



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

January 3, 2020

MEMORANDUM FOR DISTRIBUTION

SUBJECT: SECNAV VECTOR 5

Maintaining our U.S. Naval Forces at the highest possible state of readiness and lethality requires the focus and attention of all those who support the business mission of the Department of the Navy. This cannot be accomplished in silos, but rather through an integrated, enterprise approach to business process improvement and modernization. Critical to this effort is that each of us understands and executes the scope of this work from the same plan. This is why we created the Department of the Navy's (DON) Business Operations Plan (BOP). This plan is tied directly to the National Defense Strategy and it details the steps we are taking to transform our business operations. The initiatives in the plan have 6, 12, 18, and 24 month milestones that allow us to manage and monitor progress on the path to a more agile and accountable business enterprise. We publish the plan annually in October and update it every six months.

The BOP is OUR plan for business improvement as an integrated naval enterprise. I encourage you to read it, to understand your individual roles in executing it, and to monitor how these initiatives are improving your ability to serve our Sailors and Marines at www.navy.mil/donbop. Also, if you see areas in the BOP that need improvement, it is your job to let me know, via the Office of the Chief Management Officer at Office_of_the_CMO@navy.mil.

While the BOP describes and tracks nearly 200 individual initiatives, I will be paying particularly close attention to the following areas:

Human Capital Strategy

- We are implementing a new human capital strategy to better access and curate best in class talent. This strategy was developed leveraging leading private sector business practices designed for the new economy. Initial pilot programs in support of this strategy will begin this year.

Supply Chain and Logistics Processes

- Supply chain and logistics processes are currently disjointed and create issues of poor visibility and accountability of inventory and sub-optimization of our multiple supply chains. We have assembled a senior group to develop a long-term strategy to address these deficiencies and will start executing reforms this year.

Digital Transformation

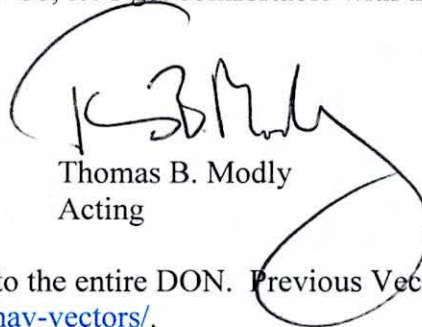
- With the creation of the new Office of the Chief Information Officer, we will be exploring ways to accelerate business process modernization across the naval enterprise through the use of advanced digital tools and technologies. These tools and technologies have the potential to substantially improve business process performance, speed, accuracy, and data security.

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Financial Management and Audit

- The financial audit is the lynchpin to both monitoring, and catalyzing, improved business operations performance. We have completed our second full scope financial audit as an enterprise, and we continue to learn more about our financial management and business process deficiencies. Most importantly, because of the audit, we are learning a lot more about how to fix these deficiencies. This has been a painful and revealing process, but we must keep at it.

Just as rapid change in the global security environment is the new normal, the business mission of the Department of the Navy cannot be allowed to stagnate. Rather, we must continuously improve how we do business in order to keep up with changes in the “outside world” and to sustain our competitive advantage as a naval force. In the private sector the bottom line is profitability. For us in the naval service the bottom line will be measured by our agility and accountability-as they will determine our ability to achieve victory if called upon. Agile and accountable naval forces are impossible without agile and accountable business processes that support them. We should all expect that reaching that standard will require change, and that change itself will be a never ending process. So, let’s get comfortable with that reality and get after it as a team!



Thomas B. Modly
Acting

SECNAV Vectors are released each Friday to the entire DON. Previous Vectors can be viewed <https://navylive.dodlive.mil/2020/01/02/secnav-vectors/>.

SECNAV VECTOR 1: Priorities and Near-Term Objectives
SECNAV VECTOR 2: Unified in Grief, Heroism, and Resolve
SECNAV VECTOR 3: Make Ford Ready
SECNAV VECTOR 4: December Honors and Remembrance

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