems that will improve travel experience																
ASN (M&RA)	Continue transformation and integration effort for the Board for Corrections of Naval Records (BCNR) application and boarding process through full implementation of a fully integrated case tracking system that provides 100% transparency and systematic actions to enable compliance with congressionally mandated timelines																
ASN (M&RA)	Transform the Council of Review Boards (CORB) technology, through fully digital and holistic case management by integrating processes and systems to automate non value added manual/human tasks and reduce processing time																
OGC	Provide ethics updates, advice, and training opportunities to all DON employees on a continuous basis. Develop new annual ethics training each fiscal year to ensure training is specific to the ethical midsteps identified during the previous training cycle																→



## NDS Line of Effort 2: Strengthen Our Alliances and Attract New Partners

“

Mutually beneficial alliances and partnerships are crucial to our strategy, providing a durable, asymmetric strategic advantage that no competitor or rival can match. This approach has served the United States well, in peace and war, for the past 75 years...Every day, our allies and partners join us in defending freedom, deterring war, and maintaining the rules which underwrite a free and open international order.

### — National Defense Strategy

”

Strengthening alliances and partnerships is vital to U.S. national security and represents one of the core missions of the DON. When advancing our national interests, U.S. naval forces normally operate far from American shores, while leveraging a constellation of alliances and partnerships to implement our National Defense Strategy.

The interconnected nature of our national security interests underscores the importance of nurturing and strengthening strategic relationships and reinforcing our traditional alliances and partnerships. This entails working with our allies and partners to:

- Facilitate interoperability with U.S. naval forces;
- Provide U.S. naval forces access to key naval capabilities and technologies;
- Plan security cooperation events, personnel exchanges, and quality professional military education and training; and
- Conduct staff talks and key leader engagements to advance vital relationships.

Our security cooperation initiatives are designed to build and develop allied and friendly security capabilities for self-defense and multinational operations. These initiatives contribute to building critical trust and yielding overseas access for the U.S. Navy and Marine Corps team during peacetime or contingency operations. Although currently successful, the DON's efforts cannot become stagnant. Rapidly changing international power dynamics, shaped by changing financial flows and technological disruptions, demand that we continuously assess our policies and international arrangements and measure the results we expect from our cooperative efforts.



## From the deckplate...

### U.S. and its Allies Train Together: Atlantic

The 47th annual Baltic Operations (BALTOPS) 2019 ended on 21 June 2019 and included participation from 18 nations, 8,600 personnel, 50 ships and 2 submarines. BALTOPS is a joint, multinational maritime-focused exercise that includes air, maritime, and ground assets and provides a unique training opportunity designed to foster and sustain cooperative relationships that are critical to ensuring the safety of sea-lanes and security of the Baltic region. This exercise marked the first time that 2nd Fleet had operated in the European Theater and the first simultaneous amphibious operations in both the Eastern and Western Baltic Sea. “The end state of the exercise is to build readiness. That readiness shows a cohesion in NATO and our allies and partners. It shows unity and commitment to security globally, not just in the Baltic”: Vice Adm. Andrew Lewis, Commander U.S. 2nd Fleet (C2F).

### U.S. and its Allies Train Together: Pacific

Australia and the US concluded the biennial combined training exercise Talisman Sabre 2019 (TS19) in July 2019. The exercise, the largest to date, was designed to enhance combat readiness and interoperability between the United States and its Indo-Pacific allies and included over 34,000 personnel, 22 ships, and over 200 aircraft. This exercise highlighted the critical integration of U.S. Marines and sailors with Australian and Japanese units and ships. Forces from Australia, Canada, Japan, New Zealand, and the United Kingdom as well as delegations from India and the Republic of Korea participated in the exercise.

## 2.1 Reform the Security Cooperation Enterprise

### Why This Matters

The United States is a maritime nation, bounded by two oceans and bordering a third. The Nation is connected to the rest of the world by the global commons of the sea and relies upon our naval services to protect them. Our allies and partners on distant shores, as well as those nearby, greatly enable and enhance America’s economic and security future. Therefore, strengthening those alliances and partnerships is vital to U.S. national security, continued prosperity, and our way of life.



**2.1.A » Implement a more strategic, coordinated approach to security cooperation**





## From the deckplate... continued

### Strengthening Alliances

In 2019 the DON successfully reviewed and improved the process by which the Department ensures that services ordered from host nations align with the agreements already in place, specifically in the Naval Forces Europe/Africa (NAVEUR/NAVAF) Region. Host Nation agreements in NAVEUR/NAVAF were reviewed, payment methods and procedures were reformed,

and new business processes were developed with the necessary internal controls to ensure all commitments are properly authorized and honored. A new Acquisition and Cross-Servicing Agreement (ACSA) instruction for NAVEUR/NAVAF has been signed and this regional success is being considered to be scaled DON-wide to improve the process through which we engage with allies and partner nations to support our forward deployed force projection.

## 2.1.A » 2 Focus Areas 7 Initiatives\*

\*As of Oct 2019

### Allies and Partners Synchronization



**PROBLEM:** Security cooperation activities are currently program and organization-specific with minimal synchronization across the Department; this wastes resources and risks sending inconsistent messages to our allies and partners.

**SOLUTION:** The Deputy Under Secretary of the Navy (DUSN) is developing DON policies to clarify priorities, leverage authorities, and sharpen tools to optimize naval security cooperation efforts globally in accordance with the National Defense Strategy.

OPR	Initiative	Key: ○ USN ● USMC	○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
DUSN	Develop a DON Security Cooperation Strategy focusing on synchronizing and optimizing naval security cooperation plans and efforts																	
DUSN	Pursue policies and authorities to increase admission and graduation rates of foreign midshipmen to the U.S. Naval Academy																	
DUSN	Increase priority partner participation in Department of the Navy sponsored professional military education and training																	
ASN (RD&A)	Implement Navy International Programs Office (NIPO) Strategic Guidance																	

### Security Cooperation



**PROBLEM:** The DON lacks appropriate mechanisms to monitor and evaluate security cooperation initiatives and to ensure that the outcomes of these initiatives support both the DON's priorities and the National Defense Strategy.

**SOLUTION:** The DUSN is establishing a process to continuously evaluate and validate the Department's security cooperation efforts across the Secretariat and Services in order to ensure that efforts are consistent with the National Defense Strategy and that security cooperation reforms are being fully implemented.



OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OPNAV (N3/N5)	Implement security cooperation activities that counter Chinese and Russian efforts to influence nations; that enable partners to counter threats from Iran and North Korea; and that ensure US access to enable a superior geo-strategic position over adversaries	● ✓												
DC PP&O	Develop updated Service doctrine to plan, coordinate, execute, monitor, evaluate, and report Security Cooperation activities more effectively and efficiently	● ✓												
DUSN	Reform the DON Security Cooperation Workforce through implementation of new professional education standards and career milestones	●												





## NDS Line of Effort 3: Reform the Department's Business Practices for Greater Performance and Affordability

“

We must transition to a culture of performance where results and accountability matter. We will put in place a management system where leadership can harness opportunities and ensure effective stewardship of taxpayer resources. We have a responsibility to gain full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people.

– National Defense Strategy

”

Building the naval forces to address emerging challenges requires a critical, self-assessment in every supporting function across the Department. For example, incorporating best practice management methods and uses of technology ultimately improve visibility and accountability in DON mission areas. This will inform better data and risk-based decision making – emphasizing agility over bureaucracy. The key is implementing business reforms that yield significant savings, as well as more incremental ones, in order to free up capital to fund our large capital requirements.

The DON realigns incentive and reporting structures to increase speed of delivery, enables design tradeoffs in the requirements process, expands the role of warfighters and intelligence analysis throughout the acquisitions process, and utilizes non-traditional suppliers. Prior to defining requirements and using commercial-off-the-shelf systems, the DON utilizes prototyping and experimentation. Creating a culture of agility, accountability, and continuous learning allows us to accomplish our business reform objectives. In doing so, we build a flatter and faster organization in which data is verified, processes are clear and understood, and business controls lead to informed decisions.



## *From the deckplate...*

### **Navy Data Platform Consolidates Business Intelligence Capabilities**

The Navy Data Platform (NDP) is a standardized business intelligence and data platform that supports Navy supply-chain data-analytic capabilities. It is designed to improve data-driven decision-making at strategic and tactical levels by establishing and optimizing business processes that increase readiness through access to data and self-service analytics. The NDP replaces two data warehouse and business intelligence systems and incorporates data governance, improves data security, and enhances data quality making it secure, traceable and auditable.

### **Maximizing Opportunities for Small Businesses**

The DON exceeded its overall annual goal for the percentage of contracts awarded to small businesses (18.29% achieved vs 14% goal). This resulted in the total value of contracts awarded to small business primes increasing by \$2.8B from just two years ago to over \$16B. Goals were exceeded in all small business sub-categories including Small Disadvantaged (6.45% achieved vs 5% goal), Women Owned Small Business (3.01% achieved vs 2.55% goal), Service Disabled Veteran Owned (2.56% achieved vs 2.1% goal), and HUB Zone (1.26% achieved vs .98% goal).

## **3.1 Improve and Strengthen Business Operations Through a Move to DoD-Enterprise or Shared Services; Reduce Administrative and Regulatory Burden**

### **Why This Matters**

The DON's business functions are inextricably linked to warfighting capability and readiness. Strengthening our business operations better serves the Sailors, Marines, and civilians who need spare parts, ammunition, fuel, and supplies at the right time and place to accomplish their mission. Innovative business reform delivers greater organizational agility and frees up resources to reinvest in greater lethality.



***3.1.A » Increase the use of data analytics and artificial intelligence in DON-wide decision making***





## 3.1.A » 2 Focus Areas 10 Initiatives\*

\*As of Oct 2019

### Enterprise Data Quality, Standards, Integration, and Investment



**PROBLEM:** The Department lacks an enterprise framework for integrating data and analytics with process and mission performance outcomes, as well as information system portfolios and services roadmaps. This challenges the DON's ability to deliver insights to support agile decision making.

**SOLUTION:** The DON is supporting the development of the DoD Data Strategy and will create a DON implementation plan that focuses on governance, workforce, readiness, and tools/technology.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	»» Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
SAIM/CIO	Develop a DON Implementation Plan for the DoD Data Strategy focusing on governance, workforce, readiness and tools/technology			○	»»	●											
SAIM/CIO	Establish metrics (e.g., quality, accessibility, timeliness, etc.) for DON strategic data elements			○	»»	●											
SAIM/CIO	Gather, track, and report on DON data metrics at the BOMC			○	»»	●											
SAIM/CIO	Develop and promulgate a DON Data Architecture to enforce investments, systems development, and POM planning			○	●	✓											
SAIM/CIO	Establish and implement a DON-wide data literacy program			○	●												
SAIM/CIO	Establish standardized specifications for strategic information exchanges			○	●												
SAIM/CIO	Execute the DON Implementation Plan for the DoD Data Strategy																●
SAIM/CIO	Develop and approve data policies governing the use, release, and disposition of DON data																●

### Improved Decision Making



**PROBLEM:** The future strategic use of data and information will shape the ongoing great power competition as outlined in the 2018 National Defense Strategy.

**SOLUTION:** The DON is incorporating and leveraging Artificial Intelligence, Machine Learning and increasing data transparency to more rapidly scan, synthesize and precisely analyze information to aid decision makers.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	»» Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
DC CD&I	Enhance Marine Corps strategic management decision support capabilities																●
ASN (RD&A)	Continue to increase the use of artificial intelligence, machine learning, and data transparency																●



## 3.1.B » Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

### 3.1.B » 4 Focus Areas 27 Initiatives\*

\*As of Oct 2019

#### Business Systems



**PROBLEM:** The current enterprise systems environment is comprised of many complex systems. This has created inefficiencies and presented challenges during the financial statement audits.

