Business Enterprise Strategic Plan

U.S. MARINE CORPS

3 November 2004

Marine Corps Business Enterprise Strategic Plan

"Government likes to begin things – to declare grand new programs and causes. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results."

- GEORGE W. BUSH
PRESIDENT OF THE UNITED STATES

"The war on terrorism does not supplant the need to transform DoD; instead, we must accelerate our organizational, operational, business, and process reforms."

- DONALD H. RUMSFELD
SECRETARY OF DEFENSE

"Efficiency equals effectiveness. We all need to be cognizant of the fact that when we spend a dollar, if we're not spending it well, then we are taking it out of our combat capability."

- GORDON R. ENGLAND
SECRETARY OF THE NAVY

"The Secretary of Defense and Secretary of the Navy have emphasized, and the Marine Corps is committed to, business transformation in order to optimize resource allocation... The Marine Corps will continue to refine our business practices and increase the effectiveness of warfighting potential."

- MICHAEL W. HAGEE
GENERAL, U.S. MARINE CORPS
COMMANDANT OF THE MARINE CORPS

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A MESSAGE FROM THE COMMANDANT OF THE MARINE CORPS

The Marine Corps is a combat force -- not a business. To be successful, however, we need to support warfighting excellence with well-managed business processes that are both effective and efficient.

This plan sets forth strategy, principles, measures, and action guidance to achieve end-to-end assessment and improvement of our business processes. Advocates and commanders at all levels and organizations of our Corps will ensure this plan is aggressively implemented in a timely manner.

The transformational changes required in our business processes will not be quick, easy, or without informed risk. But, we must stay this course to ensure a stronger and more ready Marine Corps of 2015 that is firmly founded on the principles of strict economy and focus of effort.

M. W. Hagee
General, U.S. Marine Corps

"Core ideology in a visionary company works hand in hand with a relentless drive for progress that impels change and forward movement in all that is not part of the core ideology."

- JIM COLLINS AND JERRY PORRAS
BUILT TO LAST

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1. Introduction

" At its most basic, ***strategy*** *is a matter of figuring out what we need to achieve, determining the best way to use the resources at our disposal to achieve it, and then executing the plan."*

- STRATEGY, MCDP 1-1

*"****Planning*** *is the art and science of envisioning a desired future and laying out effective ways of bringing it about. ...[it] is also distinctly a process rather than merely an act because it involves a number of ongoing, iterative, and interdependent activities."*

- PLANNING, MCDP 5

MARINE CORPS BUSINESS ENTERPRISE:

Marine Corps Strategy 21 and *Naval Power 21* provide the strategic vision, supporting concepts, and the way ahead for America's Naval Forces. *Naval Power 21* introduces naval "Sea Enterprise" concepts to ensure the Department of the Navy (DON) is both effective and efficient in order to optimize resources at every level of command.

The Marine Corps is committed to *Naval Power 21* business transformation concepts that include:

- Implementing business initiatives rapidly to free resources for warfighting capability
- Identifying and increasing resources available to grow and sustain core combat capabilities
- Improving business practices to achieve end-to-end capabilities in the most economical manner
- Divesting/disinvesting in legacy systems and platforms no longer integral to mission accomplishment
- Eliminating non-core functions that unnecessarily compete for resources
- Increasing scrutiny on current year fiscal operations
- Examining critically and continually all aspects of the DON to determine how to reap efficiencies across all headquarters, acquisition, research, operating force, and field support activities

The Marine Corps business enterprise (MCBE) and the Navy sea enterprise combine to make the Naval Sea Enterprise.

Marine Corps Business Enterprise Processes:
Installation Support
Combat Service Support/Logistics
Acquisition
Information Technology
Training
Financial Management
Human Resource Management

The MCBE crosses all organizational boundaries and includes all resources, processes, and products and services that support the warfighter. The MCBE process owners are listed in Section 6.

Specific goals and strategies in this strategic plan[1] are based on Marine Requirements Oversight Council Decision Memorandums (MROC DM) and the Commandant's Programming Guidance. A consolidated list of all documents used in developing this plan is in Appendix B.

The Marine Corps Business Enterprise Office (MCBEO) is a division within the Installations and Logistics Department, Headquarters Marine Corps (HQMC/I&L (LR)). The MCBEO is charged to coordinate the Corps' business process transformation initiatives, providing tools and assistance to improve the effectiveness and efficiency of the business enterprise. MCBEO responsibilities are found in Appendix C.

Business transformation through continuous, end-to-end process improvement is a primary responsibility of advocates and commanders. This plan provides the direction for a defined, orderly, and holistic approach to these activities. While business enterprise improvements are expected to be continuous, this plan is focused on strategies that will be executed in the FY05-09 period and that will contribute to PR07/POM08 development.

[1] Strategic plan template definitions and a glossary of acronyms are provided in Appendix A.

2. Marine Corps Business Enterprise Mission, Vision, and Values

Mission

Improve Marine Corps warfighting excellence through a continuous commitment to perform business processes better and at lower cost.

Vision

Dramatically improved delivery of the ***right products and services*** to the right place, at the right time, and at the ***most efficient total cost*** for the warfighter.

Values

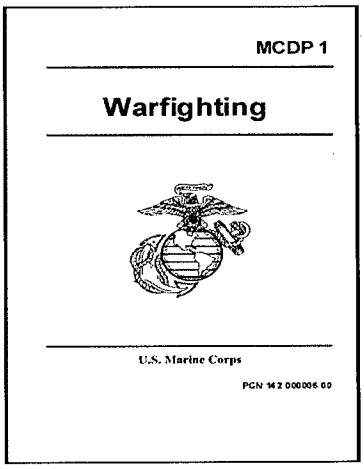
Strict economy and focus of effort.

