DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
200 ARMY PENTAGON
WASHINGTON DC 20310-0200

11 July 2005

DACS-ZD

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Implementing Instructions for Secretary of the Army Transition Team

1. References.

a. Memorandum, Headquarters, Department of the Army, SASA, subject: *Secretary of the Army Transition Team (SATT) Charter*, 6 December 2004.

b. Briefing, Headquarters, Department of the Army, SASA, Secretary of the Army presentation during Army Executive Council (AEC), subject: *Philosophy and Management Style*, 6 January 2005.

c. Briefing, Headquarters, Department of the Army, SASA, SATT Panel Leaders presentation during Executive Office of the Headquarters (EOH) Forum, subject: *SATT Outbrief*, 30 March 2005.

d. Briefing, Headquarters, Department of the Army, SASA, Secretary of the Army presentation during AEC, subject: *Report of SATT*, 7 April 2005.

e. Memorandum, Headquarters, Department of the Army, DAPR-DPZ-A, subject: *Transforming the Way We Do Business* (Enclosure 3).

f. Memorandum, Headquarters, Department of the Army, SASA, subject: *Review of Education, Training, and Assignments for Leaders (RETAL)* (Enclosure 4).

2. Purpose. To implement the significant findings and recommendations of the SATT.

3. Discussion.

a. Intent. This memorandum sets in motion a process to implement the significant findings and recommendations of the SATT (references 1a-d). In some areas, such as business transformation, the concepts that were explored are already being acted upon (reference 1e). In other areas, such as Army-wide leader development, further study is required (reference 1f). The following general approach to implementation will be followed:

(1) ***Proponency for implementation is assigned at Headquarters, Department of the Army*** *(HQDA)* (reference 1d). **(Completed: 7 April 2005)**

(2) ***Panel Leads provide information to proponents.*** This will include all products produced by the panel during the SATT process to ensure thorough understanding of elements of consideration, findings, and recommendations. **(To Be Completed: May-July)**

(3) ***Proponents, assisted by Panel Leads, develop implementation plans.*** These plans will be developed in full coordination with appropriate Major Commands (MACOMs); Field Operating Agencies (FOAs); Direct Reporting Units (DRUs); and Army, Joint, and Defense agencies (as required). **(To Be Completed: May-August)**

(4) ***Proponents present plans for DAS, VCSA, CSA, USA, and SA approval, in order, in accordance with established milestones.*** **(To Be Completed: 9 September)**

b. Overview.

(1) Charter. The SATT was chartered in December to assist the Secretary of the Army to outline a vision, goals, objectives and performance metrics for his term in office. This effort will promote enhanced understanding as well as informed assessment of strategic direction and ongoing programs by leveraging the views of informed experts and ongoing studies within the Army and across the national security policymaking community.

(2) Organization. The SATT was chaired by the Honorable Martin R. Hoffmann, Secretary of the Army, 1975-77, and GEN(R) John W. Vessey, Jr., Chairman of the Joint Chiefs, 1982-85. Numerous other distinguished leaders, civilian and military, from industry, government, and other professions furnished advice during the SATT process. The exploration of assigned elements of consideration was conducted by four panels (Panel Leads in parentheses):

- **Vision and Strategy** (LTG William S. Wallace, Commanding General, Combined Arms Command and BG David A. Fastabend, Director, Doctrine, Concepts, and Strategy, Training and Doctrine Command)

- **Leadership and Culture** (MG Larry D. Gottardi, G1, Forces Command and Dr. Stephen D. Clement, Army Science Board)

- **Business Process Reform** (MG N. Ross Thompson III, Director, Program Analysis and Evaluation, Headquarters, Department of the Army)

- **Active-Reserve Balance** (Mr. Daniel B. Denning, Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), Headquarters, Department of the Army, and MG David C. Ralston, Director of Force Management, G3, Headquarters, Department of the Army)

(3) Timing. The Transition Team initiated work on 6 January. This memorandum brings the Team's effort to a close. SATT participants will return to normal duties; however, participants and advisors will assist the proponents in developing and implementing their plans.