**SOLUTION:** The DON will aggressively deploy an enterprise systems architecture that will guide future investments and capabilities through conducting systems mapping, defining target system architecture, and ensuring investments in both new capabilities and modernization of existing capabilities are aligned to the target systems architecture.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	»»» Date change ✓ Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
DON OCMO	Establish the DON Business Enterprise Architecture (BEA) and DON Enterprise Knowledge Repository (EKR) suite of tools to support portfolio management																	
OPNAV (N4)	Develop the Navy Logistics IT Digital Transformation Plan																	
OPNAV (N1/CNP)	Integrate Navy Personnel and Pay System																	
OPNAV (N1/CNP)	Rationalize Navy Manpower, Personnel, Training, & Education systems portfolio by First Quarter FY 2021 and integrate remaining systems into a cloud-hosted system by FY 2023																	
DON OCMO	Streamline the Military Standard Requisitioning and Issue Procedures (MILSTRIP) process by consolidating over forty (40) legacy Supply Systems into an integrated systems environment with the goal of reducing Supply Systems by 20 - 30%, and by reducing MILSTRIP-related Unmatched Transactions (UMTs) by at least 40 - 50% from current UMT counts and amounts																	
DON OCMO	Design and implement a structured, integrated, and auditable contract management process to improve accuracy and efficiency, reduce the number of contract writing and entitling systems, reduce DON's handoffs with multiple agencies, and remediate audit findings																	



## Enterprise Risk Management (ERM)



**PROBLEM:** The DON lacks a consistent and standardized approach for identifying and managing enterprise risks and performance across the Department. This creates significant challenges regarding successful execution of the DON's strategic goals. Historically, risks have been managed within functional silos, but the DON must move to a more holistic enterprise framework and approach in order to sustain operational and strategic readiness.

**SOLUTION:** The DON is establishing a foundation for enterprise risk management to provide timely insight and to make critical decisions that lead to meeting strategic objectives that increase our readiness and lethality.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	➤ Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
DON OCMO	Establish the foundation for DON ERM through a Concept of Operations (CONOPS)			●	✓												
DON OCMO	Develop an ERM Training and Strategic Communications Plan with stakeholder analysis and associated training materials to support ERM implementation in the DON			○	➤					●							
DON OCMO	Initiate ERM SES and AO training for major Navy and Marine Corps HQ organizations as part of Implementation			○	➤												
DON OCMO	Execute a Top-Down Enterprise Risk Assessment of the objectives of the revised DON BOP to create the Baseline Enterprise Risk Profile			○	➤												
DON OCMO	Publish DON ERM Implementation Guidance			○	➤												
DON OCMO	Implement ERM across the DON in a phased approach																●

## Small Business Inclusiveness



**PROBLEM:** Many times, when the Navy publishes Requests for Proposals (RFPs), only those companies that have successfully navigated the red tape of government are positioned to respond. As a result, several small businesses, who could have otherwise provided competitive services at a lower cost to the government, are precluded from submitting RFPs. Therefore, the same companies continually compete with very little chance of new competition entering the marketplace.

**SOLUTION:** Through a small business enterprise strategic framework, the Navy is encouraging acquisition opportunities where small businesses can best support Sailors, Marines, and their families through policy, advocacy, counseling, and training. This increases the likelihood that the best small business companies are competing for the work.

OPR	Initiative	Key: ○ USN ● USMC	○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
OSBP	Analyze small business survey results and develop plan of action and milestones			○	●	✓											
OSBP	Increase small business spend annually at both the prime and subcontract level by educating industry on DON contract opportunities in support of the Navy and Marine Corps																●
OSBP	Create a cadre of supporters who can educate and advocate for small business by selecting five acquisition professionals annually to participate in the OSBP rotational excellence program																●



## Reform Business Operations



**PROBLEM:** The Department lacks an enterprise framework for integrating data and analytics with process and mission performance outcomes, as well as information system portfolios and services roadmaps. This challenges the DON's ability to deliver insights to support agile decision making.

**SOLUTION:** DON business reform efforts encompass more than cost cutting – they focus on developing agile and accountable business processes and systems. Business Operations Plan initiatives are actively tracked and analyzed, and performance results are included as part of Business Operations Management Council risk management proceedings.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change ⇨ Completed	FY 2020				FY 2021				FY 2022						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
DON OCMO	Establish a strategic plan, critical success factors, and performance measures for conducting a Supply Chain Process Reengineering and Improvement across the DON			○	⇨	●												
DON OCMO	Establish the governance, and commission an empowered Working Group to perform on the Supply Chain BPR Strategic Plan and Priorities			○	⇨	●												
DC I&L	Consolidate Marine Corps' logistics-related databases, SW services, and sustainment contracts ICW the Logistics Data Services Plan			○	⇨	●												
DC I&L	Publish MCO 4400.201 Volume 9 - Enterprise Inventory Control in order to codify, update, and establish policy guidance and direction from Service-level materiel management/inventory control operations, processes, and procedures			●	⇨	●												
MCSC	Reform IT Contracting to increase synergies and interoperability of Marine Corps IT support service contracts			●	⇨	●												
ASN (EI&E)	Develop and implement the Governance strategy to enhance DON oversight of privatized housing programs, and work with partners to improve the financial viability of DON MHP initiatives and business operation construct			●	⇨	●												
DC I&L	Execute enterprise divestment strategy to excess stocks in stores in order to support efficient inventory management			●	⇨	●												
DMCS	Provide 6-month updates on the development, implementation and monitoring of elimination of duplication-related organizational changes			●	⇨	●												
HQMC (BRB)	Develop and implement software applications designed to replace manpower tasks in order to replace highly manual, repetitive, labor intensive and error prone business processes with automated robotic processes			●	⇨	●												
DON OCMO	Develop metrics to measure agility and increase efficiency and effectiveness in business operations			●	⇨	●												
DON OCMO	Refine and improve DON methods to collect, analyze, and report performance measures and productivity metrics to enable decision-makers to track the progress made on BOP strategic objectives			●	⇨	●												





## From the deckplate...

### NavalX: An RD&A Innovation Hub

NavalX was created February 2019 to more centrally facilitate rapid adoption of proven agility-enhancing methods across the DON and create regional Naval Tech Bridges across the country to better connect Naval organizations and the private sector. To do that, NavalX partners with leading innovators and agile teams that will learn, share, and help bring these methods to a wider audience. In addition, NavalX shares and highlights these tools and methods through Playbooks and through Department of the Navy's Agility and Accountability Awards Program [A3P].

### The DON Awards Top Ideas for Innovation

The A3P recognizes top Department of the Navy (DON) individuals or teams who demonstrate dedication and leadership in increasing agility and accountability within the DON in the following initiative categories: Agile Acquisition; Agile Technology; Agile Policy Reform; Data-Driven Agility; Agile Warfighting; Agile Leadership; and Agile Authorship. NavalX provides an avenue for capturing and submitting top ideas for innovation through A3P and supports submission through their website: <https://www.secnav.navy.mil/agility/Pages/awards.aspx>.