3. Marine Corps Business Enterprise Guiding Principles

"The willingness to focus at the decisive place and time necessitates strict economy and the acceptance of risk elsewhere and at other times.

To devote means to unnecessary efforts or excessive means to necessary secondary efforts violates the principle of focus and is counterproductive to the true objective.

Focus applies not only to the conduct of war but also to the preparation for war."



- WARFIGHTING, MCDP 1

Guiding Principles

1. We are both effective and efficient.

2. Business process products and services exist to satisfy needs of operating forces. Products and services will be delivered in a reasonably consistent manner across the entire Marine Corps, while remaining responsive and adaptable to local needs.

3. The Total Force is our most important asset. The Marine Corps excels in recruiting, training, and leading Marines. We will emulate that excellence in managing our other two elements of the Total Force: civilian-Marines and contractors.

4. The Marine Corps core, critical enabling, and non-core competencies ***guide*** appropriate human capital mix across the business enterprise.

Core competencies are:

- ✓ Linked inextricably to operating force readiness
- ✓ The focus of military leaders
- ✓ Primarily performed by Marines with some civilian-Marines and with few, if any, contractors
- ✓ Achieved at world-class performance standards

Critical enabling competencies are:

- ✓ Activities that directly affect operating force readiness (e.g., some aspects of contracting, General Counsel, business operations, budget, and finance)
- ✓ The focus of civilian-Marine leaders
- ✓ Performed mainly by civilian-Marines or through contractor support with civilian-Marine oversight and control
- ✓ Performed by Marines only when military skills are required or where a clearly articulated manpower management imperative exists
- ✓ Normally organized and provided on a regional or enterprise basis to capture synergies
- ✓ Achieved at high performance standards

Non-core competencies are:

- ✓ Common services needed by the operating forces, individual Marines, or family members
- ✓ Managed by civilian-Marine leaders
- ✓ Mostly commercial in nature
- ✓ Performed by the most effective and efficient provider that meets best value for the warfighter
- ✓ Performed by Marines on a rare exception basis only
- ✓ Normally organized and provided on a regional or enterprise basis for economies of scale and standardization where feasible

5. Development of business information standards, and management of the same, is a critical HQMC responsibility. Business information is to be shared throughout the enterprise.

6. While achieving MCBE goals, we always treat employees with dignity and respect.

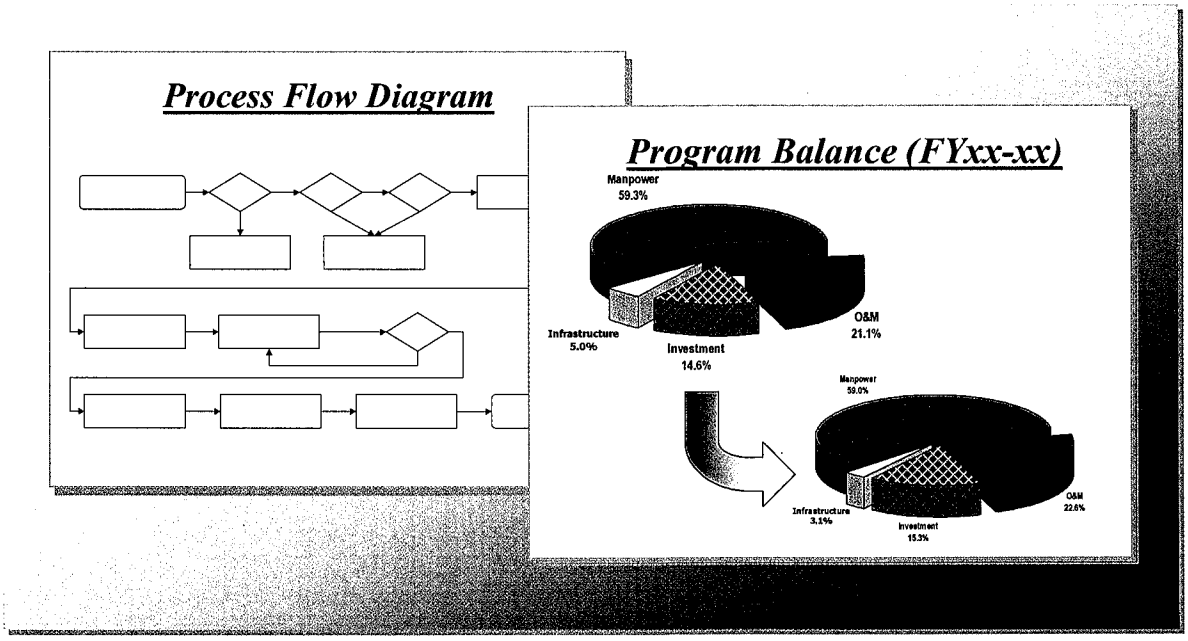
4. Marine Corps Business Enterprise Goals and Strategies

"Transformation of our military forces hinges on being able to reduce redundancy, focus organizations on executive goals, flatten hierarchies, and cut cycle times in the decision process."

- SECRETARY OF DEFENSE
2002 ANNUAL REPORT TO CONGRESS

Goal 1: Optimize Resources by Increasing Effectiveness and Efficiency

The Marine Corps optimizes resources by aggressively pursuing continuous process improvement and end-to-end[2] process assessment across the business enterprise. Advocates and commanders ensure readiness is programmed within established financial ceilings in order to free resources to support current and 2015 MAGTF capabilities. Informed risk is accepted and resources are balanced and managed to meet near- and long-term mission requirements. End-to-end process assessment is conducted to improve effectiveness and reduce cost through regionalization, competition, divestiture, elimination of low value activities or services, etc. All headquarters, acquisition, research, operating force, and field support activities are expected to participate by examining their processes to reap efficiencies.



