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VOLUME 47
Production and Logistics
Strategic Plan

47



Assistant Secretary of Defense

Production and Logistics
Strategic Plan

May 1989

Foreword

This is the first edition of the Production and Logistics Strategic Plan. The objective in developing this plan was to improve the cohesiveness of decision-making and resource balancing throughout the production and logistics community. The plan provides policy direction through a hierarchy of a mission statement, goals and sub-goals to achieve mission objectives. It integrates the strategic plans of each of the functional areas within P&L. The plan's corporate priorities set the focus for the P&L community and are intended to guide P&L participation in the DoD Planning, Programming and Budgeting System (PPBS).

This first edition of the P&L strategic plan has benefited from the comments and suggestions of a great many individuals and organizations in the Office of the Secretary of Defense, the Joint Staff, the Military Services and the Defense Logistics Agency, both on the development of the process and on the product itself. The successful implementation of the plan will rely on the development of supporting strategies and action plans in each functional area by OSD and the Components. This planning process is iterative, and the plan will be updated based on implementation progress and changes in the P&L environment.

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EXECUTIVE SUMMARY

The Production and Logistics (P&L) strategic plan is the first plan developed to guide production and logistics programs and priorities throughout the Department of Defense (DoD). It sets the course of action needed to ensure a balanced program to support national and defense goals, objectives and strategies through improved cohesiveness of decision making and resource allocation. This capability becomes most critical during times of scarce resources expected in the foreseeable future.

The P&L strategic plan sets department-wide, corporate P&L priorities and is the source for P&L and component (Joint Staff, Army, Navy, Air Force and DLA) input into the Department's *Defense Guidance*. It will also be used by the components to prepare their Program Objective Memoranda (POM) and budgets. The OASD(P&L) staff will use the *Defense Guidance* and strategic plan to assess the components' programs and budgets.

Specific goals, sub-goals, objectives, and strategies are developed to implement national security objectives and defense strategy. Diplomacy, economic strength and military capability are the three elements of U. S. national power that ensure national security objectives are met. Should diplomatic or economic measures fail, the U. S. must be ready to exercise military power to meet threats to national security interests. The defense related national security objective is to maintain the security of the nation and U. S. allies. The primary defense strategy to support this objective is to deter coercion and aggression against the United States and its allies; or should deterrence fail, to secure all U. S. and allied interests and deny an aggressor his aims in the conflict.

DoD needs a balanced and affordable defense posture; one that provides for sufficient forces in a high state of readiness, rapid deployment of those forces and sustainment in

*Quality Forces-
the American
competitive edge.*



the event of war. To support the defense strategy, the production and logistics mission is to *assure that the men and women of the armed forces are provided reliable and supportable weapon systems, related equipment, and facilities and to maintain them in a ready condition as a deterrent force. Provide the policies and resources necessary to mobilize, deploy, and sustain forces, weapon systems and equipment in peacetime and in wartime.*

The P&L approach is to focus organizationally and programmatically on the major functions that are required to support the requisite deterrence and war fighting capability. These major functions are procurement, logistics, installations, environment, systems, total quality mangement and national defense stockpile.

Each of the functional organizations has or is developing a subordinate strategic plan. These subordinate plans have or will be published under separate cover and make up the annexes of this strategic plan.

In structuring goals, most effort and resources are directed to verifiable deterrence. The P&L strategic plan articuiates major goals supported by individual functional sub-goals that relate and integrate with supporting objectives and strategies. The goals are meant to bridge the broad DoD mission statement to the P&L subordinate functional plans.

The five P&L goals are to:

- Assure that the men and women of the armed forces are provided reliable and supportable weapon systems and related equipment through effective participation in the acquisition process.
- Maintain ready forces by providing an excellent base infrastruture, quality systems, logistics support and a responsive industrial base.
- Mobilize and deploy forces in a timely manner by developing necessary plans and providing required assets.
- Sustain deployed forces throughout the spectrum of operations by ensuring adequate war reserves are available and optimizing the infrastructure and industrial base.
- Improve the management of production and logistics support functions by undertaking broad management improvement efforts that contribute to acquiring, maintaining, deploying and sustaining forces.

Eighteen sub-goals, 80 objectives and 253 strategies further define what is to be accomplished, by whom, how and when. While strategies are often specific, they recognize the unique operating environments of the Military Services and Defense Agencies and allow flexibility during implementation. To provide the detailed planning necessary to ensure implementation, each of the Components will develop appropriate plans, programs and budgets.

As stated, the strategic plan sets priorities across production and logistics functional areas and guides P&L participation in the Planning, Programming and Budgeting System. Component plans and programs implement the content of the strategic and functional plans. This plan represents priorities from the

viewpoint of the production and logistics community and therefore, may subsequently be modified when competing issues external to P&L are addressed.

The strategic planning process is iterative, to be repeated at least annually. The Production and Logistics Defense Acquisition Board (DAB) Committee will periodically review this plan, set priorities and assess progress. The committee is chaired by the Assistant Secretary of Defense for Production and Logistics and includes representation from each of the Military Services, the Defense Logistics Agency and the Joint Chiefs of Staff. The Deputy Assistant Secretary of Defense for Systems serves as the focal point for the plan within the committee.

The men and women of the Armed Forces deserve the highest materiel support. The Strategic Plan is pointed to that end.



CHAPTER I

INTRODUCTION

A. Background. This is the first strategic plan developed to guide the operation of Department of Defense activities falling under the purview of the Assistant Secretary of Defense for Production and Logistics (P&L). It sets a course of action which will ensure a balanced program to support national and defense goals, objectives and strategies. It borrows heavily from the *National Security Strategy of the United States*, *Defense Guidance*, and the *Annual Report to Congress*. This plan integrates the strategic plans of each of the functional areas within P&L. It is prepared under the authority of DoD Directive 5128.1, Assistant Secretary of Defense (Production and Logistics), February 9, 1989. It implements DoD Directive 7045.14, The Planning, Programming, and Budgeting System (PPBS), May 22, 1984, and DoD Instruction 7045.7, Implementation of the Planning, Programming, and Budgeting System (PPBS), May 23, 1984.

