



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

SAUS-OBT

AUG 13 2012

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Headquarters Transformation

1. On 26 July 2012, the Secretary of the Army (SA) and the Chief of Staff of the Army (CSA) directed the Under Secretary of the Army (USA) and the Vice Chief of Staff of the Army (VCSA) to conduct a review of the outputs, processes, and organizations of the Headquarters, Department of the Army (HQDA) and its Field Operating Agencies (FOAs) to sharpen our focus on statutory requirements, policy, and oversight. As part of this review, the SA and CSA set a long-term goal of reducing the workload of HQDA and FOAs to approximately two-thirds of its 1 October 2010 level by the end of FY18.

2. This memorandum directs support for the USA's and VCSA's efforts to transform HQDA and its FOAs. The USA and the VCSA have asked LTG William Grisoli, Director, Office of Business Transformation, to organize an integrated process team (IPT) and lead this effort.

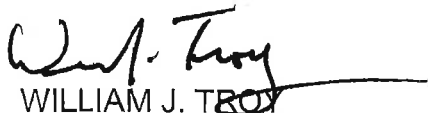
3. The first enclosure contains a detailed description of the concept of operations, establishes milestones, and sets expectations for staff principals' and FOA leaders' participation. Immediate tasks include appointing a flag officer and COL/GS15 leader to support this effort and your participation in a data call that will form the basis of our current baseline for roles, missions, functions, and associated manpower. The second enclosure contains data call instructions.

4. To echo the Army Senior Leaders, we must work together to overcome the challenge of this task in order to develop proposals that will begin the transformation of the Army Headquarters toward a leaner, more agile, and effective Headquarters in Army 2020.

5. The IPT point of contact for this action is BG Karen Dyson, 703-614-5245, Karen.e.dyson.mil@mail.mil.

FOR THE SECRETARY OF THE ARMY:

2 Encls
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WILLIAM J. TROY
Lieutenant General, U.S. Army
Director of the Army Staff

SAUS-OBT

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Enclosure 1. Task to HQDA and FOAs for Army Headquarters Transformation

1. References:

- a. SA/CSA Memo, Subject: Army Headquarters Transformation, dated 26 July 2012.
- b. USA/VCSA Memo, Subject: Army Headquarters Transformation, dated 31 July 2012.

2. Mission. Conduct a review of the outputs, processes and organizations of Headquarters, Department of the Army (HQDA) and its Field Operating Agencies (FOAs) in order to meet the goal established by the Secretary of the Army and the Chief of Staff, Army of reducing the workload of the Headquarters and FOAs to approximately two-thirds of its 1 October 2010 level by the end of FY18. The end-state is a more effective and efficient Headquarters that better manages an Army adapting to a leaner, more agile force for Army 2020.

3. Purpose. The purpose of this review is to develop transformational changes that will allow the Army to retain agility and effectiveness in HQDA staff functions and decision making, at a lower cost. This period of uncertainty and our fiscal environment demand that we approach affordability challenges with changes that go beyond the margin by addressing the workload of the headquarters and how we execute that workload. Potential reduction, realignment or elimination of workload is envisioned to enable an increased focus on strategic functions in the Headquarters.

4. Commanders Intent. Facilitate a review that generates innovative ideas for how HQDA may adapt to better manage the leaner, more agile force developing in Army 2020. This will be a team approach that requires all to participate with an understanding that the outcomes of the review will provide a holistic benefit to the Headquarters.

5. Scope. This directive applies primarily to all Headquarters elements and its FOAs. However, to the extent that functions may be realigned to subordinate organizations, this directive applies to ACOMs and DRUs. It is not expected that there will be an impact on ASCCs.

6. Timeline. The review will last 150 days and conclude with recommended proposals to inform POM 15-19.

7. Concept of the Review. The Under Secretary of the Army (USA) and the Vice Chief of Staff of the Army (VCSA) have appointed LTG Grisoli, Director, Business Transformation, to form the Army Headquarters Transformation (AHT) Integrated Process Team (IPT) with representatives from Office of the Administrative Assistant to the Secretary (OAASA), Director of the Army Staff (DAS), U.S. Army Manpower Analysis Agency (USAMAA), Institutional Army Transformation Commission (IATC) and

the Office of Business Transformation (OBT). The IPT will lead the overall effort in close communication with POCs designated by Headquarters Staff Principals and FOA leadership. The review will be conducted in phases:

a. Preliminary start-up actions. A preliminary review using TDA authorizations and past studies will be conducted immediately by the IPT. This review will establish the baseline of HQDA authorized staffing and inform the development of potential focus target review areas (FTRA) for further review.

b. First 30 days.