(4) Process. Findings and recommendations were developed through the use of informal methodologies, under the direction of the Panel Leads, structured to best fulfill the SATT charter. An interim update was provided to the Secretary of the Army in early February. A formal outbrief was provided in March. The Secretary briefed the Army's senior leadership (Assistant Secretaries and Staff Principals) in early April. The Secretary's presentation was highlighted by the announcement of an Army Vision Statement (reference 1b, Enclosure 1), that was approved for immediate release across the Army. Major and Senior Commanders will be briefed in May. Implementation Plans will be approved by mid-August.

(5) Chronology of Key Events.

- 3 December – Secretary notifies Secretary of Defense of SATT
- 6 December – SATT Charter approved
- 5 January – Initial Working Meeting
- 6 January – Secretary briefs his philosophy to Army Executive Council (All Assistant Secretaries and Staff Principals)

- 12 January – Initial briefing on SATT concept and organization to Secretary
- 10 February – Interim Report to Secretary
- 26 February – Senior Leader *Transforming the Way We Do Business* Seminar
- 30 March – SATT Panel Leaders present to Executive Office of the Headquarters (Secretary, Under-Secretary, Chief and Vice Chief of Staff)
- 7 April – Presentation to Army Executive Council
- 12 May – Memoranda addressing *Transforming the Way We Do Business* and *Review of Education and Training of Leaders* published
- 19-20 May – Concepts discussed with Major and Senior Army Commanders
- 11 July – Memorandum summarizing SATT published; Vision Statement released

(6) Projected Events.

- NLT 15 August – Supporting Strategic Communications Plan published
- NLT 9 September – Implementation Plans approved per the sequence established in paragraph 3. a. (4)

c. Panel Findings. The significant results of each panel – drawn from working papers used to support and report on panel activities – are summarized below.

(1) Vision and Strategy.

(a) Scope. Assess current vision and strategy with a view to determining adjustments that may be required.

(b) Key Findings.

• Context. The Nation has embarked on a protracted war – a war against an enemy that is highly adaptive, self-organizing, and exposes few traditional targets. To successfully advance U.S. national interests in the projected global security environment, America's Army must continue its efforts to reinforce the establishment of a joint, expeditionary mindset – with attendant intellectual, organizational, cultural, operational, and institutional implications. Service Title 10, U.S.C. roles and responsibilities are likely to remain essentially unchanged, yet the future mission set for the Army is likely to expand, consistent with national policy.

• Strengths. The Army's people are its greatest asset and its future. The Army's people embody Army Values and the Warrior Ethos and continue a tradition of sacrifice and duty established during 230 years of service to the Nation. The Army's status as an All-Volunteer force affords a two-fold advantage: first, a moral authority and flexibility that would be impossible for a conscript Army; second, a professional quality beyond the imagination of any conscript Army. The Army also has embraced a culture of innovation and adaptability in the Operational Army, where every military mission is viewed as unique and trained leaders apply a flexible decision making process guided by doctrine. This strength must be extended to – and become the foundation of – the Institutional Army.

• Vulnerabilities. The Army's mobilization process is inadequate for the 21st Century security environment. It is designed for national emergencies, not protracted conflict. This mobilization process, coupled with chronic shortfalls in key Soldier specialties (that a major rebalancing initiative is working to correct), contributes to a force that is over-stretched and operating at a pace that is not sustainable over the long term. The All-Volunteer force must not be taken for granted. The Institutional Army is a legacy of the industrial era in which it was

developed. Its processes do not adequately focus on warfighting support. This lack of focus is due, in part, to limitations in training, leader development, doctrine, and business systems and processes. These limitations inhibit the Institutional Army's capability to rapidly adapt and fully exploit technology and business reform opportunities. Some business processes (such as acquisition) do not reflect the modern business models of the society they serve – they are over-bureaucratized and over-managed. In addition, the inherent uncertainty and ambiguity of the 21st Century security environment, coupled with the complexity inherent in land warfare in a highly irregular environment, create the requirement for equally complex, sophisticated strategic messages. A failure to adapt communications processes has prevented the Army's Strategic Communications from achieving focus, clarity, and desired effects.