B. Scope. This strategic plan applies to all areas that fall under the responsibility of the Assistant Secretary of Defense (P&L), and the corresponding areas within the Components. P&L functions address:

- Procurement, including all contracting aspects of acquiring systems and supplies.
- Logistics, including supply, maintenance, transportation, energy, and international logistics support arrangements.
- Installations, including military construction, facility maintenance, and base services.
- Environment, including regulatory reform, waste minimization, waste clean up and maintenance of productive natural resources.

*DoD's
sophisticated
equipment must
be highly reliable
and quickly
repairable when
maintenance is
needed.*

*"Quality,
Quality,
Quality."*



□ Systems support, including weapons acquisition support dealing with standardization, interoperability, reliability, maintainability, and supportability and information systems to provide command, control, and decision support throughout the entire P&L community.

□ Total Quality Management, including manufacturing quality, standardization, and data management.

□ National Defense Stockpile, including requirements, acquisition, availability, specifications and disposition of strategic and critical materials.

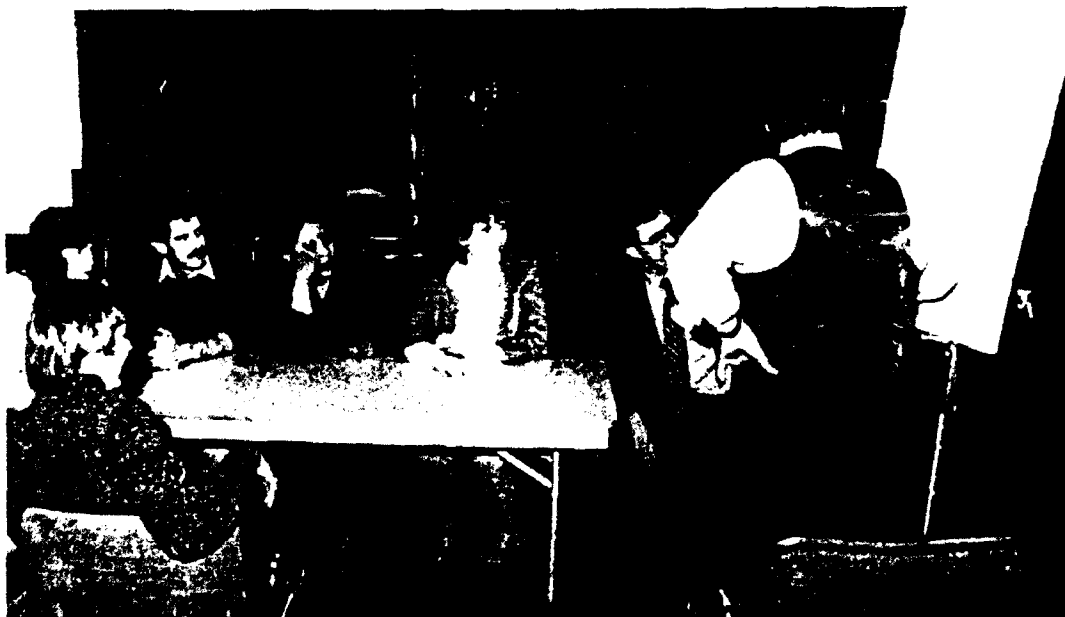
C. P&L Strategic Planning Process.

A detailed description of the strategic planning process is provided in the detailed supplement to this plan, to be published at a later date.

D. Organization of the P&L Strategic Plan.

The plan is organized to flow from the objectives of national security strategy through defense strategy to the development of P&L goals, sub-goals and objectives. This introduction provides the basic information to set the stage for following chapters. Chapter II identifies national and defense security objectives and strategies. A vision of the future, as it relates to the P&L community, comprises Chapter III. It identifies the threat, makes assumptions about the future and discusses implications for P&L. Chapter IV formulates the direction for the P&L community. It states the P&L mission, goals, sub-goals and objectives that support national and defense objectives and strategies. Chapter V provides P&L's high priorities. Each supporting subordinate functional plan will become an annex to this plan.

*Quality support
demands
planning,
teamwork, and
communication.*



CHAPTER II

THE U.S. NATIONAL SECURITY PERSPECTIVE

A. U. S. Interests. National interests are peace, freedom and prosperity for the U. S. and its friends and allies. The U. S. seeks an international order that encourages self-determination, democratic institutions, economic development, and human rights. It strives to promote and defend these democratic ideals. The key national interests include:

The survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and people secure.

A healthy and growing U. S. economy to provide opportunity for individual prosperity and a resource base for national endeavors.

A stable and secure world, free of major threats to U. S. interests.

The growth of human freedom, democratic institutions, and free market economies throughout the world, linked by a fair and open international trading system.

Healthy and vigorous alliance relationships.

B. National Security Objectives. U. S. national security objectives are targeted to support U. S. interests. They are formulated to counter threats to U. S. interests. Principal national security objectives are:

To maintain the security of the nation and its allies.

To respond to the challenges of the global economy.

To defend and advance the cause of democracy, freedom, and human rights throughout the world.

To resolve peacefully disputes which affect U. S. interests in troubled regions of the world.

To build effective and friendly relationships with all nations with which there is a basis of shared concern.

C. U. S. Defense Strategy. There are three elements of U. S. national power that can be brought to bear to ensure national security objectives are met. These are diplomacy, economic strength, and military capability. Should diplomatic or economic measures fail to promote national objectives, the U. S. must be ready to exercise military power to meet the threat to national security interests.

The nation's defense strategy is to deter coercion and aggression against the United States and its allies, and should deterrence fail, to secure all national and allied interests and deny the aggressor any of his aims in the conflict.