Strategies to achieve Goal:

S1.1	Improve performance and reduce cost through continuous improvement and specific end-to-end process analysis and review. Reduce, delay, or cancel lower priority items in order to make available the required resources for top priority initiatives. (Reference: MROC DM 27-2004; CMC POM06 Guidance)
S1.2	Continue to implement competitive sourcing strategy. (Reference: MROC DM 06-2004)

[2] End-to-end: Approaching subject of analysis as an end-to-end process, rather than as the sum of disjointed functions.

Goal 2: Maintain Effective Governance of Business Transformation

End-to-end process improvement involves all Marine Corps business processes and organizational levels. It requires a coordinated and facilitated approach. The approach includes strong governance[3], communication, coordination, monitoring, and impediment mitigation.

BUSINESS TRANSFORMATION ROLES

CMC	➡	**DIRECTION**
Marine Requirements Oversight Council (MROC)	➡	**GOVERNANCE**
Marine Corps Business Enterprise Office	➡	**COORDINATION**
Business Process Owners	➡	**EXECUTION**

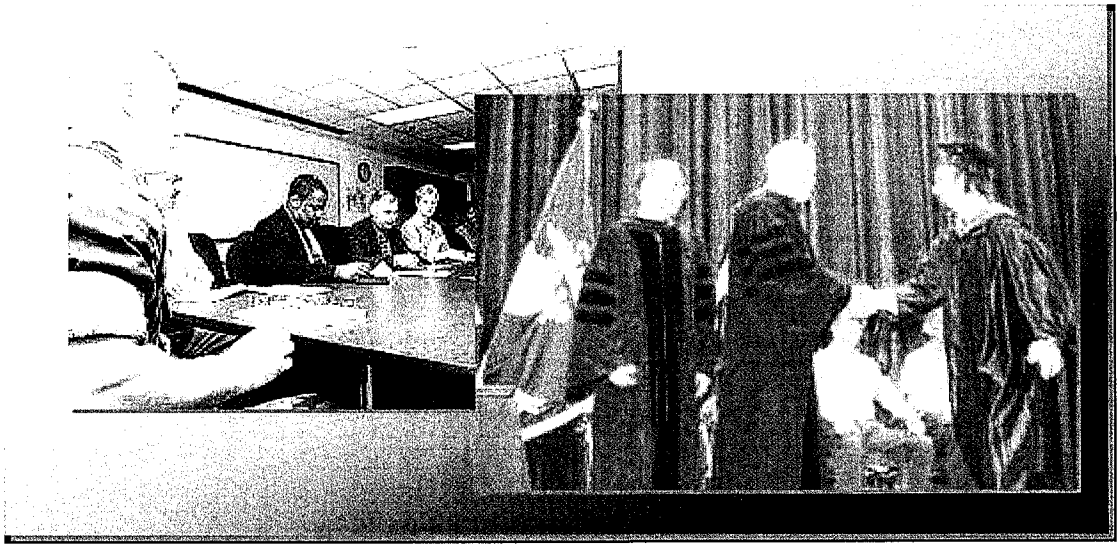
Strategies to achieve Goal:

S2.1	Establish strong governance through the MROC, engaging commanders, MAGTF Advocates, and program sponsors in business initiatives that optimize resources and improve warfighting capability. (Reference: MROC DM 27-2004)
S2.2	Implement robust internal and external communication, coordination, and representation plans addressing DoD, DON, USMC, and business enterprise. (Reference: MROC DM 27-2004)
S2.3	Remove impediments to innovation. (Reference: CMC White Letter 06-04)
S2.4	Interact effectively with DoD/DON level and joint organizations or programs (like BMMP) that will have a direct effect on the MCBE transformation. (Reference: MROC DM 27-2004 and 02-2005).

[3] Governance: Governance is the system by which organizations are directed and controlled. Governance structure spells out the rules and procedures for making decisions on organization affairs. By doing this, it also provides the structure through which the goals are set, and the means of attaining those goals and monitoring performance. As used in this plan, governance means exercising discipline over initiative starts, execution, and completion. Discipline over initiative starts means providing the resources necessary to achieve expected results, monitoring the sum impact of initiatives to ensure organizational capacity for change is not exceeded, and deconflicting initiatives as appropriate. Execution discipline means monitoring initiative progress, keeping the MROC informed and making timely adjustments as required. Completion discipline means defining and achieving the end state and documenting results for the Marine Corps (e.g., sources and uses of freed dollars and Marines).

Goal 3: Enable the Workforce to Achieve Business Objectives

The business enterprise workforce must be appropriately organized, equipped, and trained to support operational, training, and quality of life requirements. The workforce must possess adequate business tools (i.e., skills, technology, and information) to effectively manage performance and cost.



Strategies to achieve Goal:

S3.1	Identify knowledge, skills, and abilities required by the workforce tasked to manage the business enterprise. Develop, resource, and implement a comprehensive business enterprise training plan[4]. (Reference: MROC DM 52-2003)
S3.2	Link individual performance plans, appraisals, and contract deliverables to strategic and campaign plans. (Reference: FY 2002-2007 Civilian Workforce Campaign Plan; President's Management Agenda)
S3.3	Optimize business tools through standardization to the maximum extent possible across the business enterprise. (Reference: MROC DM 45-2003)

[4] Business enterprise training will focus on the nine strategic business skills as defined in Appendix D.

5. Strategic Plan Scorecard

" Today, organizations are competing in complex environments so that an accurate understanding of their goals and the methods for attaining those goals is vital. ... [A scorecard] provides the framework for a strategic measurement and management system."

