

Commentary

# Bringing Pentagon efficiency and effectiveness to the forefront

By: Denis A. Bovin and Gen. Norton A. Schwartz (Ret.) January 26, 2017



This picture taken 26 December 2011 shows the Pentagon building in Washington, DC. The Pentagon, which is the headquarters of the United States Department of Defense (DOD), is the world's largest office building by floor area, with about 6,500,000 sq ft (600,000 m2), of which 3,700,000 sq ft (340,000 m2) are used as offices. Approximately 23,000 military and civilian employees and about 3,000 non-defense support personnel work in the Pentagon. AFP PHOTO (Photo credit should read STAFF/AFP/Getty Images)

In James Mattis' confirmation hearing before the Senate two weeks ago, most of the questions directed at him appropriately focused on threats to the United States. There were thoughtful exchanges on Russia and Iran. And discussions about sequestration. However, one of the greatest threats not receiving appropriate attention is the Pentagon's current business processes. Archaic and inefficient, the Defense Department's processes used to acquire and manage resources have ultimately become counterproductive in supporting the military's warfighting mission.

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National defense too often is only discussed in context of size and cost in relation to external threats. While those are unquestionably important considerations, more emphasis must be placed on internal efficiency and effectiveness. Processes that monitor and reward output as opposed to processes that focus exclusively on inputs illuminate opportunities for dramatic improvements in our military posture.

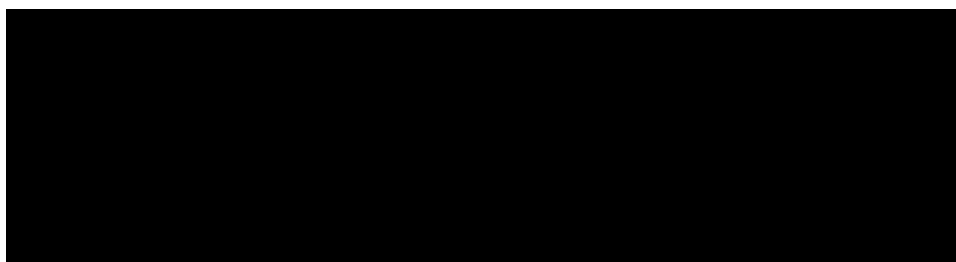
As a former business leader, Donald Trump is well suited to prioritize business processes. And as president, he can direct Defense Secretary James Mattis and his staff to explore what can be achieved by elevating the primacy of efficiencies and effectiveness within the Pentagon.

Reconsidering how the Pentagon collects and uses data to make decisions will be particularly important. Indeed, better and more proficient employment of existing business process technologies and associated data has the potential to enable new capabilities, drive efficiencies, and promote more informed management decisions. Advanced analytics can provide insight into effects of even micro-level changes on readiness, with hope that current reporting could forecast how today's decisions impact future military readiness.

Defense acquisition – historically the symbol of the slow-to-decide-and-act defense bureaucracy – is another area worthy of review. Pentagon procurers must have the opportunity to embrace and expand on the principles of rapid innovation. Rapid innovation has been adopted by Silicon Valley start-ups through some of our largest corporations, and its model would better attract existing and future military suppliers while providing our military world-class capability at lower costs.

The president and secretary of defense should also pursue measures that shed uniformed military responsibility of non-core services. The Pentagon has already seen success of such measures when they privatized military housing decades ago. There have been several studies over the years identifying other non-core military services that can be done more efficiently.

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To move the Pentagon toward best-in-class processes and practices, the president must begin by outlining his support for efficiency and cost-savings reform in his budget. Notably, the budget must advance progress on auditability.

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Under the current plan, all four services must be audit ready by the end of September, with independent auditors in 2018 determining whether they passed or failed. Few are optimistic that the services will return a clean opinion, but the process is vital for prudent fiscal oversight while shedding light on how senior Pentagon leaders can run their organization more effectively. What is more, it provides a step toward full cost accounting which would provide even greater insight by capturing direct and indirect costs, driving decision making accordingly.

Another key provision would be support for eliminating, consolidating or repurposing excess infrastructure and facilities; to include requesting a new round of Base Realignment and Closure (BRAC). While unpopular in Congress, divesting unneeded infrastructure is basic best business practice and another BRAC round is well overdue. The last round occurred over a decade ago.

Our military and defense leadership is trained to operate in ambiguous and uncertain conditions — and that is necessary and appropriate for the battlefield. But we can and must do better when it comes to process, management, and generally keeping our own house in order. Indeed, a key rationale of strengthening business processes is to reduce the frequency of decision-making-by-gut-feel.

For too long, the business side of defense has taken a backseat to legitimate operational concerns. It is time to explore what can be achieved by bringing business considerations up front to help us navigate the treacherous national security waters ahead.

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