Deterrence is based upon actual military capability and an adversary's perceptions about those capabilities. Deterrence works by persuading potential adversaries, through their perception of U.S. military capability, that the costs of aggression will exceed any probable gains. While an adversary's perceptions are the key to deterrence, those perceptions are built upon actual military capabilities and the

ability to use them. Therefore, in order to respond effectively to coercion and aggression against U. S. security interests and deter adversaries, the nation must maintain:

- ❑ A nuclear posture adequate to deter nuclear attack and help deter major conventional aggression.
- ❑ A conventional military posture comprising, in conjunction with allied forces, active and reserve forces that can be rapidly generated to make the outcome of aggression uncertain and costly for the aggressor.
- ❑ Capabilities for responding to the demands of low intensity conflicts.
- ❑ Command, control, communications, and intelligence capabilities adequate to prevent surprise and to rapidly direct and control forces.
- ❑ A manpower and industrial base that can be rapidly mobilized for defense support.

DoD requires a balanced and affordable defense posture in compliance with environmental protection standards and law. The U.S. and its allies must have sufficient forces in a high state of readiness, be able to rapidly deploy those forces, and then sustain them in response to aggression.

These troops must fight -- on call -- anywhere in the world. The production and logistics community owes them quality support.



CHAPTER III

VISION OF THE FUTURE

A. **General.** Literature and experts indicate that the future will be shaped by technology and demographics. Technological advances in operational equipment, automatic data processing equipment and software, and support equipment will permit weapons and support systems to meet military threats through increased levels of complexity and capability. Traditional production and logistics assets will become more vulnerable as adversaries of the U. S. also apply more sophisticated technology and exploit the information explosion. Economic and political interdependence will increase among nations as world-wide communications and transportation systems improve and industrial capabilities and markets continue to shift. Over the next decade, a smaller population of 18-24 year olds, coupled with an expanding demand for technical skills, will present large force management challenges. The rate of change will increase, and DoD will have to make fundamental changes in production and logistics processes and organizations to keep pace.

This vision is based upon a review of numerous publications and interviews with knowledgeable forecasters. Over one hundred specific assumptions about the future were reviewed and are summarized here. They are grouped into five broad topical areas:

- Threat
- Internal Response
- Socioeconomic Environment
- Technology
- Executive/Congressional Oversight

Clearly, many of these projections are so global that they do not neatly fit into just one category.

B. **Threat.** While we are hopeful for the eventual success of President Gorbachev's initiatives, we must plan that the Soviet Union and the Warsaw Pact countries will continue to be the principal threat to U. S. and allied military security interests. The numerous regional conflicts currently occurring are expected to continue to threaten international peace. Even low intensity conflicts, including terrorism and drug trafficking, require DoD to be prepared to protect U. S. interests anywhere in the world. Other threats such as the proliferation of nuclear weapons, economic depression, shortages of food and critical commodities, and the contamination of the environment pose significant threats to national and global peace and prosperity.

C. **Internal Response.** The use of concepts such as host nation support, joint service programs, and co-production will increase. Progress will continue toward multi-year funding and procurement. Total Quality Management (TQM) will be implemented throughout the department and with defense contractors, and other new initiatives will also help achieve long range goals. For example, the Competitive Strategies concept is designed to provide significant leverage by pitting U. S. strengths against an adversary's weaknesses.

D. **Socioeconomic Environment.** Nations will become more interdependent, and the U.S. will increasingly rely on international sources for equipment, supplies and support. At the same time, international standards will

supplant unique DoD and military standards, further promoting and enabling international interdependence. The U. S. industrial base will continue to evolve from manufacturing toward services, information and technology.

Funding for DoD is expected to be essentially level, but periodic economic expansions and recessions will continue to occur, resulting in cyclic investment in national defense over the next 25 years.

The ability to introduce new technology faster will demand more responsive training for production and logistics activities to keep pace with operational improvements. Technological advances will permit a smaller workforce but require significantly different types and mixes of skills than currently exist. As a result, recruitment and retention will have to become increasingly selective. DoD will need to continually update training and skills to accommodate new technology.

E. Technology. The technology base will continue to increase exponentially. Weapons will be more complex, but technology will also make possible radically different support concepts. Improved diagnostics, advanced capabilities of built-in-test equipment, self healing circuitry, redundant components, and other reliability and maintainability features will permit more effective weapon system logistics support with fewer specialized maintenance skills required.

Information systems will also benefit from improved technology. Advances in telecommunications and increased interoperability will lead to increased use of networking and instant access to huge quantities of data. Sophisticated decision support systems and the application of technologies such as artificial intelligence will be required to manage the massive amounts of data that will be available. In some areas, increased use of automation will offset manpower shortages, and progress towards a paperless environment will have a profound impact on the everyday operation of production and logistics activities.

F. Executive/Congressional Oversight.

The general nature of Congressional oversight is not expected to change. The tendency of the Congress to involve itself in the details of DoD management will probably continue. Production and logistics activities will have to become more adept at dealing with the Congress and in learning to recognize issues that may invite Congressional interest. Since Congressional interest may be generated as much by public concern as by constitutionally mandated functions, this will continue to be a volatile area with potential for severe perturbations in DoD programs.

G. Summary. Technology, demographics and scarce resources will dominate concerns for the remainder of the century. Production and logistics activities will also be increasingly impacted by international concerns covering the entire scope of production, trade, economics, and support. P&L priorities will be based on a vision of the future that foresees the continued threat of military aggression and nothing to indicate that the U. S. can afford to radically change its military establishment.

