

GAO Highlights

Highlights of [GAO-17-9](#), a report to congressional addresses

Why GAO Did This Study

While DOD maintains military forces with unparalleled capabilities, it continues to confront management weaknesses related to its business functions that support these forces. GAO designated DOD's approach to business transformation as high risk in 2005 because DOD had not taken steps to achieve business reform on a strategic, department-wide basis.

This report (1) describes the roles and responsibilities established by DOD and the military departments for overseeing business transformation and the continuity of leadership in senior business transformation positions, (2) assesses the extent to which DOD has coordinated with the military departments to align strategic planning efforts for business transformation, and (3) evaluates the extent to which the DOD DCMO has used the Defense Business Council to effectively monitor department-wide performance. GAO reviewed documentation, including summaries from Defense Business Council meetings, and interviewed cognizant officials.

What GAO Recommends

GAO recommends that DOD define a role for the military department CMOs or DCMOs in DOD's strategic planning process, and align DOD's and the military departments' goals and objectives for business transformation in its Agency Strategic Plan. GAO also recommends that DOD take action to improve its monitoring of the military departments' performance. DOD concurs with GAO's recommendations.

View [GAO-17-9](#). For more information, contact Zina D. Merritt at (202) 512-5257 or merrittz@gao.gov.

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DEFENSE BUSINESS TRANSFORMATION

DOD Should Improve Its Planning with and Performance Monitoring of the Military Departments

What GAO Found

The Department of Defense (DOD) and the military departments have established roles and responsibilities for senior business transformation positions, such as Chief Management Officers (CMOs) and Deputy CMOs (DCMOs), who are responsible for business transformation efforts—actions to increase the efficiency of or to decrease the costs associated with DOD's business functions, such as acquisitions and logistics. However, DOD has had challenges retaining individuals in some positions, as shown in the figure.

Turnover in Chief Management Officer (CMO) and Deputy CMO (DCMO) Positions since 2010



Source: GAO analysis of Department of Defense (DOD) and military department information. | GAO-17-9

DOD and the military departments have issued strategic or business transformation plans, but DOD has not coordinated with the military departments to align their strategic planning efforts for business transformation with those of the department. For example, the military department CMOs or DCMOs do not have a defined role in DOD's strategic planning process to develop department-wide business transformation goals and objectives. Further, DOD has not aligned the military departments' goals and objectives to those of the department in DOD's Agency Strategic Plan. Leading practices for results-oriented management state that goals should align throughout an organization. In doing so, DOD would be better positioned to ensure that the military departments' strategic planning—as well as goals and objectives—directly contribute to those of the department.

The DOD DCMO has used DOD's principal business governance forum—the Defense Business Council—to monitor some department-wide business transformation efforts, but has not effectively monitored the military departments' performance on business transformation efforts. For example, defense business systems certification and approval initiatives were the most frequently discussed forum items since October 2015, while military department performance on business transformation efforts were not discussed. The DOD DCMO instead relied on the military departments to conduct their own performance monitoring. GAO found that the Council's charter does not specifically outline its responsibility for monitoring the military departments' performance. Without improved department-wide monitoring, DOD may not be well-positioned to assess the overall impact of its efforts to achieve business transformation.