1) Staff Principals will appoint a flag officer and COL/GS15 to lead their participation in the overall review.

2) The IPT issues a data call in order to establish the baseline for current workload; roles, missions, functions and authorities; and assigned manpower (MIL, CIV, and CME). The IPT will conduct a thorough analysis of the baseline authorizations considering statutory requirements, roles, missions, and functions and develop recommendations for workload reductions, for the elimination of unnecessary redundancies, for the elimination of Overseas Contingency Operations (OCO) funded work as operations are reduced, and/or for the realignment of workload to ACOMs or subordinate headquarters. The data call and instructions are contained in enclosure 2.

3) To facilitate a common understanding of the information submitted, staff POCs will be scheduled to back brief the IPT on the data call information submitted.

c. Development of Focus Target Review Areas (FTRAs). Target review areas are those functions, roles and/or missions that will be further reviewed with the goal of finding ways to reduce workload in the HQDA. Targets for workload reduction will be specified for each FTRA.

1) Development of FTRAs will be coordinated with applicable staffs and, as required, will undergo "red team" analysis. The goal is to select feasible FTRAs where the potential for change is both reasonable and plausible.

2) Recommendations for FTRAs will be briefed to the USA and VCSA for approval NLT D+60.

3) Staffs are encouraged to recommend potential FTRAs to the IPT.

d. Proposal Development.

1) Upon approval of the FTRAs by the USA/VCSA, a second DAS tasking will identify leads, co-leads and associated stakeholders who will be tasked to develop proposals that meet the goals established by the Army's Senior Leaders to reduce workload.

2) Proposals should include the following information that will contribute to an understanding of the baseline and the reduction and/or realignment of HQDA and FOAs workload:

(a) Growth in HQDA's and FOAs' roles, missions, functions, associated funding and staff levels (civilians, military and contractors) since 2003. (Understand the baseline)

(b) Options to eliminate unnecessary redundancies or reduce the scope of the mission within the Secretariat and the Army Staff and between HQDA organizations and subordinate organizations. (Reduce size of HQDA and FOAs)

(c) Externally driven functions or tasks that we would recommend are eliminated or changed to reduce workload; proposals regarding these functions or tasks would include recommendations for engagement with organizations that drive the workload. (Reduce size of HQDA and FOAs)

(d) Functions or tasks that can be eliminated or reduced in scope. (Reduce size of HQDA and FOAs)

(e) Non-enduring, OCO-funded work that will be eliminated as these operations are reduced. (Reduce size of HQDA and FOAs)

(f) Operational workload that can be effectively and efficiently accomplished outside of HQDA and FOAs. (Realign workload)

3) Headquarters, FOAs and, as required, commands are encouraged to collaborate to produce innovative proposals that significantly impact workload and processes in today's Army.

4) Proposals will be viewed by the AHT Red Team and widely staffed ahead of presentation to the USA and VCSA during the last 30 days of the review (D+120-150). Proposals will consist of three or more Courses of Action to identify options for the SA's decision. Proposals will be supported by sufficient analysis to frame a decision, including cost benefit analysis, risk analysis, feasibility, policy changes, statutory issues, strategic communication challenges, implementation timelines and manpower savings.

e. Presentation of Proposals. The identified leads for the FTRA proposal development will brief their staffed proposals to the USA and VCSA starting at D+120 and NLT D+150.

1) The USA and VCSA will review the recommended proposals for workload

efficiencies and will approve recommendations to be briefed to the SA and CSA for final approval.

2) Approved proposals will be briefed for decision to the SA and CSA. Approved proposals constitute the beginning of transforming the headquarters under this effort.

f. Post-Approval: Implementing change. After approval by the SA, Staff Principals will be charged with implementation that will institutionalize these changes. This will include the revision of current program and budget documents, the publication of implementation plans with milestones, and the development of performance measurement metrics designed to track progress of implementation plans. In some cases, Staff Principals may be charged with further reviews, subsequent tasks to address externally driven workload, or refinements to the proposals presented.