*Applying state of
the art processes
and monitoring
them closely result
in continuous
improvement to the
support provided to
the U. S. Armed
Forces.*



CHAPTER IV

DIRECTION

A. **General.** The purpose of the DoD production and logistics system is to help create and sustain the military capability needed for our national defense. This central purpose is paramount in planning to improve the production and logistics system to meet future military requirements for combat capable forces. The DoD's overall production and logistics mission is:

*To assure that the men and women of the Armed Forces are provided reliable and supportable weapon systems, related equipment, and facilities and maintain them in ready condition as a deterrent force. Provide the policies and resources necessary to mobilize, deploy, and sustain forces, weapon systems and equipment in peacetime and in wartime. **

Five goals provide the broad statements of desired capability to accomplish the mission:

Assure that the men and women of the armed forces are provided reliable and supportable weapon systems and related equipment by effective participation in the acquisition process.

Maintain ready forces by providing an excellent base infrastructure, quality systems, logistics support and a responsive industrial base.

Mobilize and deploy forces in a timely manner by developing the necessary plans and providing the required assets.

Sustain deployed forces throughout the spectrum of operations by ensuring adequate war reserves are available and by optimizing the infrastructure and industrial base.

Improve the management of production and logistics support functions by undertaking broad management improvement efforts that would contribute to acquiring, maintaining, deploying, and sustaining forces.

These five goals reflect different parts of the production and logistics system that need to work together to accomplish DoD's mission. The *first* area emphasizes the part of the production and logistics system that addresses the up-front weapon system development process and the acquisition process. The *second* area focuses on readiness functions necessary to be prepared to wage war if necessary. The *third* area addresses those actions necessary to place forces in position to defend national interests should deterrence fail. The *fourth* area addresses actions and assets needed to continue a war effort. The *final* goal encompasses those necessary functions needed to support the other goals.

* Clearly other communities within DoD have responsibilities in readiness, mobilization, and deployment. The mission and goals should be read within the context of P&L responsibilities for the management of DoD materiel resources.

B. P&L Mission, Goals, Sub-Goals and Objectives. The production and logistics strategic plan is organized to flow from the objectives of national security strategy through defense strategy to the development of P&L goals, sub-goals and objectives. The following example illustrates how these goals, sub-goals and objectives support national security objectives and defense strategy.

National Security Objective: To maintain the security of the nation and its allies. This objective includes diplomatic and economic as well as military elements. The DoD contribution to this objective is:

DoD Strategy: Develop and maintain forces to deter aggression, or failing that, to defend U. S. interests successfully.

P&L Mission: Assure that the men and women of the Armed Forces are provided reliable and supportable weapon systems, related equipment, and facilities and maintain them in ready condition as a deterrent force. Provide the policies and resources necessary to mobilize, deploy, and sustain forces, weapon systems and equipment in peacetime and in wartime.

Each functional organization within production and logistics has in-place, or under development, a strategic plan that identifies goals in its areas of responsibility. These goals are the basis for the consolidated list of P&L goals, sub-goals, objectives and strategies. The individual functional plans have been or will be published under separate cover as annexes to this plan.

This plan articulates the five major P&L goals to which individual functional sub-goals relate and integrates them into a coherent set of P&L goals, sub-goals, objectives and strategies. These goals are meant to be a bridge between the broad DoD strategy and P&L functional plans. The definitional hierarchy is:

- **Goal.** An aim or end toward which effort is directed. It is a broad statement of desired capability required to accomplish the mission. Goals are ends, not means.
- **Sub-goal.** An aim or end toward which effort is directed to achieve a goal. It is a broad statement of desired capability. Sub-Goals are ends, not means.
- **Objective.** An aim or end toward which effort is directed to achieve a sub-goal. Objectives are ends, not means.
- **Strategy.** A specific major action item pursued to attain an objective. Strategies must be measurable. Strategies are means, not ends.

The following are the consolidated P&L goals with their corresponding sub-goals and objectives. The full set of consolidated P&L goals, sub-goals, objectives and strategies is contained in the detailed supplement to this plan, to be published at a later date.



...To defend democracy, freedom and human rights.

G1. Goal: Assure that the men and women of the armed forces are provided reliable and supportable weapon systems and related equipment by the effective management of the acquisition process.

G1.1 Sub-goal: Assure that the design and acquisition cycles produce logistically supportable and interoperable weapon systems for fielding.

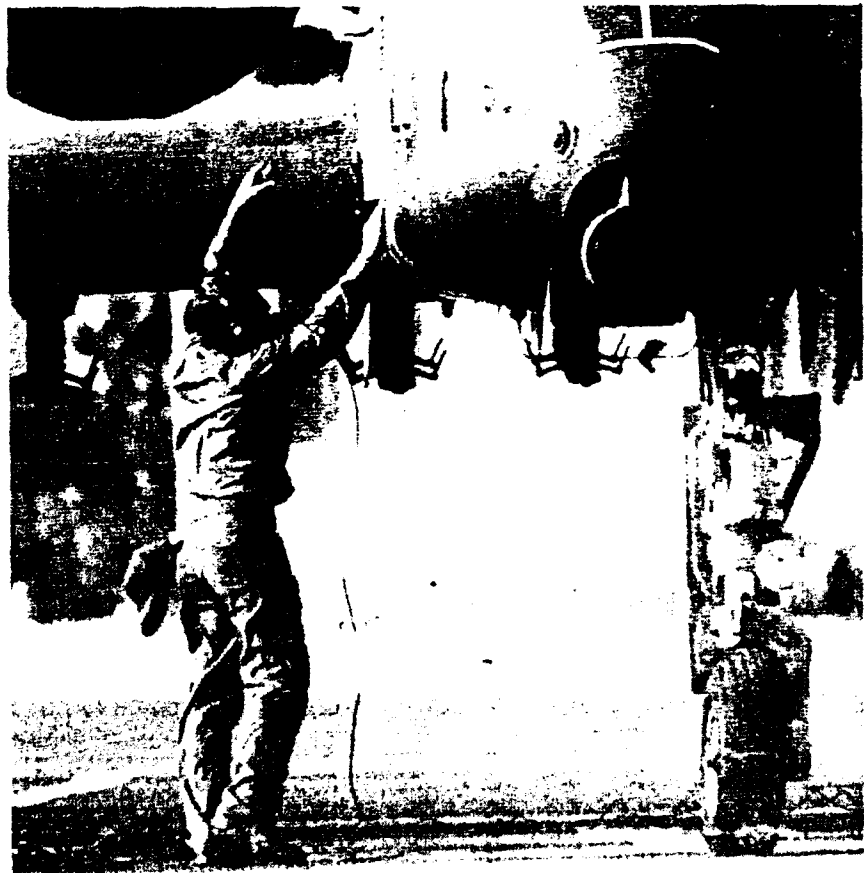
- Objective: Improve reliability and maintainability. (G1.1.1)
- Objective: Assure that U.S. developed and/or acquired systems and doctrine are interoperable, not only among Services, but also with allies with whom we intend to conduct operations. (G1.1.2)
- Objective: Integrate environmental considerations into the design and life cycle of weapon systems and installations. (G1.1.3)
- Objective: Reduce transportation requirements through emphasis on transportability in the design phase of the weapon system life cycle. (G1.1.4)
- Objective: Improve survivability of new weapon systems. (G1.1.5)
- Objective: Enforce Life Cycle Cost Analysis as a management technique. (G1.1.6)
- Objective: Assure that weapon systems design and support planning includes the disciplines of manufacturing technology, standardization, surge, and post production support to avoid delays in follow-on support. (G1.1.7)
- Objective: Integrate engineering, manufacturing, and support planning decisions with product design to improve producibility and supportability. (G1.1.8)