- KAPLAN AND NORTON

Strategic Plan Scorecard

In order to successfully implement this strategic plan, a mechanism is needed to effectively link strategy to organizational goals established by the CMC and the MROC and to monitor execution of the strategy. The scorecard[5] provides the discipline of action needed to convert strategies into results.

There are five key requirements to effectively execute strategy:

(1) translate the strategy into operational terms,

(2) align the organization and the resources to the strategy,

(3) make strategy everyone's everyday job,

(4) make strategy a continual process, and

(5) mobilize change through strong effective leadership.

The scorecard serves as the window to the strategic plan and is used to communicate the overall strategy to every individual in the organization. The plans at varying levels of the organization and individual job goals of every person are linked to organization scorecards, and successful implementation of strategy thereby becomes everyone's job. In this manner, organization scorecards become a powerful leadership tool to mobilize change and transform all key aspects of an organization.

The scorecard measures will be used to monitor the progress of the goals and strategies within this plan. **Measure Leads, as identified within the scorecard, will report progress on a semi-annual basis.** The reported measures will be consolidated and analyzed by the MCBEO, forwarded to the ACMC, and reported to the governing MROC. Over time, scorecard measures may be revised.

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[5] Scorecard: A table or record enabling a spectator to identify players and record the progress of a game or competition. The MCBE scorecard provides a single page view of the strategic plan including Measures, Targets, and Measure Leads. A Status column will be added for reporting purposes.

Strategy		Measure		Target 08	Target 10	Target 12	Measure Lead	Notes
S1.1	Improve performance and reduce cost through continuous improvement and specific end-to-end process analysis and review. Reduce, delay, or cancel lower priority items in order to make available the required resources for top priority initiatives.	1	# of Marines realigned to the OpFor	4500	5300	6200	DC, M&RA (Mil-Civ group)	Tracked by CG, MCCDC
		2	Dollars realigned annually to 2015 MAGTF	$40M	$120M	$200M	Process Owners	Tracked by DC, P&R
		3	Customer (warfighter) satisfaction index	Publish Baseline & Targets	TBD	TBD	MarFors	"Owners" defined in section 6. Build standard on current ICE surveys being used at many installations
S1.2	Continue to implement competitive sourcing strategy.	4	Cumulative # of FTEs competed, FTEs divested, and military billets converted to civilian billets	1000	2000	3700	DC, M&RA (Mil-Civ group)	Tracked and implemented by DC, I&L
S2.1	Establish strong corporate level governance through MROC, engaging advocates, program sponsors, and OPBUD holders, in business initiatives that optimize resources and improve warfighting capability.	5	Governance methodology developed and implemented	Published	Revised as required	Revised as required	DC, I&L	Published in FY05
		6	Published and updated business information standards	Published	Revised	Revised	MCBEO	Published in FY05
S2.2	Implement robust internal and external communication, coordination, and representation plans.	7	Internal and external communication plans developed and published	Published	Revised	Revised	MCBEO	Published in FY05 MCBE Director represents USMC at DoD PMA Steering Group, DON SE BOD, BMMP
S2.3	Remove impediments to innovation.	8	% of identified barriers/constraints removed	90%	90%	90%	DC, I&L and P&R with CL and OLA	Requests resolved/responded to within 90 days of receipt.
		9	ROI on MCPIA	10:1 over POM	10:1 over POM	10:1 over POM	MCBEO	MCPIA = Marine Corps Productivity Investment Account
S3.1	Identify knowledge, skills, and abilities required by the workforce tasked to manage the business enterprise. Develop, resource, and implement a comprehensive business training plan.	10	Business enterprise employee satisfaction index	Published	TBD	TBD	MCBEO	Baseline and targets published in FY05.
S3.2	Link individual performance plans, appraisals, and contract deliverables to strategic and campaign plans.	11	% of business enterprise military and civilian performance appraisal plans explicitly linked to appropriate strategic plans and organization objectives	N/A	50%	100%	Commanders	
S3.3	Optimize business tools through standardization to the maximum extent possible across the business enterprise.	12	Published ABRM policy for POM 08	Published			DC, P&R and MCBEO	Publish ABRM policy document in FY05 to meet requirements of MROC DM 45-2003 and will address the issue of performance metrics that are the primary measurements of effectiveness. Business enterprise training will focus on development of the nine strategic business skills as defined in Appendix D.
		13	% of OPBUD holders who use cost, output, and performance information in POM Cycle to justify their requirement.	N/A	50%	100%	DC, P&R	
			Avg # of annual training hours per target audience member:				MCBEO	
		14	Business Offices	50/yr	50/yr	50/yr	MCBEO	
		15	Business Enterprise Dept Hds/Deputies	20/yr	20/yr	20/yr	Commanders	
		16	Business Enterprise Managers	N/A	20/yr	20/yr		
	Overall	17	Percentage of Strat Plan Targets achieved	100%	100%	100%	MCBEO	
		18	Semi annual MROC updates accomplished	100%	100%	100%	MCBEO	

Successful accomplishment of these targets supports attainment of MAGTF 2015 capabilities.

6. Marine Corps Business Enterprise Action Guidance

"Sea Enterprise initiatives will drive the Department of the Navy's transformation into a 21st Century Force that focuses on what truly matters – warfighting readiness and combat capability."