## 3.2 Optimize Organizational Structures

### Why This Matters

DON organizations and processes are rapidly innovating in order to meet the challenges of an increasingly complex global security environment. The DON is continuously assessing and adapting its organizational structures to provide improved support to its warfighters through efficient and effective processes that focus on creating a more lethal force. Organizational structures that have limiting impacts on lethality or performance are being consolidated, eliminated, or restructured. Revised management structures and processes are empowering warfighters with the knowledge, equipment, and support systems that ensure they are ready to fight and win.



**3.2.A » Reduce redundancies across the enterprise (to include Office of the Chief of Naval Operations [OPNAV]; Headquarters, Marine Corps [HQMC]; and Secretariat) to achieve cost savings and improve agility**





### 3.2.A » 2 Focus Areas 11 Initiatives\*

\*As of Oct 2019

#### Enhance Organizational Structure



**PROBLEM:** The DON lacks sufficiently agile business operations that employ faster access to information, streamlined processes, and rapid decision-making.

**SOLUTION:** The DON is reviewing the current Functional Area Manager construct and replacing it with a portfolio management concept.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	»» Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
DON OCMO	Develop a new portfolio management construct across the DON, to replace the current FAM IT-centric concept			○	»»	●											
DON OCMO	During FY20, the DON OCMO will complete Phase 2 of the DON GAO-OIG Audit Management Process. Phase 2 consists of implementation of new SECNAVINST(S) and a new relational database			○	»»	●											
DON OCMO	Update BPR training and provide Train the Trainer (T3) classes to DON commands that need to complete BPR as a part of a Business System funding request																
DON AA	Reform DON Task Management System by implementing a less costly, more efficient task management system to replace the outdated DON Tasking, Records, and Consolidated Knowledge Enterprise Repository system																
DON OCMO	Implement the new portfolio management construct																

#### Special Assistant for Information Management/ Chief Information Officer

Current governance for information management, data readiness, digital strategy, and cyber security functions are dispersed throughout the DON. There is no strategic center or resourcing activity for key technologies such as cloud, artificial intelligence, and next generation Command, Control and Communication that support the NDS. Based on recommendations from the Secretary of the Navy’s Cybersecurity Readiness Review, and Information Management Tiger Team report, and in full coordination with the DoD CIO, the DON established a Special Assistant to the Secretary for Information Management/CIO [“SAIM/CIO”]. The SAIM/CIO serves as a Principal Staff Assistant for the Secretary of the Navy with the support of two deputies, a Flag/General Officer from the Navy and one from the Marine Corps.



## Education for Seapower



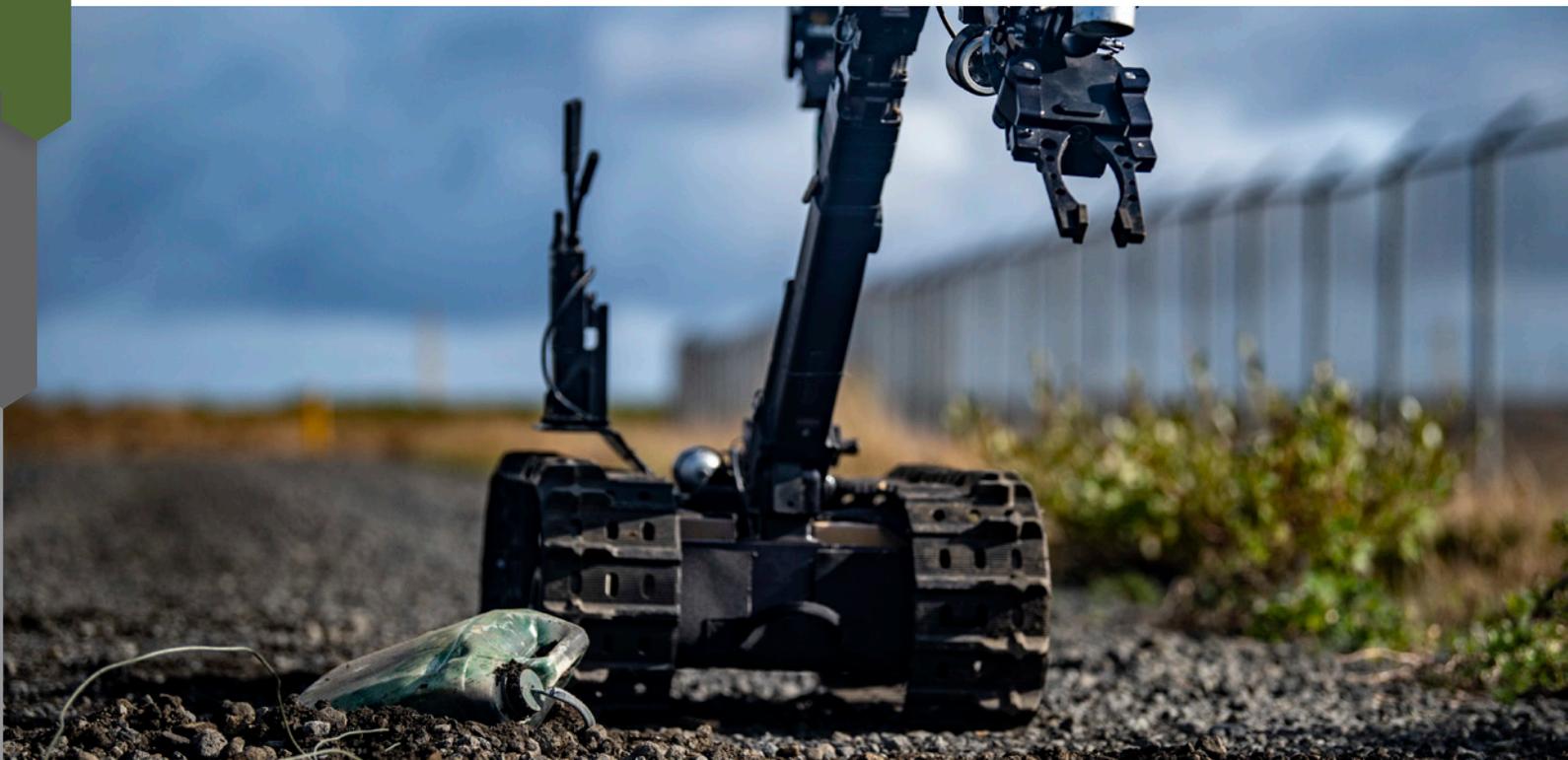
**PROBLEM:** A new age of great power competition and strategic complexity has dawned, finding our former competitive edge relatively diminished. The lethality of our force will further diminish if we do not improve the intellectual development of our naval leaders and their abilities to create more agile and resilient strategies to dissuade our potential adversaries, and when necessary, to prevail in conflict.