G1.2 Sub-goal: Improve and streamline the acquisition process.

- Objective: Improve acquisition regulations, specifications, standards and procurement laws. (G1.2.1)
- Objective: Institutionalize Could Cost concept. (G1.2.2)
- Objective: Institutionalize buying best value and remove any impediments. (G1.2.3)
- Objective: Improve the acquisition workforce. (G1.2.4)
- Objective: Promote streamlining techniques such as Non-Developmental Items, prototyping, and concurrent engineering. (G1.2.5)

- Objective: Stabilize major acquisition programs and adopt multi-year procurement. (G1.2.6)
- Objective: Increase the use of non-Government specifications and commercial products. (G1.2.7).
- Objective: Increase use of tri-service military standards and specifications in lieu of program peculiar documents in acquisitions. (G1.2.8)
- Objective: Institutionalize effective hazardous material management in the acquisition process. (G1.2.9)
- Objective: Stimulate industry investments in CALS data system integration. (G1.2.10)
- Objective: Transition from paper deliverables to on-line access and digital data deliverables. (G1.2.11)

*DoD must furnish
its forces with
aircraft that can fly
mission after
mission with rapid
turnaround.*



G2. Goal: Maintain ready forces by providing an excellent base infrastructure, quality systems, logistics support and a responsive industrial base.

G2.1 Sub-goal: Refine requirements forecasting to improve the statement of operational mission requirements.

Objective: Establish systems support objective based on operational mission requirements. (G2.1.1)

Objective: Improve requirements forecasting to optimize inventory investment. (G2.1.2)

G2.2 Sub-goal: Improve logistics methods and support concepts.

Objective: OSD develop logistics modernization guidance for 21st century concept of operations. (G2.2.1)

Objective: Increase use of common assets and support services. (G2.2.2)

Objective: Simplify logistics processes through functional integration. (G2.2.3)

Objective: Improve OSD and Component process for prioritizing and balancing resources. (G2.2.4)

Objective: Improve maintenance response through techniques such as improved diagnostics, expert systems, use of automation and flexible manufacturing equipment, and mobile repair capability. (G2.2.5)

Objective: Automate operations and increase mechanization in material handling and maintenance process. (G2.2.6)

G2.3 Sub-goal: Enhance the quality of installations and services.

- Objective: Ensure a level of facility investment that will provide the excellent installations needed to carry out the Defense mission effectively in peacetime and in war. Each DoD component must have a facility plan (including environmental problems and concerns) to revitalize facilities. (G2.3.1)
- Objective: Improve installation commanders' management flexibility. (G2.3.2)

A renovation project turned this WWII temporary building into a modern physical plant. Result - improved productivity and quality of life.



G2.4 Sub-goal: Improve the environment and environmentally associated DoD functions.

- Objective: Support national and DoD programs for environmental protection, natural resources conservation, and historic preservation. Comply with applicable environmental laws and regulations. (G2.4.1)
- Objective: OSD, with the DoD Components, develop the management actions and obtain the resources necessary to implement/comply with the following:(G2.4.2)

Completion of actions required by the Superfund Amendment and Reauthorization Act of 1986 for cleanup of hazardous waste sites.

Compliance with applicable Federal, State, and local pollution abatement requirements.

Correction of environmental compliance deficiencies in the EPA's most recent A-106 report to the Office of Management and Budget.

Effective interfaces with Congress, legal requirements, and DoD mission requirements on environmental protection issues worldwide.

Management of natural and historic resources.

Implementation of environmental programs, e.g., air, water and noise pollution abatement and research and development for innovative technology.

Implementation of DoD pest management requirements.

Implementation of other hazardous waste mitigation programs to minimize adverse effects on the DoD mission.

G3. Goal: Mobilize and deploy forces in a timely manner by developing the necessary plans and providing the required assets.

G3.1 Sub-goal: Improve industrial preparedness planning for mobilization and deployment.