NAVAL POWER 21
SIGNED BY SECNAV, CMC, AND CNO

*"**Economy of Force.** Employ all combat power available in the most effective way possible; allocate minimum essential combat power to secondary efforts. With many more available targets than assets, each unit must focus its attention on the primary objectives."*

NAVAL WARFARE, NDP 1

Marine Corps Business Enterprise Action Guidance

1. Advocates and commanders will aggressively engage in the campaign to transform our business processes and will ensure this vision and these goals are deep-rooted across the Corps.

a. The Deputy Commandant for Installations and Logistics will lead and coordinate our campaign, publish a Strategic Business Plan to guide our efforts, report progress through the MROC to CMC, and ensure appropriate measures of effectiveness and targets are in place to monitor progress and results.

b. The Deputy Commandant for Plans, Policies and Operations will ensure the readiness and capability of current forces are adequate to meet force employment obligations and war plan requirements while we transform the force and our business practices.

c. The Deputy Commandant for Combat Development will ensure we have a clear understanding of our 2015 capabilities and requirements - backed by supporting Doctrine, Organization, Training, Manpower, Personnel, Logistics and Facilities analysis - so that we know when and where to apply the resources to achieve the capabilities and requirements in POM 08.

d. The Deputy Commandant for Manpower and Reserve Affairs will aggressively lead the military-civilian planning group in its long term endeavor to realign, within bounds of prudently-innovative manpower management, as many Marines as possible out of non-military billets and into the operating forces.

e. The Deputy Commandant for Programs and Resources will publish appropriate fiscal guidance to establish efficiency goals and ensure dollar savings are recouped for reinvestment.

2. Advocates and process owners will aggressively engage in end-to-end process assessments and improvements directed in this plan, MROC decisions, and CMC POM guidance. The purpose of end-to-end process assessments is to identify actions and initiatives to improve the effectiveness and efficiency of processes and achieve MCBE scorecard targets for measures 1 and 2 on page 12.

a. The Deputy Commandant for Installations and Logistics will establish and implement a process to monitor results of Marine Corps business transformation through metrics, audit trail methodology, and assessment (per MROC DM 27-2004). The following process owners are designated and are directed to develop, submit, and implement process assessment/ improvement action plans for their assigned processes:

Process	**Process Owners**
Installation Support:	DC, I&L
Combat Service Support/Logistics:	DC, I&L w/CG MARCORLOGCOM
Acquisition:	COMMARCORSYSCOM
Information Technology:	Dir, C4
Training:	CG, MCCDC (TECOM)
Financial Management:	DC, P&R
Human Resource Management: (includes Marine Corps Community Services)	DC, M&RA

Process owners will provide the name of their process POC to the Director, MCBE by 3 December 2004.

b. Each process owner will submit to the Director, MCBE a preliminary action plan by 28 January 2005. The preliminary action plan will include the following information:

1) Plan of action and milestones for end-to-end process review
2) Resource baseline for the entire process
   a) Dollars by appropriation for entire process
   b) # Marines assigned to entire process
   c) Civilian FTEs assigned to entire process
3) First level sub-processes (approximately 4-10 processes that comprise the overall process)
   a) Dollars by appropriation for each sub process
   b) # Military assigned to each sub process
   c) # Civilian FTEs assigned to each sub process
4) Contact information for process owner POC: name, organization, phone number, email address, fax number

c. Detailed process assessments should result in action initiatives. These initiatives will be communicated to HQMC in the format provided on the following page (Figure 1) no later than 1 August 2005. The sum impact of action initiatives from each process owner should result in approximately 1% reduction per year, in non-military pay costs, over the PR07 period (FY07-FY11).

d. The Director, MCBE will conduct an information briefing for process POCs in December 2004, and will assist, if required, in conducting end-to-end process reviews. In addition, the Director will include an update of the process review in semi-annual briefings to the MROC and provide resource impact assessments to DC, P&R to be used during the PPBE process.

MCBE Initiative Description
Initiative: <Title>

Output Description:

- **Describe the expected result of the initiative and provide quantifiable description of the initiative scope.**
-

Proposed Action:

- **Describe the specific actions that would be taken to achieve the expected outcome/results.**
- **Include initiative milestones and beginning/end dates**
-

Risk/Impact Assessment:

- **Describe risks and impacts.**
- **Capability Risk Value (See Note 1)**
- **Summarize Total Feasibility Risk (See Note 2)**
  - **Legislative/Regulatory value**
  - **Congressional/External value**
  - **Complexity value**
  - **Intangible value**
  - **Cost/Investment Recovery value**

Overall Severity

Calculate Overall Severity value based on Note 3.

FYDP Profile:

	FY05	FY06	FY07	FY08	FY09	FY10	Total
Process Baseline							
Appropriation:							
(+) Investment							
(-) Savings							
Net							
Impact on Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor ($)							

Comments:

POC Name/organization//phone/email:

Figure 1: Action Plan Initiative Description Format
(Adapted from Sea Enterprise Initiative Description Format)

Note 1: Capability Risk

Efficiency (E): No measurable capability impact. Output is unchanged but costs are reduced.
Low Internal (L): Minor impact. Delivered capability will be somewhat less than formerly projected. All quantities will be delivered.
Medium Internal (M): Reduced capability, but still mission capable. Delivered capability will be significantly less than formerly projected.
High Internal (H): Significant impact. Approaching the point that affects ability to accomplish primary mission.
External (X): Quality of output is reduced to the point that primary mission cannot be accomplished and a reduction in advertised quantity to a customer may be appropriate.

Note 2: Feasibility Risk

Assign score of 0-10 to Total Feasibility Risk, based on the sum of the following five **risk ratings**:

1. **Legislative/Regulatory:**
   - (0) No legislative, regulatory, or service hurdles to overcome.
   - (1) Notification required, but minimum opposition expected.
   - (2) Significant changes to law or regulation required.
2. **Congressional/External:**
   - (0) Minimum or no congressional/external interest.
   - (1) Minor notification; staffing or testimony anticipated.
   - (2) Significant congressional/external opposition anticipated.
3. **Complexity:**
   - (0) Simple to implement.
   - (1) Somewhat complex; requires re-organization, personnel movement, or major cross-command coordination.
   - (2) Very complex.
4. **Intangible (i.e., morale, public image, etc.):**
   - (0) Minimum or none known.
   - (1) Potential impact on public image or morale of force. Uncertainty as to savings potential.
   - (2) Impact on public image or morale of force. Great uncertainty with regard to savings.
5. **Cost/Investment Recovery:**
   - (0) No investment required or is immediately self-financed.
   - (1) Investment recoverable in two years or less.
   - (2) Significant investment required and is not recoverable in two years.