**SOLUTION:** A revolution in the art and science of learning is currently taking place, and the DON is applying a deeper and more holistic understanding of learning psychology to create a culture of knowledge-based continuous learning throughout the Naval Services.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	Date change ➤ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
CLO	Appoint a Technical Adviser to the Naval University System			●	✓												
CLO	Develop a Naval Education Strategy			●		✓											
CLO	Create a FITREP/EVAL category for Learning			●	➤	➤	●										
CLO	Conduct naval review of Joint Professional Military Education			●	➤	➤	●										
CLO	Establish a Naval Community College									●	✓						
CLO	Ensure all future Flag/General Officers attend in-residence strategic education																✓

## Education for Seapower Study

We must raise individual and organizational learning to the level of a warfare enabler. To achieve that goal, the Under Secretary of the Navy created the Education for Seapower [E4S] study team to conduct a comprehensive study of learning to glean the best possible array of ideas from academia, corporate America, and the military on educating for seapower. The Secretary of the Navy subsequently approved the study team's recommendations, which are now initiatives in the BOP.





## From the deckplate...

### Navy ERP Now Entirely Cloud-Based, 11 Months Ahead of Schedule

Navy ERP is now an entirely cloud-based, operating significantly faster in memory-data storage and processing. This Tech Refresh, the largest ERP SAP cloud migration to date in North America, was planned as a 20-month project but was accomplished on an accelerated schedule in just nine months. In addition to delivering an enhanced and positive customer experience and enhancing data-driven decision-making, the shift of Navy ERP to the cloud supports the Navy’s goal to create a single, unclassified general ledger. It also accelerates enterprise cloud adoption in conjunction with the Department of Defense’s “Cloud First” initiatives.

### The Navy’s Material Accountability Campaign is a Success!

During 2019, Naval Air Stations Lemoore, Whidbey Island and Patuxent River participated in Material Accountability Campaigns to identify previously unlogged aviation material (consumable and repairable). As a result, the combined three Naval Air Stations discovered parts valued over \$32 million. Of those parts, the Navy repurposed or added into the global supply system, approximately \$16 million. Analysis of the material showed a significant demand in the supply system for Super Hornets/ Growlers material. NAVAIR and NAVSUP are processing these items into the supply system to fill backorders.

# 3.3 Undergo an Audit and Improve the Quality of Budgetary and Financial Information that is Most Valuable in Managing the DoD

## Why This Matters

The American taxpayers hold the DON accountable for every dollar entrusted to it and expect transparency on how the Department uses that money to buy and build weapon systems and facilities; recruit, train and develop personnel; build a secure information technology infrastructure; and accomplish its mission. Full financial statement audits provide comprehensive assessments of how resources are invested and what the DON receives for its investments. This information enables the DON to fulfill its obligation to the American taxpayers and facilitates better analysis and forecasting of readiness and required investments that will improve the lethality of the warfighters.

**» 3.3.A » Institutionalize annual audit and remediation, and establish a near-term path to a clean opinion**





### 3.3.A » 6 Focus Areas 18 Initiatives\*

\*As of Oct 2019

#### BOP Strategic Objective 3.3.A is Unique

Strategic Objective 3.3.A is informed by Audit, and is unique in that the annual Audit Reports are released after publication of this document each Fiscal Year. These Audit Reports inform and drive what focus areas will be the DON's priorities in financial management for any given fiscal year. The audit is intended to help the DON learn about business processes that impact our financial statements and take on required improvements. The Independent Public Accountants and DON audit remediation efforts move quickly in an ever-changing environment over the course of each audit and as a result of these unique dynamics, this section of the BOP can be expected to change with new and/or removed focus areas over the course of the year.

#### Accounting Systems Consolidation



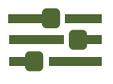
**PROBLEM:** The DON's current enterprise business system environment is complex and consists of many legacy and non-audit compliant systems and interfaces. This environment is costly to maintain and lacks the system interoperability necessary controls and standardizations to support audit examination. Information within systems often cannot be traced to the point of origination or is not sufficiently supported by transaction documentation.

**SOLUTION:** The DON is reducing the total number of accounting systems to two by FY 2020 with the ultimate goal of having only one accounting system, the Navy Enterprise Resource Planning System (ERP). The DON is expanding the financial management functionality in the Navy ERP to include processing receipt, acceptance, and Treasury disbursement operations for vendor and contract payments. The Department is re-engineering other business processes and enforcing systems compliance with data standards.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat	➤ Date change ✓ Completed	FY 2020				FY 2021				FY 2022					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
ASN (FM&C)	Migrate non-ERP legacy accounting systems to the Standard Accounting, Budgeting, and Reporting System (SABRS)		✓	●													
ASN (FM&C)	Implement Treasury Direct Disbursing for ERP and existing Marine Corps and Navy personnel and pay systems (MCTFS and OnePay)			○	➤	●											
ASN (FM&C)	Shut-down legacy general ledger systems except SABRS																
ASN (FM&C)	Implement G-Invoicing (Inter-governmental Transactions)																
ASN (FM&C)	Consolidate two accounting systems to one (DON ERP)																
ASN (FM&C)	Upgrade Navy ERP expanding its financial functionalities for End-to-End Business Processes																
ASN (FM&C)	Implement Treasury Direct Disbursing for Navy's new integrated Navy Personnel and Pay system																



### IT General Controls



**PROBLEM:** The DON needs to ensure these IT general controls are in place and operating effectively, specifically as we redesign our system environment through consolidation and modernization.

**SOLUTION:** By implementing the new risk management framework within the entire IT acquisition process from beginning to end, the DON is enabling increased oversight, security controls, and interoperability. The DON is leveraging new technologies and retiring legacy systems to accelerate its transition to a modern and secure system environment.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (FM&C)	Implement Managers' Internal Control Program					●								
ASN (FM&C)	Address ITGC Material Weakness areas									●				

### Real Property



**PROBLEM:** Initial audits have highlighted weaknesses in the DON's processes to properly account for our real property assets.