• Opportunities. The Global War on Terror and the uncertainty of the security environment create energy and opportunity for change. Funding pressure reinforces the need to better integrate best business practices and better position the Army for inevitable resource reductions in the future. There is growing recognition within the U.S. Government that the Army is a crucial enabler to the joint, interagency, and multinational force. Increased interagency and Army-to-Army engagements must foster continuing cultural change within the Army that will be needed to adapt and dominate across the range of military operations in the 21st Century security environment. The implications of this environment – specifically in the context of generating and sustaining forces in a sustained, high tempo environment – demands key changes in the operation and organization of the Institutional Army.

• Potential Challenges. The Army should posture itself to adapt to potential challenges such as: a significant decrement in funding; a shortfall in recruiting and retention; deterioration of the Army's basing and industrial infrastructure (physical plant) due to a funding shortfall; and a failure of the evolving force generation process to meet the demands of the 21st Century security environment.

• Primary Considerations for Vision and Strategy Development. Recognizing the many uncertainties associated with the environment and the increasing demands on the institution, the Army's strategy should: impart or accelerate momentum along the current trajectory and sustain it in spite of obstacles and challenges; make clearer the linkage between the many initiatives, programs, processes associated with the transformation of fighting forces and institutional practices; and build synergy in complementary transformational efforts intended to reform business processes, change Army culture, and achieve a more appropriate institutional-operational balance. The Institutional Army must adopt a culture and orientation to facilitate more responsive, flexible approaches to supporting the Operational Army, the transformation of which is now well underway.

(c) **Taskings for Proponent (Lead Agency: G3; Supporting Agencies: Chairperson, RETAL Task Force, Chief of Public Affairs, Others TBD).**

• Incorporate this vision into all relevant systems, processes, and doctrine.

• Achieve the intent for leader development by reviewing and updating Army training and leader development programs, as required, in full coordination with Chairperson, RETAL Task Force.

• Communicate Vision briefed by SA on 7 April to all relevant external and internal audiences.

(2) Leadership and Culture.

(a) Scope. Assess the current leadership and culture of the Army to determine if they are aligned with the objective realities of the 21st Century security environment; determine if leadership programs (military and civilian at all levels) are effective in developing the type of leaders that are needed to succeed in this environment; make recommendations accordingly.

(b) Findings.

• **Leadership.**

(1) Context. Development of leaders is essential for the profession and is a strength of the Army. The current combined result of training, education, and experience has developed leaders of character who have proven themselves to be innovative and adaptive on today's battlefield, both in combat as well as stability and reconstruction operations. Modern warfare will continue to present increasingly more demanding challenges – beyond those traditionally thought to be of a military nature; for example, stability and reconstruction efforts. Thus, we must leverage the unique skill sets resident in our civilian workforce to achieve desired operational and strategic objectives to best serve the Nation. Future programs must be directed to develop versatile leaders with the skills and experiences needed to succeed in evolving military, civil-military, and business enterprise settings – that will require leaders to develop solutions while operating amidst increasing complexity.

(2) Foundations. Leadership is the process in which one person sets the purpose and direction for one or more other persons, and gets them to work together while expressing their full individual competence, commitment (to organizational goals), and creativity. The object of leadership is to bring people together, to get them to work together as a team, to cooperate with one another, and to rely upon and trust one another as they strive toward accomplishing a common goal. To best harness human resources, senior leaders must perform the key task of establishing organizing structures and processes. Everyone – Soldiers and civilians – is capable of exercising leadership provided they are competent to perform in their assigned roles and their organization has properly instituted leadership practices.

(3) Development of the 21st Century Leader. As the world has become increasingly more complex, the demands on existing and future leaders have also become more complex. Thus, leader development programs are integral to the long-term survival of the enterprise. Tomorrow's leaders must become more competent to effectively cope with steadily increasing complexity. In other words, tomorrow's leaders must be capable of surpassing their counterparts of today. Developing leaders with the skills, knowledge, and attributes that the institution desires will involve more than varied job assignments to produce varied experiences. It will require a carefully thought out program that mixes experience with education and training to produce a leader well versed in both military and politico-military skills.