Total Feasibility Risk:

Sum of feasibility risk ratings.

Note 3: Overall Severity

Color code based on Capability and Feasibility Risk assessments.

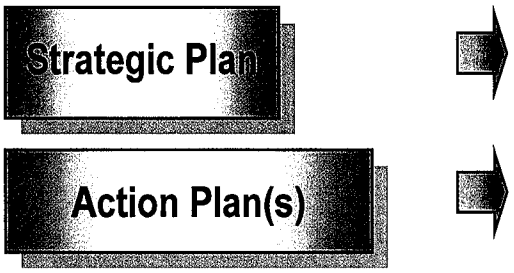
CAPABILITY RISK *(From Note 1)*	FEASIBILITY RISK *(From Note 2)*	OVERALL SEVERITY COLOR
E	0-6	Green
E	7-10	Yellow
L	0-4	Green
L	5-10	Yellow
M	0-2	Green
M	3-8	Yellow
M	9-10	Red
H	0-6	Yellow
H	7-10	Red
X	0-4	Yellow
X	5-10	Red

General Note: **Additional guidance will be provided to process owners via program serials.**

Appendix A:

Strategic Plan Definitions and Glossary of Acronyms

Below are definitions of components and a recommended template for strategic plans developed at all levels of the business enterprise.



A plan containing long-term (5 or more years) vision, goals, and strategies to reach that vision.

Action plans define what needs to be done to achieve the goals of a Strategic Plan, including necessary resources, who needs to do what, and a timeline.

Mission: An enduring statement of purpose. It describes what the organization does, who it does it for, and how it does it.

Vision: A view of a desirable and potentially achievable future state. A vision is a definition of success.

Value: A principle of an organization that guides the behavior of its members.

Goal: A statement of a result to be achieved in the long term, representing a major accomplishment.

Strategy: A major proposal an organization intends to pursue in order to achieve its goal(s).

Measure: An indicator, taken over a period of time, which communicates vital information about a process or activity. A measure should drive appropriate leadership or management action.

Targets: Quantify the vision of the organization.

Action: Specific method or process an Installation/Department/Directorate intends to implement in order to achieve a strategy.

GLOSSARY OF ACRONYMS

A-76	Office of Management and Budget (OMB) Circular A-76
ABC	Activity Based Costing
ABIS	Activity Based Information System
ABRM	Activity Based Resource Management
ACMC	Assistant Commandant of the Marine Corps
ADR	Annual Defense Report
BMMP	Business Management Modernization Program
C4	Command, Control, Communications & Computers, HQMC
CD	Combat Development
CG	Commanding General
CIO	Chief Information Officer
CMC	Commandant of the Marine Corps
COA	Course of Action
COTS	Commercial Off-The-Shelf
CSS	Combat Service Support
CSWG	Competitive Sourcing Working Group
DC	Deputy Commandant
DON	Department of the Navy
DoD	Department of Defense
FTE	Full Time Equivalent
FY	Fiscal Year
FYDP	Future Year Defense Plan
GPRA	Government Performance Results Act
HQMC	Headquarters Marine Corps
I&L	Installations and Logistics, HQMC
I&L/LR	MCBE Office, HQMC
ICE	Interactive Customer Evaluation
M&RA	Manpower and Reserve Affairs, HQMC
MAGTF	Marine Air-Ground Task Force
MARCORLOGCOM	Marine Corps Logistics Command
MARCORSYSCOM	Marine Corps Systems Command
MARFORLANT	Marine Forces Atlantic
MARFORPAC	Marine Forces Pacific
MARFORRES	Marine Forces Reserve
MCBCG	Marine Corps Business Transformation Coordination Group
MCBE	Marine Corps Business Enterprise
MCBEO	Marine Corps Business Enterprise Office (LR), HQMC
MCCDC	Marine Corps Combat Development Command
MCLCP	Marine Corps Logistics Campaign Plan
MCPC	Marine Corps Programming Code
MCPIA	Marine Corps Productivity Investment Account
MID	Management Initiative Decision
MROC	Marine Requirements Oversight Council
MROC DM	MROC Decision Memorandum
OLA	Office of Legislative Affairs
OPBUD	Operational Budget
OSD	Office of the Secretary of Defense
P&R	Programs and Resources, HQMC
PBDD	Programming & Budget Development Database
PMA	[The] President's Management Agenda
POC	Point of Contact
POM	Program Objective Memorandum
PPBE	Planning, Programming, Budgeting and Execution
PR	Program Review
ROI	Return on Investment
SABRS	Standard Accounting, Budget and Reporting System
SE BOD	Sea Enterprise Board of Directors
SECNAV	Secretary of the Navy
USMC	United States Marine Corps

Appendix B: Guidance and References

Guidance

The following is a consolidation of guidance specifically used to develop this strategic plan.