- Objective: Develop industrial strategic plan explicitly linked to operational plans. (G3.1.1)

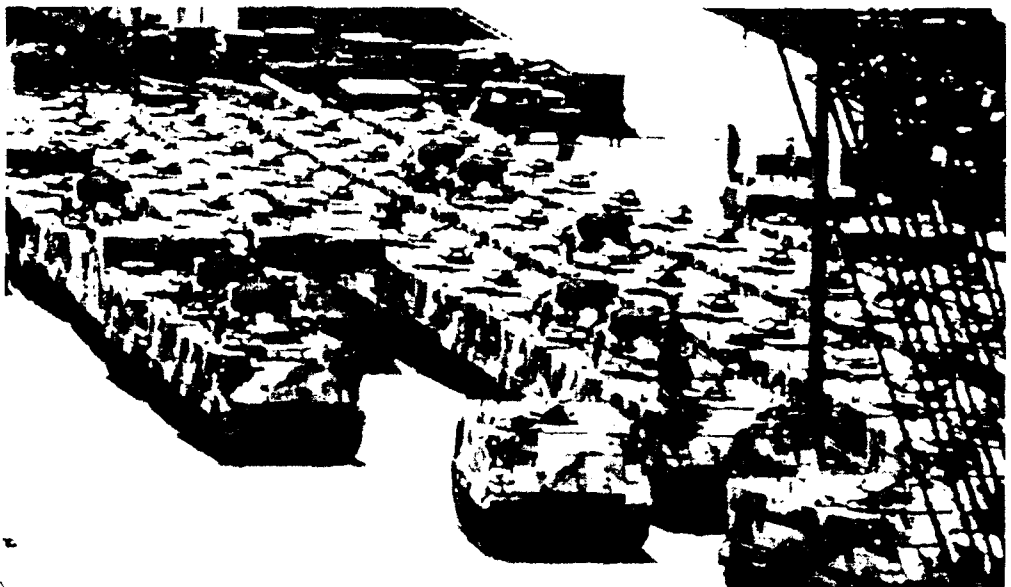
G3.2 Sub-goal: Improve the mobilization and deployment planning process.

- Objective: Require all new policy and procedural directives to specifically address differences among peacetime, contingency, and wartime materiel and support operations. (G3.2.1)
- Objective: Joint Staff and the Components develop improved logistics war gaming exercises and computer models. (G3.2.2)
- Objective: Resolve planning deficiencies identified through exercises, simulations and studies. (G3.2.3)
- Objective: Components examine current force structure to ensure that an optimum mix of support forces, host nation and contractor support is available to meet contingency requirements. (G3.2.4)
- Objective: Increase survivability of logistics assets by improving their positioning and protection. (G3.2.5)

G3.3 Sub-goal: Improve the mobility forces resource base.

- Objective: OSD propose policies and legislation to expand wartime use of commercial air/sea carriers. (G3.3.1)
- Objective: OSD, through the Department of State, achieve agreements with allies to provide and maximize use of increased military and commercial lift for surge/mobilization, and to provide such capability earlier than now planned for present augmentation. (G3.3.2)
- Objective: OSD and the Components develop and implement intermodal transportation systems and standards to increase interoperability. (G3.3.3)

Staging and deploying defense equipment is a complex operation that requires optimum planning and execution.

**G3.4 Sub-goal:** Improve preparedness capabilities through investment in assets to offset deficiencies.

- Objective: OSD and the Components improve capability to meet military transportation requirements that cannot be satisfied by the civil sector. (G3.4.1)
- Objective: OSD and the Components continue to improve Logistics Over the Shore (LOTS) capabilities. (G3.4.2)
- Objective: Improve inter/intratheater mobility capabilities for mobilization, deployment, resupply and retrograde movement of personnel and cargo. (G3.4.3)

-
- Objective: CINCS coordinate actions to provide transportation assets to improve intratheater express service for high priority requirements. (G3.4.4)
 - Objective: Improve fuel distribution capabilities for deployment. (G3.4.5)

G3.5 Sub-goal: Ensure the readiness of the National Defense Stockpile (NDS) to meet military and essential civilian requirements during a national emergency.

- Objective: Upgrade quality and form of existing inventory to support acceleration of defense production. (G3.5.1)
- Objective: Acquire advanced materials to support accelerated production of high technology applications. (G3.5.2)
- Objective: Conform NDS materials specifications with modern industrial uses. (G3.5.3)
- Objective: Develop innovative, cost effective methods of ensuring the availability of strategic and critical materials. (G3.5.4)
- Objective: Determine and update annually estimates of NDS requirements to reflect current mobilization assumptions.(G3.5.5)
- Objective: Reduce excess stocks of materials in NDS inventory. (G3.5.6)
- Objective: Ensure that NDS requirements for traditional structural materials are met. (G3.5.7)

May 1989

P&L Strategic Plan

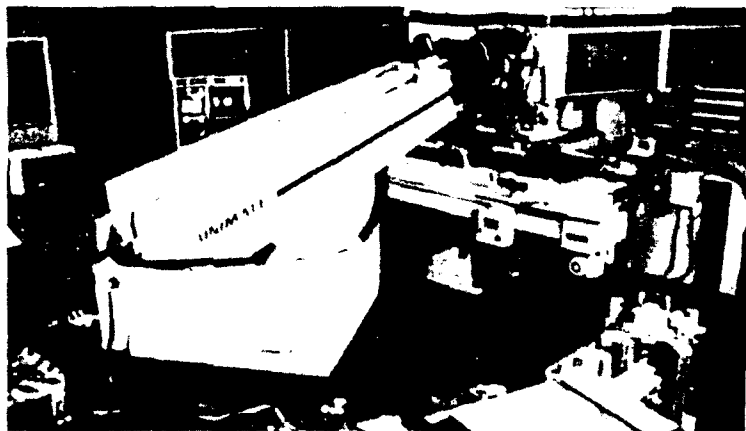
G4. Goal: Sustain the deployed forces throughout the spectrum of operations by ensuring that adequate war reserves are available and by optimizing the infrastructure and industrial base.

G4.1 Sub-goal: Develop operationally-oriented measures of sustainability.