**SOLUTION:** The DON is conducting real property asset existence and completeness inventories and improving end-to-end processes.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (FM&C)/ ASN (EI&E)	Design, develop, implement, test internal controls to sustain E&C		●		✓									
ASN (FM&C)/ ASN (EI&E)	Establish valuation baseline and implement sustainable processes to properly account for real property assets					●								

### Inventory and Operating Materials & Supplies (OM&S)



**PROBLEM:** The DON's processes, controls, and systems are non-standard and decentralized.

**SOLUTION:** To manage item quantity, condition, and location, the DON is improving oversight procedures, identifying gaps in key controls with a re-engineered process, and establishing baselines for the populations of its items.

OPR	Initiative	Key: ○ USN ● USMC ○ Secretariat ⇨ Date change ✓ Completed	FY 2020				FY 2021				FY 2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASN (FM&C)	Establish valuation functional requirements					●								
ASN (FM&C)/ OPNAV (N4)	Complete OM&S-Remainder baseline as part of Navy Material Accountability Campaign					●								
ASN (FM&C)/ OPNAV (N4)/ DC I&L	Establish existence and completeness (E&C) of DON managed and contractor held baseline balance: Uninstalled Aircraft Engines, Trident Missiles, Ordnance, WCF Supply Management Inventory					○								
ASN (FM&C)/ OPNAV (N4)/ DC I&L	Establish E&C of other government agency (OGA)-Managed baseline balance: Ordnance & WCF Supply Management Inventory													●





## Implementation

In a large, complex organization such as the DON, a decentralized structure is the most efficient and effective means of ensuring best service and continued relevance to the warfighter. This model is based upon private sector corporations' best practices that leading at the level closest to the customer makes for a more agile institution. This

decentralized framework includes sub-organizations that are responsible for specific functions and remains flexible and adaptable through continued communications across all lines of effort and every level of management. However, even with the most inclusive team approach, a decision-making body is required to effect true and lasting change.

## Governance

The **DON Business Operations Management Council (BOMC)** is the primary senior leader decision-making forum that monitors major business initiatives across the DON. The BOMC's mission is to lead large-scale DON business operations and management efforts that both improve core business processes and deliver greater performance and accountability in support of the warfighter. In his capacity as the Chief Management Officer (CMO), the Under Secretary of the Navy chairs the BOMC.

The BOMC complements the work of other permanent business mission governance bodies, such as the Audit Committee and the Senior Management

Council, along with business mission working groups, such as the OSD Reform Management Group, Readiness Reform Oversight Council, and Investment Review Board.

This overall governance framework creates a continuous feedback loop across all echelons to adapt and update the BOP across the DON enterprise. As a result, the BOMC will continually monitor performance and ensure stakeholder accountability for the initiatives within the BOP, as well as manage any risks that may impede progress toward the achievement of the BOP's Strategic Objectives.

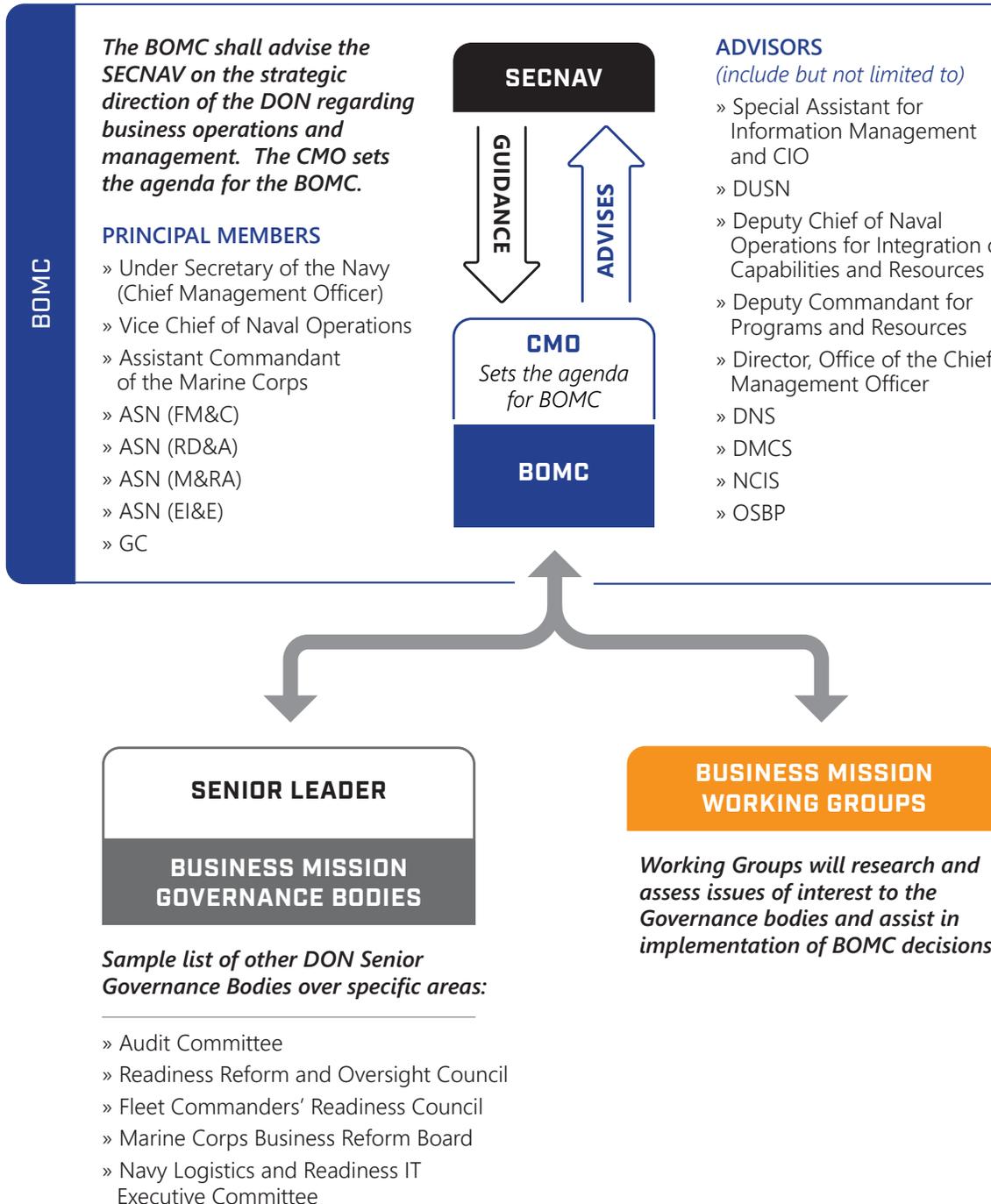




## Business Mission Governance Bodies

To improve agility, accountability, and lethality in the DON, governance bodies have been established and will continue to be established and restructured. The business mission governance bodies identified below are in various stages of maturity and represent only a sample of the many monitoring and oversight organizations and groups in the DON. When fully

established and aligned, these governance bodies will collectively form the backbone of comprehensive and effective DON governance. The DON will monitor and sustain this progress through a robust integrated culture of strategic performance, controls, and risk management practices.





## Performance and Accountability

The DON recognizes that accurately measuring performance is critical to driving and supporting successful transformation. In order to truly transform our business operations, the DON goes beyond reporting backwards looking status updates to initiatives. Instead the DON analyzes if and how the status of those initiatives might pose a risk to achieving the strategic objectives they support.

## Assessing and Managing Risk

The principle of “calculated risk” is a fundamental description of how naval leaders operate in an uncertain and dangerous world. The DON asks the Fleet to operate on the principle of calculated risk every day; it is a critical element of the DON’s naval heritage and ethos. Similarly, when executing the DON’s Title 10 functions to man, train, equip, operate, sustain, and maintain our naval forces, we must employ a comprehensive review of risk that will enable and enhance decision making across the organization. Early identification and discussion of risks and deficiencies with the appropriate leaders allows the DON to focus on root causes and engage the appropriate stakeholders to help mitigate the manifestation of risks long before they become an issue or even present a crisis.

Furthermore, the BOMC creates a culture that embraces risk transparency at all levels of the DON. Recognizing that this transformation will mature over time, the BOMC relies on DON OCMO to perform targeted, independent risk assessments to assist DON leadership. As a result, these risk assessments provide DON leaders with critical information to assist their decisions to ensure they complete their initiatives outlined in the BOP.





**Secretary of the Navy**  
James McPherson (Acting)

**Under Secretary of the Navy**  
Gregory Slavonic (PTDO)

Assistant Secretary of the Navy (ASN)  
for Research, Development &  
Acquisition (RD&A)

ASN for Manpower & Reserve  
Affairs (M&RA)

ASN for Financial Management &  
Comptroller (FM&C)

ASN for Energy, Installations &  
Environment (EI&E)

General Counsel

Special Assistant for  
Information Management  
and CIO

Chief Learning Officer

Deputy Under Secretary  
of the Navy

Office of the Chief  
Management Officer

Naval Criminal  
Investigative Service

Sexual Assault Prevention  
Response Office

Office of Small Business  
Programs

Office of Information

Office of Legislative Affairs

Chief of Naval Research

Judge Advocate General

Inspector General

Auditor General



**Chief of Naval Operations**  
Admiral Michael M. Gilday

**Vice Chief of Naval Operations**  
Admiral Robert P. Burke

Deputy CNO for Manpower, Personnel, Training  
& Education (N1)

Deputy CNO for Information Warfare (N2/N6)

Deputy CNO for Operations, Plans, and Strategy  
(N3/N5)

Deputy CNO for Fleet Readiness and Logistics (N4)

Deputy CNO for Integration of Capabilities and  
Resources (N8)

Deputy CNO for Warfare Systems (N9)



**Commandant of the Marine Corps**  
General David H. Berger

**Assistant Commandant of the  
Marine Corps**

General Gary L. Thomas

Deputy Commandant Manpower and Reserve  
Affairs (DC M&RA)

Deputy Commandant Installations and Logistics  
(DC I&L)

Deputy Commandant Plans, Policy and Operations  
(DC PP&O)

Deputy Commandant Combat Development and  
Integration (DC CD&I)

Deputy Commandant Aviation (DC A)

Deputy Commandant Information (DC I)

Deputy Commandant Programs and Resources  
(DC P&R)

**SYSCOM Commanders**

Naval Air Systems Command (NAVAIR)

Naval Sea Systems Command (NAVSEA)

Naval Information Warfare Systems Command (NAVWAR)

Naval Supply Systems Command (NAVSUP)

Naval Facilities Engineering Command (NAVFAC)

Marine Corps Systems Command (MCSC)

Office of Naval Research (ONR)



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# APPENDIX



## **Business Operations Plan Fiscal Years 2020-2022**

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FY20 Initiative Additions & Removals



The following BOP Strategic Objective areas list **new** and **removed** initiatives.

## 1.2 Lay the Foundation for Future Readiness through Recapitalization, Innovation, and Modernization

### 1.2.C Develop and implement a sustainable path to infrastructure modernization

Focus Areas	OPR	Initiative	Due
Shore and Base Infrastructure 	ASN (E18E)	Improve installation resilience in order to sustain DON's mission assurance posture	Q4 FY21
		Sustain and improve DON's training, testing, development and operating capabilities and platforms from loss of effectiveness impacting readiness	Q1 FY21
Operational, Test and Training Range Effectiveness 	ASN (E18E)	Complete actions to execute DON real estate and infrastructure requirements that enable readiness: training, maintaining, testing, and operations	Q1 FY21
		Publish an environmental strategy to enhance environmental resilience and sustain DON training, testing and mission assurance ashore and at sea	Q4 FY21

## 1.3 Enhance IT and Cybersecurity Capabilities

### 1.3.A Optimize DON's information infrastructure (e.g., networks, transport, end-user hardware, spectrum, etc.)

Focus Areas	OPR	Initiative	Due
Data Centers and Cloud Services 	SAIM/CIO	Update DON cloud policy and develop cloud implementation plan	Q3 FY20
Enterprise Networks 	SAIM/CIO	Conduct Logistics Information Technology (LOG IT) System and Project Portfolio Review	Q4 FY20
		Establish Innovation Service Centers Around Emerging Technologies	Q1 FY21
		Implement Industry Cutting-Edge Electronic Collaboration and Productivity Services Across the Communications Spectrum	Q4 FY21
		Rapidly design and prototype enterprise network modernization via Naval Digital Platform Transformation team	Q4 FY20
Spectrum Dependent Systems 	SAIM/CIO	Establish guidance for non-mission-critical unlicensed devices, e.g., WiFi, Bluetooth, or other wireless technologies available for general public operation	Q2 FY21