MROC DM 45-2003 (9 MAY 03)

- Directs implementation of ABRM critical enablers and supporting functions enterprise-wide
- Critical enablers:
  - Standard performance measures for each MCPC
  - Enhanced Program Sponsor role
- Supporting functions:
  - Annual review of MCPCs and SABRS fiscal codes to ensure alignment
  - Refine ABC model standards
  - Concept of operations to expand ABC beyond supporting establishment
  - Modify PBDD screens
  - Support year by year performance measures, program sponsor analysis and recommendations

MROC DM 50-2003 (1 JUL 03)

- Expands operations of the Center for Business Excellence (CBE) (prior name for I&L/LR) to be reflected in the new strategic business plan
- Directs CBE to remain in I&L

MROC DM 06-2004 (15 DEC 03)

- Addresses A-76/Competitive Sourcing strategy developed by the Competitive Sourcing Working Group
- Approves Competitive Sourcing COA 2 (Affordable Realignment = 900 Marines)
- Approves core/non-core process designations
- Directs further examination of COA 3 (Maximum Realignment = 4,200 Marines)

MROC DM 27-2004 (12 APR 04)

- Provides statement of commitment to Naval Power 21 business transformation [Sea Enterprise goals]
- Reiterates MCBE mission expansion across the entire enterprise
- Directs initiation of end-to-end business process improvements
- Commits MROC to provide strong corporate level governance
- Directs MCBE to coordinate initiatives and communications
- Directs MCBE to remain in I&L
  - As a division
  - Overseeing business enterprise activities
  - Measuring and auditing improvement initiatives
  - Representing the Marine Corps externally

MROC DM 02-2005 (08 OCT 04)

- Establishes Director, MCBE as Marine Corps BMMP representative
- Establishes Director, MCBE as Chair of MCBCG and C4 as Co-Chair
- Charters MCBCG to advise the Director, MCBE
- Approves resourcing of new transformation support cell

POM06 CMC GUIDANCE (POM SERIAL 06-09, 2 APR 04)

- Commandant's Intent
  - Take bold, informed, shaping actions now
  - Clearly articulate how we intend to transform our processes, organizations, and equipment consistent with our 2015 concepts
- Commandant's Guidance
  - Coordinate military to civilian conversion initiatives
  - Aggressively pursue MCBE initiatives
  - Use measures of effectiveness, metrics, and benchmarking to justify resourcing

References

The following primary references drive the Marine Corps' business process transformation.

INTERNAL REFERENCES

Commandant's Guidance (ALMAR 008/03), 28 January 2003. Guidance from the 33rd Commandant of the Marine Corps to all Marines – active, reserve, civilian, retired, and their families, providing broad objectives and intent.

CMC White Letter 06-04, 27 September 2004. Provides enterprise guidance on transforming business processes. Includes Marine Corps business transformation goals and way ahead.

Naval Power 21, October 2002. Provides the vision, fundamental pillars, and focus areas, defining the new direction for the United States Navy and the United States Marine Corps to continue to control the sea and to project power, defense and influence beyond the sea as part of a Joint Warfighting Team.

Expeditionary Maneuver Warfare Capability List, 16 June 2003. Provides the framework, guidance, and direction to achieve the goals and aims of *Expeditionary Maneuver Warfare* in the near, mid, and far term. Serves as a motivating vision of future MAGTF capabilities that end-to-end process improvements will help achieve.

Marine Corps Strategy 21, 3 November 2000. Provides the vision, goals, and aims to support the development of future combat capabilities. Strategic guidance for active and reserve Marines, sailors, and civilian personnel who will make America's Marines, win our Nation's battles, and create quality citizens by optimizing the Corps' operating forces, support and sustainment base, and unique capabilities; and capitalizing on innovation, experimentation, and technology.

Marine Corps Concepts and Programs, 2004. A description of how Marine Corps major programs fit into the ideas and concepts that are driving the transformation process and taking the Marine Corps and the Navy from a 20th century amphibious force to an expeditionary fighting force of the 21st century.

Marine Corps Installations 2020 Vision, 28 April 2001. Provides long range vision and guidance to address the full range of issues and challenges facing 21st century Marine Corps installations.

Marine Requirements Oversight Council Decision Memorandums 45-2003, 50-2003, 06-2004, 27-2004, and 02-2005. Contain MROC recommendations and approvals including ABRM implementation, strategic sourcing, the MCBE approach to coordinate and facilitate Marine Corps-wide business process improvement in support of resourcing 2015 warfighting excellence, and BMMP direction.

POM Serial 06-09. Commandant's guidance for POM 06.

United States Marine Corps Logistics Campaign Plan, 2004. Vision and plan serving as the primary means of making desired operational capabilities logistically feasible.

United States Marine Corps Civilian Workforce Campaign Plan, 2002. Provides the important framework to strengthen all aspects of the Civilian Marine work lifecycle, making the Marine Corps the "employer of choice" for those seeking challenging and rewarding careers.

Marine Corps Installations Strategic Plan, 2004. Serves as the next level of direction, providing a 5-year road map, working toward achievement of the *Installations 2020 vision* while ensuring alignment with installation-specific DoD strategies.

EXTERNAL REFERENCES

The President's Management Agenda. Provides Government-wide and Program Initiatives, focusing on 14 areas where the opportunity to improve performance is the greatest.

Government Performance Results Act, 1993. Enacted by the Senate and House of Representatives of the United States of America, GPRA provides for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

Department of Defense Management Initiative Decision 901/910/918. Establishes performance outcomes and tracking of performance results for the Department of Defense.

Annual Defense Report. The ***Annual Report to the President and the Congress***, commonly referred to as the ***Annual Defense Report***, details how the Department of Defense built its capabilities and is working to maintain them in the future.

1995 Statement of Federal Financial Accounting Standards #4. Established Federal standards full cost of outputs and performance metrics.

Federal Financial Management Act of 1996. Made Federal Accounting standards (such as #4 above) concepts and reporting requirements official.