(4) Pentathletes. This leader – referred to as a "Pentathlete" – will be well versed in a range of areas, not just one discipline. The modern pentathlon features five disciplines: (1) shooting, (2) cross-country running, (3) swimming, (4) riding, and (5) fencing. To be successful, athletes must be proficient in all disciplines, not just one or two in which they specialize. Army leaders, both military and civilian, must be equally proficient in the skills they will need to be successful amidst the complexity inherent to current and future challenges. They must be motivated, educated, and, ultimately, prepared to demonstrate versatility and intellectual agility while serving as leaders – not just in shooting or running, but in all of the disciplines they will be required to master.

(5) Goal. Our goal is to "build" leaders – military or civilian – who have mastered their military or core career field tasks, and, in addition, have developed skills in the broader, more complex, politico-military arena. The military tasks are relatively easy to understand in concept, although extremely difficult to apply in practice. The more difficult description was the politico-military side, which will include basic proficiency in a foreign language, a general awareness of various cultures – their social mores, religious beliefs – and the development of a regional orientation based on a deep understanding of social, economic, and geographic understanding of native populations. Subsumed within this definition is the strongly held belief that we must work to develop within these leaders a mastery of core skills and cultural awareness and exposure that will enable them to operate amidst the increasing complexity of the 21st Century security environment.

• **Culture.**

(1) Context. Culture is the sum of our values and beliefs that serve as the framework for everything that we do; it is changing on the warfighting side, and must therefore change on the institutional side. Army culture is split between its military and civilian components – each reinforces and rewards different values. The ethos of the Operational Army must become the culture for the entire Army. While cultural change within the Institutional Army will occur naturally due to the challenges posed by the international security environment, we must not wait – *we must anticipate and drive the change process.*

(2) Desired Attributes. Elements of the new culture are beginning to crystallize. Included among these is a growing need to understand business enterprise principles – both to improve efficiency and effectiveness of institutional practices and to apply these principles in theaters of war during the conduct of stability and reconstruction operations. Other key attributes include:

• Promotion of the understanding that leaders may expect to be assigned in both institutional and operational settings, and that this practice will enhance, not hinder, both development and career progression.

• A renewed commitment to education, based on the view that education prepares leaders "how to think," and strengthens one's ability to think critically and to make accurate, informed decisions in complex, uncertain environments.

• Promotion of well-being, self-reliance, and resiliency among our families and our civilian workforce.

• Establishment of a command environment that rewards innovation, and empowers Soldiers, leaders, and civilians to use their initiative and adapt to rapidly changing operational environments.

(3) Measures of Success. When large, complex organizations pursue genuine transformational change, a key measure of success is leaders' ability to reorient peoples' attitudes, actions, and beliefs – Soldiers, families, and the civilian workforces, in the case of the Army. We must continue our work to create a culture that understands and embraces the objective realities of our military and organizational challenges within a dynamic, turbulent security environment. This will require that we continue to identify, isolate, and change behavior. To win the war while transforming – and provide relevant, ready Landpower in service to the Nation – this is what our leaders must do ... change behavior.

(c) **Taskings for Proponent (Lead Agency: ASA(M&RA); Supporting Agencies: G1, G3, and Commandant, U.S. Army War College).**

• Align policies, programs, systems, and procedures to realize the Army Vision.

• Execute a comprehensive Review of Education, Training and Assignments for Leaders (Military and Civilian) to achieve the intent of the directive (Enclosure 4); the summary paper produced by this panel (Reference 1f, Enclosure 2); and the observations and findings with respect to the following four areas examined by the SATT: (1) Army Vision Statement, (2) "Pentathlete" concept, (3) desired attributes for Army Culture, and (4) goals for the optimal developmental path that should be established to "Build 21st Century Leaders."

• Explore the feasibility of merging Army military and civilian executive personnel systems and develop an appropriate recommendation.

(3) Business Transformation.

(a) Scope. Assess the effectiveness, efficiency, cycle time, and overall conduct of Army business practices and processes with respect to best practices and standards of measurement (metrics for performance and process improvement) in use in the Government and in the civilian sector.