### 1.3.B Increase DON's ability to deter, detect, defeat and recover from cyber-attacks

Focus Areas	OPR	Initiative	Due
Cybersecurity Readiness 	SAIM/CIO	Charter the DON Level Defense Industrial Base-Executive Steering Committee (DIB-ESC)	Q3 FY20
		Develop Cyber General Orders for publication	Q1 FY21
		Conduct Proof of Concept and Deploy Continuous Active Monitoring Tools	Q3 FY20
		Develop and promulgate updated DON guidance addressing Processing of Electronic Storage Media for Disposal	Q3 FY20

### 1.4 Deliver timely and relevant intelligence, counterintelligence, and security support to Sailors and Marines to provide a decisive and dominant advantage

#### 1.4.A Deliver timely and relevant intelligence, counter intelligences and security support to Sailors and Marines to provide a decisive and dominant advantage

Focus Areas	OPR	Initiative	Due
Criminal Investigations and Operations 	DUSN	Implement an innovative program that integrates multiple functional and cross domain capabilities to provide a decided operational advantage to tactical elements responding to force protection incidents	Q4 FY22

### 1.5 Implement Initiatives to Recruit and Retain the Best Total Force to Bolster Capabilities and Readiness

#### 1.5.A Produce a highly skilled workforce (Sailors, Marines, and civilians) shaped for today and prepared for tomorrow's needs

Focus Areas	OPR	Initiative	Due
Civilian Personnel 	ASN (M&RA)	Initiate Human Capital Strategy (HCS) Pilot Program	Q4 FY20
Total Force 	ASN (EIGE)	Strengthen DON-wide safety programs and procedures by contributing timely technical expertise to DoD policy development, congressional inquires and federal agency mission support	Q4 FY20
Military Personnel 	OPNAV (N1/CNP)	Evolve MyNavy HR's Authoritative Data Environment (ADE) using leading edge cloud-native services to provide accurate data mated to a powerful analytics toolset. This will allow MyNavy HR leadership to leverage advanced predictive and prescriptive analytics in making data driven decision across the enterprise	REMOVED



## 2.1 Reform the Security Cooperation Enterprise

### 2.1.A Implement a more strategic, coordinated approach to security cooperation

Focus Areas	OPR	Initiative	Due
<b>Security Cooperation</b> 	NCIS	Establish the 'Expeditionary Forces Engagement' Program to provide naval forces the secure access and ability to confidently operate across the global maritime in order to maintain regional stability, deter conflict, and respond to crisis	Q4 FY22

## 3.1 Improve and Strengthen Business Operations Through a Move to DoD-Enterprise or Shared Services; Reduce Administrative and Regulatory Burden

### 3.1.A Increase the use of data analytics and artificial intelligence in DON-wide decision making

Focus Areas	OPR	Initiative	Due
Enterprise Data Quality, Standards, Integration, and Investment 	SAIM/CIO	Establish Identity, Credentialing, and Access Management (ICAM) governance and roadmap	Q4 FY20
Improve Decision Making 	OGC	Establish a framework for analyzing litigation trend data by substantive practice area (e.g.: acquisition, environmental and civilian personnel law) via charters for working groups that will review litigation trends, assess legal compliance, and secure new processes, policies, regulations and/or legislation to make necessary improvements	Q4 FY20

### 3.1.B Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

Focus Areas	OPR	Initiative	Due
Enterprise Risk Management (ERM) 	DON OCMO	Establish an ERM Community of Practice and maintain a forum for sharing best practices and lessons learned with members of the Navy, Marine Corps, and Secretariat	REMOVED
		Conduct ERM SES and AO training for the DON Secretariat, to include all Assistant Secretary and Direct Report offices, to support the development of the Baseline Enterprise Risk Profile	REMOVED
		Conduct ERM proof of concept to demonstrate how it can be operationalized prior to issuing guidance	Q3 FY21



### 3.1.B Reform business operations enterprise-wide to generate lasting, institutionalized, resources to support strategic reinvestment in lethality

Focus Areas	OPR	Initiative	Due
Enterprise Risk Management (ERM) 	DON OCMO	Publish ERM Playbook to illustrate best practices in the DON to help organizational units apply concepts for added value	Q2 FY22
		Reform Business Operations 	ASN (E1&E) Develop and implement a plan to improve the quality and oversight, and understanding of the long term viability of privatized housing Implement MILCON reform efforts to improve execution of Capital Construction Projects

### 3.3 Undergo an Audit and Improve the Quality of Budgetary and Financial Information that is Most Valuable in Managing the DoD

#### 3.3.A Institutionalize annual audit and remediation, and establish a near-term path to a clean opinion

Focus Areas	OPR	Initiative	Due
Financial Reporting and Fund Balance with Treasury 	ASN (FM&C)	Implement data analytics capabilities to improve financial reporting	Q2 FY20 ✓
		Establish enterprise standard financial reporting processes, procedures and controls	Q4 FY20
Budgetary Reform 	ASN (FM&C)	Design, develop and implement DON digital budget tools	Q3 FY21
		Strengthen financial management practices to improve the DON's ability to effectively manage budgetary resources	Q4 FY22
Contractor Held Property 	ASN (RD&A)/ ASN (FM&C)	Establish contract requirements for accountability and reporting	Q4 FY20
		Establish contractor held property baseline for: Trident, Ordnance, and Working Capital Fund	Q4 FY20
		Establish contractor held property baseline across all contracts	Q4 FY21
Contingent Legal Liabilities 	OGC/ ASN (FM&C)	Document and support contingent legal liabilities estimates	Q2 FY20 ✓
		Establish management controls over contingent legal liabilities	Q2 FY20 ✓



### 3.3.A Institutionalize annual audit and remediation, and establish a near-term path to a clean opinion

Focus Areas	OPR	Initiative	Due
Environmental & Disposal Liabilities 	ASN (EIGE)/ ASN (RD&A)/ ASN (FM&C)	Document and support EDL estimates associated with aircraft, real property, and vessels	Q4 FY20
		Establish management controls over environmental and disposal liabilities	Q2 FY20 ✓
Contract Authority 	ASN (FM&C)	Establish monitoring controls over funds receipt and distribution (FRD)	Q2 FY20 ✓



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