Links to these references can be found at the MCBEO website:
http://lrhome.hqmc.usmc.mil/busplan1.nsf/

Appendix C: MCBE Office Responsibilities

1. Support PPBE with:
   - Recurring performance and cost information
   - Recurring performance and cost analysis, including POM offset/core recommendations
   - Proposed Activity Based Resource Management Policy

2. Establish business information data standards and recommend software standards to CIO.

3. Provide designated DC and other organizational leaders:
   - Proposed strategic direction through business strategic plan
   - Actionable options to improve performance and reduce costs
   - Coordinated effort to achieve $200M annual savings and support M&RA led mil-civ conversion effort to realign 6,200 Marines from non-core to core functions by FY 11
   - Limited technical support of end-to-end process improvements
   - Business skills training and education opportunities for their staffs - with a focus on business managers

4. Oversee and coordinate Marine Corps Business Transformation activities and initiatives.
   - Develop internal and external communication plan to clearly articulate USMC relationship to DON Sea Enterprise and our transformation goals, efforts, and successes to our Marines, SecNav, and other external agencies
   - Develop performance measures and an audit trail methodology to monitor business process improvement initiatives
   - Provide semi-annual business transformation progress updates to MROC
   - Represent the Marine Corps, supported by DC, P&R and other Advocates, at external business transformation forums, such as Navy Sea Enterprise Board of Directors, the OSD BMMP Steering Committee, and the OSD Senior Steering Group for the President's Management Agenda

5. Ensure USMC achieves Competitive Sourcing Program goal of 3,000 FTEs by FY09.

6. Coordinate MCBE effort and boundaries with Logistics Modernization.
   - Logistics modernization is about improving MAGTF effectiveness and efficiency by modernizing and integrating the logistics chain processes, and activities within both the MAGTF Combat Service Support Element and the Supporting Establishment in order to improve the way critical resources are maintained, managed, and delivered to the warfighter.
   - This initiative is related to, but does not fall within MCBEO primary cognizance.

Appendix D: Nine Strategic Business Skills

1. Target Cost Management

Target Cost Management begins with the recognition that only a set amount of money (the target cost) is available to produce a product or service. Target Cost Management focuses on containing costs before they are incurred by emphasizing cost consciousness and sound cost management principles throughout the entire life cycle of a product or service. Particular emphasis is placed on the design of processes, when most costs are locked in. Costs can be "designed out" by evaluating not only traditional costs such as materials and capital asset requirements, but also by efficiently designing the processes necessary to produce, deliver, and support the product or service. Another way of describing target costing is "programmed readiness" or achieving readiness levels within an established core financial ceiling.

2. Extended Enterprise Management

Extended Enterprise Management emphasizes the importance of identifying the network of organizations required to effectively deliver products and services and create value for customers. Extended Enterprise Management extends process analysis/management to include all the departments within an organization as well as all the outside entities that contribute to consistently delivering the quality products or services in a timely manner. The Marine Corps total force includes Marines, Civilian-Marines and our contractors. Extended enterprise management skills are necessary to successfully develop and manage relationships with our contract partners.

3. Asset Management

There are three categories of assets available to any organization: financial assets, physical assets, and intellectual assets (i.e., money, things and people). Asset Management focuses on determining the correct mix of assets required to accomplish both immediate and long-term organizational goals, acquiring and maintaining the necessary assets, ensuring the maximum feasible utilization of assets, and leveraging the mix of assets to increase the likelihood of continuous innovation and growth.

4. Capacity Management

Capacity Management provides information on how assets are currently being used, what resources are being wasted, and where potential improvements exist. The goal of Capacity Management is to ensure that resources are producing the maximum value. Capacity Management focuses on identifying and addressing the causes of idle capacity, excess capacity, and ineffective capacity utilization. It makes capacity issues visible, understandable, and easy to discuss across various levels of an organization.

5. Process Management

Process Management provides a horizontal view of how work flows through an organization and emphasizes how activities combine to provide the products and services customers require. Process analysis/management provides the roadmap for long-term, high impact change. End-to-end process analysis is the Marine Corps' primary method to ensure we are effective and efficient.

6. Integrated Performance Management

Effective Performance Management is one of the key defining characteristics of top performing companies. Integrated Performance Management links organizational goals and objectives between the levels and across the processes of an organization. Integrated Performance Management provides a balanced set of measures that encourage continuous improvement, define and reinforce accountability, and emphasize the interdependencies of key areas of performance.

7. Activity Based Cost Management

Activity Based Cost Management identifies the activities performed within an organization, and provides a mechanism to measure the cost and performance of activities and processes as well as the products or services they provide. Activity based cost management identifies how resources are consumed by activities and activities are consumed by cost objects (products, services or customers). Some organizations within the Marine Corps may use cost methodologies other than ABC. However, in compliance with established Federal Accounting Board Standards, and in order to achieve a clean USMC audit, the following information will be collected for all business processes: full cost of standard processes, and standard outputs (products and services), linked to organizational strategic goals by standard performance measures.

8. Project Management

Project Management provides the framework for transforming leadership vision into reality. Effective Project Management focuses on: providing overall direction, establishing specific goals, ensuring adequate resources are available to accomplish goals, defining and scheduling required actions, providing effective communication and interaction with stakeholders, managing stakeholder expectations, integrating conflicting or competing objectives, and orchestrating decision-making.

9. Strategic Planning

Strategic Planning is the process by which the guiding members of an organization envision its future, direct and align available resources, and develop the necessary procedures and operations to achieve that future. USMC business enterprise strategic plans all contain the common elements defined on page A-1.

Appendix E: Strategic Plan Contact

Proponent Office for the Marine Corps Business Enterprise Strategic Plan is:

HQMC
Installations and Logistics (I&L)
Marine Corps Business Enterprise Office (MCBEO)

Commercial (703) 695-5768
DSN 224-4760
Fax (703) 693-3508
DSN 223-3508

http://lrhome.hqmc.usmc.mil/busplan1.nsf/