8. Key milestones of this directive are as follow:

SA and CSA sign memo	D Day
USA/VCSA sign memo	shortly after D Day
DAS signs Tasking Document	shortly after USA/VCSA memo is signed
IPT conducts Baseline Analysis	D → D+30
Data Call Completion due by Headquarters staff	NLT D+30
IPT Analysis of Data call	D+30 → D+59
Red Team Support	D+45-D+59
USA/VCSA approval of Focus Target Review Areas,	D+60
COA Development of approved Target Review Areas	D+61 → D+119
Red Team Support	D+120-D+149
Briefs to USA/VCSA on Course of Actions	D+120 → D+149
SA/CSA approves Proposals for Implementation or further review	D+150

9. Meeting Schedule:

a. The IPT hosted an informational meeting (13 Jul 12, 1300-1500 in the Pentagon Conference Center, Room M5) for designated flag officer and COL/GS15 Headquarters leads. The purpose of this meeting was to explain the concept of operations, the data call, the milestones, and field questions.

b. The IPT will host weekly meetings with Headquarters leads to exchange information, impart guidance, answer questions and ensure a transparent process throughout the review.

10. The following organizations are tasked to support the Army Headquarters Transformation:

a. HQDA Principal Officials/FOAs.

1) HQDA Principal Officials/FOAs will be represented by designated flag officer and COL/GS15 leaders who will participate in the AHT IPT. Please provide any updates to LTC Shawn Lockhart, 703-614-8625 or shawn.k.lockhart.mil@mail.mil.

2) Submit AHT data call to the IPT IAW Enclosure 2 to this tasking. Staff organizations with FY13 TDA authorizations less than or equal to 200 spaces must complete the data call spreadsheet NLT D+20. All other staff organizations must complete their data call NLT D+30.

3) Back brief data call results to the IPT, as scheduled with the IPT.

4) Review and internally develop possible focus areas for change that can achieve goals of reducing workload in the Headquarters. Report these initiatives to the IPT to be included in the overall review effort.

5) As requested, participate in Focus Target Review Area (FTRA) groups and Red Teams to assist the development and/or assessment of feasible course of action (COA) development for approved FTRAs.

6) Headquarters Principals will brief proposals to USA/VCSA between D+120 and D+150. Proposals will include cost benefit analysis, risk analysis, feasibility, policy changes, statutory issues, strategic communication challenges, implementation timelines and manpower savings. Proposals will also include workload reductions, including that which is externally driven, and tasks that can be realigned to ACOMs or subordinate headquarters.

b. Office, General Counsel. Review all proposals to ensure recommendations meet requirements specified in Title 10, United States Code (USC).

c. Office of the Chief of Legislative Liaison. Assist the IPT with review of any legislative changes or language that impacts the overall integration of the Army's efforts with Congress.

d. Office of the Chief of Public Affairs. Assist the IPT in the development of external and internal strategic communications plan for this effort.

e. Army Audit Agency (AAA). Provide information to the IPT on reviews of previous HQDA reorganization efforts.

f. Center for Military History. Provide information to the IPT on historical HQDA restructuring, transformation efforts to inform current review efforts.

g. Deputy Chief of Staff, G-8. Provide any previous studies, literature, and reviews that may support this review.

h. Center for Army Analysis (CAA). Support the IPT with analysis capability.

11. Coordinating Instructions:

a. The AHT IPT will provide overall coordination and oversight of this effort. The IPT is led by BG Karen Dyson, and consists of senior representatives from OAASA, DAS, USAMAA, IATC and OBT. Advisors include representatives from IATC, Office of the General Counsel (OGC), Office of the Chief, Legislative Liaison (OCLL) and Office of the Chief, Public Affairs (OCPA).

b. The IPT working group will conduct weekly in-progress review (IPR) meetings each Tuesday from 1330-1430 in the Office of Business Transformation Conference room (5D556).

c. The IPT will host weekly IPR meetings with HQDA representatives to collaborate and share information, clarify guidance, and resolve challenges. Meetings are held every Thursday, 1300-1430, location is TBD.

d. The IPT will provide periodic updates to Senior Leaders, including Dir, OBT, OAASA, DAS, USA & VCSA, and SA & CSA.