- Objective: Consider critical material resources, fuel, level-of-effort munitions, secondary items and war reserve end items independently and in combination when assessing sustainability. (G4.1.1)
- Objective: Assess sustainability in terms of ability to support wartime operating tempos and anticipated intensities over time. (G4.1.2)
- Objective: Assess sustainability for each major theater of operations based on force apportionment guidance. (G4.1.3)
- Objective: Develop operating tempo measures by service based on assigned mission. (G4.1.4)
- Objective: Express wartime sustainability assessments for each theater in terms of percent of planned operating tempo. (G4.1.5)

G4.2 Sub-goal: Attain sufficient inventory levels to counter threat and eliminate war reserve insufficiencies.

- Objective: Use the least-cost combination of war reserves and production base investment (or other preparedness actions) for munitions, equipment, secondary items, and bulk petroleum to support U.S. forces from D-Day until production matches the combat consumption demand. (G4.2.1)
- Objective: Procure sufficient munitions to kill the threat allocated to U.S. Forces and the threat allocated to ROK Forces, by the end of the sixth year of full rate production. (G4.2.2)
- Objective: Coordinate the activities of the Services' conventional munitions target-oriented Technical Oversight Centers (TOCs) to reduce duplication of effort, identify joint requirements, and ensure the acquisition of an effective and affordable mix of conventional munitions. (G4.2.3)



Modern technology, such as robotics, contributes to a robust industrial base.

G5. Goal: Improve the management of production and logistics support functions by undertaking broad management improvement efforts that would contribute to acquiring, maintaining, deploying, and sustaining forces.

G5.1 Sub-goal: Modernize production and logistics information systems.

- Objective: Assess the critical information needs throughout production and logistics as the basis of improving and integrating information systems. (G5.1.1)
- Objective: Increase use of standards, common systems and components to improve interoperability. (G5.1.2)
- Objective: Increase interoperability through use of commercial products, consistent with competitive procurement practices. (G5.1.3)
- Objective: Demonstrate capabilities to improve acquisition and logistics interfaces through increased use of automation, shared data (knowledge) bases and continuing evolution of standards that allow for exchange of data. (G5.1.4)
- Objective: OSD and the Components should ensure that adequate training is provided to the users of automated systems to optimize the transition to the paperless environment. (G5.1.5)
- Objective: Develop the specifications required to provide an integrated weapon systems data base which incorporates digital engineering product data and logistics support data into a shared, distributed data base. (G5.1.6)
- Objective: Develop and demonstrate Computer-aided Acquisition Logistic Support (CALS) technology and standards. (G5.1.7)
- Objective: Develop and demonstrate infrastructure systems to receive or access CALS data from industry. (G5.1.8)
- Objective: OSD and the Components increase automation in areas where processes are highly rule based and repetitive and/or where critical skills are insufficient. Apply expert systems, artificial intelligence, robotics and other automation throughout the logistics system. (G5.1.9)
- Objective: Improve production and logistics command, control, and communications systems. (G5.1.10)
- Objective: Foster a logistics research and development program. (G5.1.11)
- Objectives: Initiate actions to improve systems interoperability throughout production and logistics and with command and control systems and increase systems and network security, sustainability and survivability. (G5.1.12)

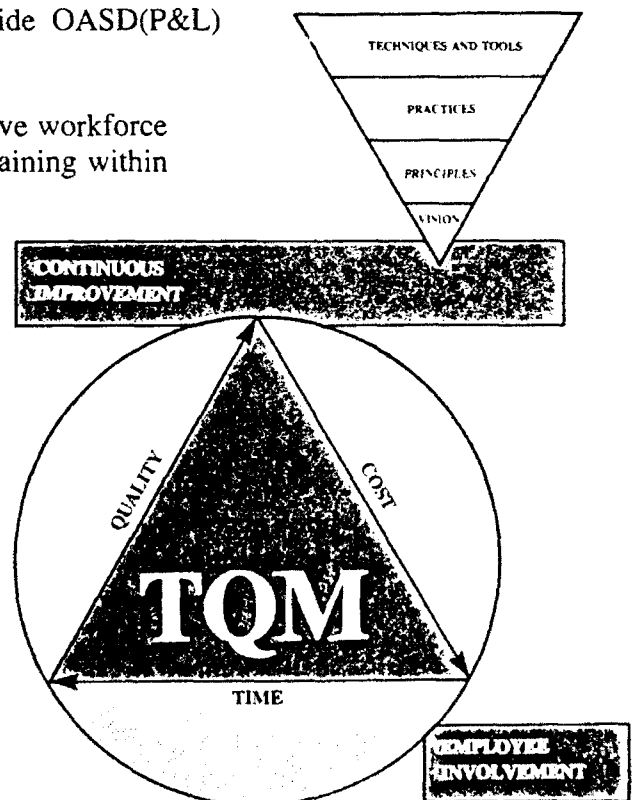
G5.2 Sub-goal: Implement Total Quality Management (TQM).

- Objective: Within one year initiate actions to establish TQM as the principal DoD management philosophy. (G5.2.1)
- Objective: Within three years achieve significant implementation of TQM in DoD organizations and in defense contractors and suppliers. (G5.2.2)
- Objective: Within six to ten years, obtain full implementation of TQM within the DoD and defense industry. (G5.2.3)

G5.3 Sub-goal: Recruit, train, maintain, and retain a highly motivated civilian workforce to support the mission assigned to OASD(P&L).

- Objective: OSD and the Components identify critical skill deficiencies in both military and civilian personnel such as software engineers and composite repair specialists. We must recruit, train and retain personnel to remedy these deficiencies within the DoD. (G5.3.1)
- Objective: Encourage universities to provide OASD(P&L) mission associated curricula. (G5.3.2)
- Objective: OSD and the Components improve workforce skills through increased functional cross-training within DoD and with industry. (G5.3.3)

Management improvements efforts such as TQM are aimed at achieving continuous improvement of products and services.



G5.4 Sub-goal: Establish and maintain a good working relationship with Congress, GAO, OMB, Defense IG and industry.

Objective: Improve relations with Congress. (G5.4.1)

Objective: Forge a new relationship between Government and industry. (G5.4.2)

G5.5 Sub-goal: Define critical success factors to measure implementation of objectives and strategies in this plan and establish methods to track them. Identify and track resource requirements in the POM and budget processes.