(b) Findings. There exists a need to:

• Establish an Office of the Executive Director for Institutional Army Transformation, to be guided by a senior executive to coordinate the Army's business transformation and ensure actions in this realm remain consistent with the Army's strategic priorities.

• Develop a program to include business education in Army executive level training and throughout our Professional Military Education (PME) system.

• Develop review and analysis systems – focused to give visibility of the status of business transformation – across the Army.

• Develop a system of structured command reviews in this area.

• Develop a web portal to promote greater understanding of, and information on, business transformation.

(c) **Taskings for Proponent (Lead Agency: Executive Director for Institutional Army Transformation; Supporting Agency: G8).**

• Lead a process to immediately implement the principles of Lean Thinking and Six Sigma to eliminate non-value added steps in Army processes and systems (reference 1e).

• Distribute guidance capturing the intent of SA and CSA (Enclosure 3).

• Distribute guidance, in the form of a "deployment plan," to explain how training will be provided to each MACOM and HQDA principal, and what will be required of all MACOMs, DRUs, and FOAs to lead business transformation within their respective organizations.

• Establish procedures to report on progress and to schedule and conduct reviews for senior leadership.

• Establish an Office of the Executive Director for Institutional Army Transformation that will oversee business process reform and Institutional Army Transformation initiatives.

• Leverage work to date by the Office of Institutional Army Adaptation (OIAA) to achieve the initial intent (captured in the Army Campaign Plan and the FY 05 Game Plan) established for this effort, i.e., "identify how effectiveness and efficiencies can be gained (e.g., Can processes be adapted? Structures or regions consolidated?)"

• Develop an output-oriented performance management system to be used to support departmental level assessments of performance relative to the "Strategic Framework," enumerated in the 2005 Army Posture Statement, and progress in executing major business decisions.

(4) Active-Reserve Balance (evolved from Institutional-Warfighting Balance).

(a) Scope. Assess the size and composition of the active and reserve components of the Army with a view to determining their feasibility to support the Army Force Generation Model (ARFORGEN) and fulfill the full range of global strategic requirements derived from the National Military and Defense Strategies.

(b) Findings.

• Establish a Special Study Group to support the National Commission on Reserve Component Issues (Punaro Task Force).

• Determine appropriate roles and missions for the Guard and Reserve in the 21st Century security environment.

• Leverage the work of this Special Study Group to support the Quadrennial Defense Review, Army Focus Areas, and other relevant studies and initiatives.

(c) Taskings for Proponent (Lead Agency: G3; Supporting Agencies: ASA(M&RA); G-8 Quadrennial Defense Review Office; Executive Director for Institutional Army Transformation; ASA(M&RA), Others TBD).

• Establish and man a Special Study Group to support the National Commission on Reserve Forces (Punaro Group).

d. Coordinating Instructions.

(1) All HQDA and MACOM proponents will integrate the intent of the key findings and recommendations into the systems and processes that they have proponency for. These include, but are not limited to: Quadrennial Defense Review, FY 06 Game Plan (to assist in informing the field of key SATT findings), Army Strategic Planning Guidance, Army Campaign Plan, FM 1.0 (*The Army*), FM 22-100 (*Leadership*), National Security Personnel System, 2006 Army Posture Statement, etc.

(2) Key Milestones.

- NLT 15 August – Supporting Strategic Communications Plan published
- NLT 9 September – Implementation Plans approved per the sequence established in paragraph 3. a. (4)

(3) Oversight of Implementation. The Special Assistant to the Secretary of the Army will oversee execution of milestones and facilitate the approval process by the Secretary of the Army.

4. Point of Contact. Mr. Thomas E. Kelly III, Special Assistant to the Secretary of the Army, (703) 697-3001, or COL Mark D. Rocke, Director, Executive Office of the Headquarters Staff Group, (703) 697-3920.

BY ORDER OF THE SECRETARY OF THE ARMY:

JAMES L. CAMPBELL
Lieutenant General, U.S. Army
Director of the Army Staff

4 Enclosures
1 – Army Vision Statement
2 – Leadership Paper
3 – *Transforming the Way We Do Business*
4 – *Review of Education, Training, and Assignments of Leaders*

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