e. The intent is that this review be open, transparent, and driven largely by those who own the workload functions under review. HQDA, FOAs and Command POCs/leaders are encouraged to contact the IPT with any questions, concerns or ideas regarding the review as we all work our way through it together.

f. A moratorium on changes to organization structure and manpower requirements for all HQDA organizations will be imposed throughout the duration of the AHT effort. Organizations may continue to submit concept plans, command implementation plans and out-of-cycle requests for changes in personnel but with the understanding that, except for approved reductions or changes to the grading plate and waivers for special circumstances, the submissions will be held until completion of the AHT effort. Organizations who submit proposed changes should do so understanding the risk that changes to the broader HQDA could make their proposed changes moot. The Administrative Assistant will issue more detailed guidance on this topic.

12. Points of Contact for HQDA AHT IPT.

a. BG Karen Dyson, 703-614-5425, karen.e.dyson.mil@mail.mil

b. IPT POC: COL Scott Mills, 703-614-0035, scott.s.mills2.mil@mail.mil

c. AHT Data Call, COL Boyd Bankston, (571) 256-2618, james.b.bankston.mil@mail.mil

Enclosure 2 (Data Call Procedures) to *Tasking for HQDA Transformation Directive*

1. General:

a. This data call supports the initiative directed by the Secretary of the Army (SA) and Chief of Staff of the Army (CSA) to reform and restructure Headquarters, Department of the Army (HQDA) and its Field Operating Agencies (FOAs) per the memorandum "Army Headquarters Transformation," dated 26 July 2012. The input provided will inform the Army Headquarters Transformation (AHT) Integrated Process Team (IPT) as it develops "focus target review areas" (FTRA) in which the workload of HQDA and its FOAs can be reduced by FY18.

b. The data call will require each organization within HQDA to provide information that will help the IPT assess the functions, processes, and products supported by each organization's personnel. It is vital that methodical attention be given to this data call so that the transformation plan implemented will be based on sound analysis and ultimately result in creating a more efficient HQDA organization with enhanced capability to support rapid, adaptive and agile decision-making.

2. Execution – This data call consists of 2 parts:

a. *Spreadsheet Portion*

The spreadsheet portion of the data call includes the following 4 tabs:

Instructions (Tab 1)

The first sheet provides detailed instructions on filling out Tabs 2 and 3 ("Total Personnel" and "Division Level").

Total Personnel (Tab 2)

The intent of this sheet is to gain an accurate picture of the organization's current, on-board strength in comparison to the FY13 TDA.

Division Level (Tab 3)

The intent of this sheet is to identify at the division level the core processes which the organization supports, the primary deliverables produced, and the "customers" for whom the products are intended.

Drop Down Lists (Tab 4)

This sheet serves as a reference only and includes the content of all drop down lists in Tab 2 ("Total Personnel").

b. *Narrative Responses*

On a separate word document, please identify/provide information as applicable on

the following:

1) Functions, services and/or task forces which may be outside of the organization's core mission and could potentially be scaled back, eliminated, or transferred to a more appropriate organization, and the estimated workload savings this would create. If referencing a task force, please indicate the start/end dates.

2) Any enduring forums which the organization hosts, and the highest rank of the host (O6, BG, MG, LTG, etc.), as well as frequency of meetings held. (i.e. BSIT ESC, USA; 3 Star prep meeting, hosted by Army DCMO; 1/2 Star prep meeting, hosted by OBT Deputy Director. The BSIT is a tiered meeting cycle that occurs monthly.)

3) Areas of overlap observed between the organization and other organizations.

4) Functions or tasks that are driven by factors external to the Army and that are recommended to be eliminated or changed to reduce workload, and the estimated workload savings this would create.

5) Non-enduring, OCO-funded work that will be eliminated as the Overseas Contingency Operations are reduced, and the estimated workload savings this would create.

6) Other potential areas to find efficiencies within HQDA and its FOAs by FY18.

4. Suspense: The suspense for both portions of the data call is D+30 with an expectation that an outbrief will be conducted to ensure full understanding of the data. The IPT will schedule data call outbriefs, beginning with smaller organizations.

5. Please identify the organization's POC for the data call effort to Meg Giles at (703) 693-3320 or by e-mail at Margaret.L.Giles2.civ@mail.mil. We will be available to meet with POCs to ensure a clear understanding of the requirement.