CHAPTER V

CORPORATE PRIORITIES

A. General.

The statements of P&L mission, goals, and sub-goals in the plan are broad enough to remain applicable for a considerable period of time. The objectives and strategies, however, are narrow enough to have their relative priorities change within a few years. Moreover, statements of priority at such levels provide enough focus to enable the structuring of finite tasks to be accomplished.

Concerns over budget deficits, coupled with possible reactions to President Gorbachev's troop reduction initiative, will increase pressure to limit DoD spending. In this environment a projection of a stable DoD budget, in real terms, may be optimistic. This mandates that DoD apply its resources and focus management attention on the most critical areas, in ways that provide the most defense for the dollar. The P&L community must establish priorities that reflect this fact.

Concentrating on identifying our needs more precisely so that we buy only what we need, applying Total Quality Management throughout, and fielding effective information and diagnostic technologies are areas that require emphasis for the high paybacks they will bring in the relatively near term.

Rising concerns for the environment, especially in the area of hazardous materials and waste, and the implementation of aggressive base closures and base restructuring programs will become high priorities for the next several years.

This first P&L corporate plan, coincidentally, is being published as a new administration has taken office. It is important for the new DoD management team to focus on important accomplishments that can realistically be achieved during the next four years - 1989 to 1992. P&L should structure a well articulated four year agenda for the new administration.

B. The Agenda.

The following objectives are proposed as an important, doable menu of priorities that reflect a four year horizon and areas in need of priority attention. As a next step, P&L Deputy Assistant Secretaries of Defense (DASDs) will identify strategies to achieve these objectives in the functional annexes to the P&L plan. These strategies will then be converted, where possible, to fiscally constrained Mid-Term Objectives (MTOs) for input into the Defense Guidance.

Related to Goal 1 - Field supportable forces

By 1992:

Improve weapons systems through use of better specifications and standards based on generic qualification of manufacturers, processes and product lines, use of commercial products, automation of specification support system, and increased use of non-Government standards to promote timely introduction of new technologies. Also, improve Department and Agency accountability for meeting Standardization Program Objectives.

□ Develop a baseline from current systems and ensure policies are in place that will reduce base-level support requirements by 25%. These targets apply for weapon systems that begin delivery in FY1997 and beyond.

□ Develop and implement procurement improvements by encouraging quality in contracting and contract administration and by emphasizing the financial aspects of contracting. Success will be measured by actions taken to: increase the professionalism of the work force, educate all personnel in the high ethical standards expected of them, identify changes to law and regulations which remove impediments in the efficient and effective procurement of supplies and services, eliminate duplicative oversight and audit of contractors, strengthen Independent Research and Development/Bid and Proposal (IR&D/B&P) programs and improve the cost principles on which contract prices are based.

Related to Goal 2 - Maintain ready forces

By 1992:

□ Refine requirements forecasting methodologies and optimize investments among inventory and other capabilities to reduce support costs while ensuring weapon system availability.

□ Support production and logistics functional requirements by facilitating the integration and modernization of functions and methods and increasing the capability to balance and prioritize resources.

□ Provide inspirational places for our people to work and live thus increasing pride, professionalism and productivity; focus on increasing facility investment 50%, complying with all environmental protection requirements, attracting additional private sector investment and implementing base realignments and closures. Continue to move authority down to commanders to free them to do their jobs; focus on eliminating regulations which tie their hands, and give every base a unified budget.

Related to Goal 3 - Mobilize and deploy

□ By 1990, ensure operational logistics support by refining the definition of mobilization and deployment requirements and developing investment strategies for improving inter/intratheater mobility capabilities; logistics information and command, control and communications; and materiel and support services and facilities.

□ By 1992, fund the most critical operational logistics support deficiencies for mobilization and deployment in the FY 1992-1997 program.

□ By 1990, implement revised National Defense Stockpile (NDS) Manager strategy and 5-year Annual Materials Plan to bring NDS inventory into full conformance with SECDEF statement of stockpile requirements.

**Related to Goal 4 -
Sustain deployed forces**

By 1992:

- Complete the development of operationally oriented measures of sustainability for munitions, fuel, munitions secondary items, and replacement end items and assess sustainability using these measures.

- Assure that the least-cost combination of war materiel assets and related preparedness measures which attains the DoD's wartime sustainability objectives is funded in the FY 1992-1997 program.

**Related to Goal 5 -
Improve management**

- By 1992, institute Total Quality Management (TQM) policies, procedures and support systems throughout DoD and its contractors. Integrate productivity and other performance measures and incentive programs into TQM architectures. Establish effective human resource initiatives, including training programs and incentives, to promote TQM objectives at all levels of the Department. Eliminate DoD regulation, policies and procedures which tend to impede the effectiveness of TQM in the Defense organization.

- By 1992, complete the integration of environmental awareness into all aspects of the acquisition, maintenance and disposal of systems, facilities and materiel so as to minimize the use of hazardous material and the disposal of hazardous waste.

- By 1992, find ways to complete, in 50 % less time than in FY 1988, the development and fielding of ADP, telecommunications and related technologies. This will lead to widespread electronic exchange of logistics and technical information throughout DoD and with industry and other Government agencies. Assure sufficient levels of funding in the five year program that begins in FY 1992 to support this accelerated fielding.

By the end of FY 1989, complete an assessment of European Community 1992 to determine its potential impacts on P&L functional areas. Based on the results of that review, establish a plan of action and milestones to position P&L to operate effectively in Europe in 1992 and beyond.

By the end of FY 1989, organize and implement procedures to ensure integrated and more effective P&L participation in all phases of the DoD Planning, Programming, and Budgeting System.

In cooperation with Industrial & International Programs, implement integrated requirements in weapon systems contracts that make CALS and concurrent engineering the normal course of business.

NOTES: