



SECRETARY OF THE ARMY
WASHINGTON

15 AUG 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Establishment of the Institutional Army Transformation Commission

1. Reforming and restructuring the Institutional Army – the Generating Force – is critical to building the Army of the future and supporting the forces of today. It must be as nimble, agile and adaptive as our Operating Force – driven by ideas, innovation and a determination to bring the best services and equipment, training and leaders, medical care and support to our Soldiers, civilians, and their family members. My belief in, and passion for, transforming the Institutional Army is a major focus of my tenure as Secretary of the Army.

2. In August 2010, I initiated efforts to change the Institutional Army by directing the Deputy Under Secretary of the Army (DUSA) to lead a short-term task force to analyze the efficient processes and organizations that produce our Operating Forces. That endeavor, coupled with that of a follow-on DUSA Task Force in January 2011, sought to identify changes that would result in significant improvements in the Institutional Army's agility and efficacy. Additionally, the DUSA Task Force began defining long-term transformational outcomes for both the Human Capital and Materiel Development functions. The goal of these efforts is to facilitate senior leaders' assessments of the Army's processes, assisting them to recommend and, upon approval, implement the changes required to create an Institutional Army with the same level of responsiveness and flexibility we have established in our Operating Forces.

3. As we have begun investigating fundamental reforms, we have identified meaningful near-term process and efficiency improvements that can be quickly implemented. Accordingly, I have issued directives to several senior leaders to conduct in-depth assessments of their organizations and processes in order to achieve improved performance at significantly reduced costs. These near-term improvements have targeted savings in excess of \$10 billion/year by the end of Fiscal Year 2017.

4. Historically, large-scale institutional transformation efforts have taken years to mature before agile, cost-effective organizations emerge with a culture of continuous improvement incorporated in all activities. Likewise, our Institutional Army transformation initiative must be enduring. The accomplishments of the initial Task Forces are just a beginning; it is imperative that the momentum of this effort continue for at least the next three years, with continuity of leadership, purpose and direction.

5. It is with this in mind that I have directed the DUSA to establish the Institutional Army Transformation Commission, under the leadership of Dr. Leonard W. Braverman. The Commission is tasked to remain focused on organizational change, analysis of efficiency assertions, and implementation and integration of the reforms that I have

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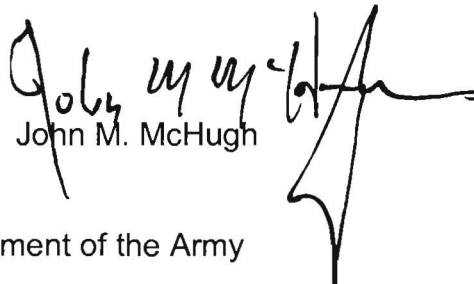
previously approved. Inherent in this effort is a requirement to improve Departmental decision processes, analytic capabilities and information transparency. A final goal of this Commission will be to enable an existing and enduring Army organization to carry on this Institutional Army transformation work. In that regard, the Commission should have open access to and work closely with the Office of Business Transformation, which I believe would be the enduring Army organization best suited to carry on this mission when the Commission's charter expires.

6. Resources and Composition: The Commission will be limited to 15 members from across the Army. The Director of the Army Staff will ensure that only the most qualified personnel are selected for assignment to the Commission and that all possess the skill sets and expertise required. I will also consider limited numbers of additional personnel from the private sector. The Administrative Assistant to the Secretary will coordinate, as required, appropriate administrative and financial resources, to include Pentagon office space for the Commission. This effort will not create any permanent overhead or manning.

7. Duration: This Commission will assume the responsibilities and operations of the current DUSA Task Force. The Commission will be established for no longer than three consecutive one-year terms from the date of this memorandum, unless terminated earlier by me or my Senate confirmed successor. The Commission will provide me with biweekly updates.

8. This transformational endeavor remains a high priority for me. All other similar initiatives throughout the Department must be synchronized with those of this Commission. While the Commission's work does not supersede any ongoing or anticipated future efforts to seek savings or improve organizational performance, this Commission will strive to ensure all such parallel initiatives are aligned to posture the Department to successfully meet the challenges of the future.

9. Should you have any questions, my point of contact within this headquarters is Dr. Leonard W. Braverman, (703) 695-8337, email: leonard.braverman@us.army.mil.


John M. McHugh

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