THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

FEB 7 2005

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Department of Defense (DoD) Business Transformation

To advance the development of world-class business operations in support of the warfighter, the Defense Business Systems Management Committee (DBSMC) is established. The DBSMC will recommend policies and procedures required to integrate DoD business transformation and to review and approve the defense business enterprise architecture and cross-Department, end-to-end interoperability of business systems and processes, as outlined in the attached charter. The DBSMC replaces the current Business Management Modernization Program governance structure.

The DBSMC is composed of the following members:

- Deputy Secretary of Defense (Chair);
- Under Secretary of Defense for Acquisition, Technology, and Logistics (Vice Chair);
- Secretaries of the Military Departments and the heads of the Defense Agencies;
- Under Secretary of Defense (Comptroller);
- Under Secretary of Defense for Personnel and Readiness;
- Vice Chairman of the Joint Chiefs of Staff;
- Commander, U.S. Transportation Command;
- Commander, U.S. Joint Forces Command;
- Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer; and
- Director, Program Analysis and Evaluation (Advisory).

Paul Wolfowitz

Attachment:
As stated

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SECRETARIES OF THE MILITARY DEPARTMENTS
VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARMENT OF DEFENSE
ASSISTANT TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTOR, FORCE TRANSFORMATION
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

CHARTER

Defense Business Systems Management Committee

I. AUTHORITY:

Public Law 108-375, Section 332 Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005.

II. MISSION/PURPOSE:

1. To further advance the development of business operations in support of the warfighter, and comply with section of 332 of Public Law 108-375, the Defense Business Systems Management Committee (DBSMC) is established. The committee will oversee transformation in the Business Mission Area (BMA). The overall goal of the DBSMC is to ensure that the BMA meets the needs and priorities of the Warfighting Mission Area.
2. Additionally, the DBSMC will ensure that the business transformation goals are coordinated with the Department's strategic planning. The Business Management Modernization Program (BMMP) Executive and Steering Committees are hereby disestablished.

III. DBSMC ROLES & RESPONSIBILITIES:

1. Establish strategic direction and plans for the Business Mission Area (BMA), in coordination with the Warfighting and Enterprise Information Environment Mission Areas.
2. Oversee the implementation of systemic performance in the Department's business operations.
3. Approve BMA transformation plans and initiatives and coordinate transition planning in a documented program baseline with critical success factors, milestones, metrics, deliverables and periodic program reviews.
4. Establish key metrics and targets by which to track business transformation progress.
5. Establish policies and approve:
   a. BMA Strategic Plan;
   b. Transition Plan for implementation for Business Systems Modernization;
   c. Transformation Program Baseline; and
   d. Business Enterprise Architecture.

6. Approve standardized Investment Review Board (IRB) processes and procedures including:
   a. Charters;
   b. Membership; and
   c. Certification actions and requirements.
7. Ensure that funds are obligated for Defense Business Systems Modernization in accordance with section 332 of Public Law 108-375.
8. Recommend policies and procedures that enable efficient business operations throughout the DoD to the Secretary.
9. Ensure BMA transformation enables cross-Department, end-to-end interoperability.
10. Approve the annual report to the congressional defense committees beginning March 15, 2005.
11. Execute a comprehensive communications strategy.
12. Coordinate activities across DoD to address findings from oversight activities.

IV. MEMBERSHIP:

1. The DBSMC membership consists of:
   a. Deputy Secretary of Defense (Chair);
   b. Under Secretary of Defense for Acquisition, Logistics, and Technology (Vice Chair);
   c. Secretaries of the Military Departments and the heads of the Defense Agencies;
   d. Under Secretary of Defense (Comptroller);
   e. Under Secretary of Defense for Personnel and Readiness;
   f. Vice Chairman of the Joint Chiefs of Staff;
   g. Commander, U.S. Transportation Command;
   h. Commander, U.S. Joint Forces Command;
   i. Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer; and
   j. Director, Program Analysis and Evaluation (Advisory).
2. The Chair will:
   a. Preside at DBSMC meetings;
   b. Approve the agenda and minutes for each meeting;
   c. Call quarterly meetings;
   d. Establish priorities and strategic direction for the business transformation effort;
   e. Establish program oversight for Defense Business Systems Modernization in accordance with a program baseline;
   f. Ensure and measure progress of business transformation efforts;
   g. Establish other supporting committees as necessary;
   h. Sign progress reports to the congressional defense committees, beginning on March 15, 2005;

i. Appoint additional members to the DBSMC, as appropriate;
j. Establish a support activity to coordinate DBSMC activities;
k. Implement Approval Authorities and Investment Review Boards;
l. Periodically report to the Secretary on the progress of Defense Business System Modernization; and
m. Establish rules and procedures for the conduct of the DBSMC.

3. The Vice-Chair will:
   a. Act on behalf of the Chair when the Chair is not available;
   b. Establish a program baseline for Defense Business Systems Modernization; and
   c. Establish business transformation oversight.
4. DBSMC members will:
   a. Champion business transformation within their organizations;
   b. Identify and nominate agenda items and issues for the DBSMC;
   c. Represent their organizations' positions with regard to business transformation issues;
   d. Communicate and implement DBSMC decisions within their organizations; and
   e. Execute actions and tasks as directed by the Chair.

Approved: Paul Wolfowitz
Deputy Secretary of Defense
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