

# Chapter 11 – SIM Priority Actions

## Overview

During the June and December 2001 Shore Installation Programming Board (SIPB) meetings, board members and Regional Commanders identified, evaluated, and prioritized more than 60 priority SIM actions. From this initial list, the board members selected 13 actions (shown in the table below) which were considered to possess the highest potential impact. These actions spanned all four Balanced Scorecard quadrants and were deemed the major activities to be pursued in FY 2002 and 2003.

Excellent progress on all 13 priority items was made during this past year. Each action item will be discussed in this chapter. They are presented by quadrant in the order of the chart below.

### “BAKER’S DOZEN” ACTIONS

<p><b><u>CUSTOMER</u></b></p> <p>1) Identify Facility Requirements 2) Identify Standards of Services/Measures 3) Develop Measures of Customer Satisfaction</p>	<p><b><u>INVESTMENT</u></b></p> <p>4) Develop Credible Link to Fleet Readiness (IPTs) 5) Develop Vision and Strategic Imperatives (NAV 2025) 6) Develop Communications Plan</p>
<p><b><u>PROCESS</u></b></p> <p>7) Align Financial Systems 8) Evaluate/Correct Organization Structure 9) Identify BOS Functional Owners 10) Deploy Activity Based Cost Management</p>	<p><b><u>WORKFORCE</u></b></p> <p>11) Determine SIM Work Force Mix 12) Designate N4 as Manager for Ashore Personnel 13) Implement a SIM Work Force Development Program</p>

In addition, there are two initiatives included at the end of the chapter. They are not part of the “Baker’s Dozen,” but might suggest two other areas of interest. They are: Enterprise Land Mobile Radio System (ELMR) and the Common Access Card (CAC).

***Product of the Plan***

**“Baker’s Dozen” Actions**

- Over 60 action items were identified, evaluated, and prioritized.
- 13 highest priority SIM action items for FY 2002 and were carried over to FY 2003 as required.
- All 13 actions made excellent progress.
- SIM priority action items need periodic review, with requisite priorities set for FY 00 and beyond (will be part of new CNI Strategic Plan).

## Action Items

<b>Customer Quadrant</b>
<i>"Provide shore facilities and services that meet or exceed expectations."</i>

### 1. Identify Facility Requirements.

#### Background

In 1998, Regional Shore Infrastructure Planning (RSIP) replaced Installation Master Planning as the Navy process for conducting long-range facility planning for its regions and stand-alone activities. RSIP has become the mechanism for streamlining shore infrastructure by identifying opportunities to consolidate, realign, and eliminate redundant functions and through performance of functional analyses to determine inherently governmental versus non-governmental functions.



RSIP goals include: maximized use of existing assets; footprint reduction through disposal of excess property; demolition of aging facilities and consolidation of functions; and use of Military Construction appropriations as a last resort for fulfilling facilities requirements. The process supports Navy regionalization and can be either general in scope, evaluating cross-functionality through overview plans, or specific in scope, focusing on specific mission areas through functional plans. A key output of the RSIP process is the Total Facility Requirement (TFR), an

RSIP-derived code used to designate whether each specific facility is either essential to the mission, required for surge and mobilization, surplus to a regional function, excess to the Region's needs, or required only until the RSIP solution is implemented. For FY 2004, CNI has proposed a redesign of the TFR structure and new guidance will be forthcoming. Navy continues to promote the RSIP process as its vehicle for establishing valid facilities requirements, the foundation for a credible facilities investment strategy.

#### Progress to date

Almost all of the RSIPs for the three major functional areas, Port Operations, Air Operations, and Ordnance, which represent 25% of the Navy Plant Replacement Value (PRV), were completed in FY 2003.



#### Next steps

\$6.00M has been funded for the FY 2004 RSIP program. The focus for FY 2004 will be maintenance, command and staff, and training functional plans.

#### Impact/potential impact on SIM

The RSIP process offers advantages over the traditional long-range facility planning:

- Regional vice installation focus identifies economy of scale opportunities.
- Footprint reduction emphasis results in lower facility sustainment costs.
- Comprehensive planning vice capital improvement (MILCON) focus.
- Ashore requirements validated against operational requirements.
- Use of non-traditional solutions (e.g. joint basing, local government partnerships, public-private partnerships, and leasing) to resolve facilities excess/shortfall.
- Ease of transformation to web-based applications.

## 2. Identify Standards of Services/Measures.

### Background

The intent of this action is to establish standards of service and metrics to evaluate the Navy's performance against those standards. The original intent of these standards and metrics were to help ensure consistent delivery of service across the Navy.

### Progress to date

Early in FY 2003, SECNAV issued guidance directing the use of "Performance Models" for development of resource requirements. OPNAV N46 efforts in the SIM arena with capability levels and metrics fit the Performance Modeling criteria very well. In March of 2003, the CNO was briefed and approved the concept of standards, capability levels, and metrics for 12 key SIM functions commanding more than 80% of SIM fiscal resources. Additionally, these products were used for the PR05 Capabilities Plan build.

As FY 2003 progressed, and the focus of our efforts shifted more and more towards the establishment of Commander, Navy Installations, the 12 IPTs with established Performance Models were asked to continue to refine their model while six other IPTs were re-energized with the task of completing their Performance Model work. Three of these IPTs briefed the Regional Commanders' Conference in September, 2003 and received approval for their standards, capability levels and metrics, with the remaining three IPTs making headway on their respective Performance Models.

### Next steps

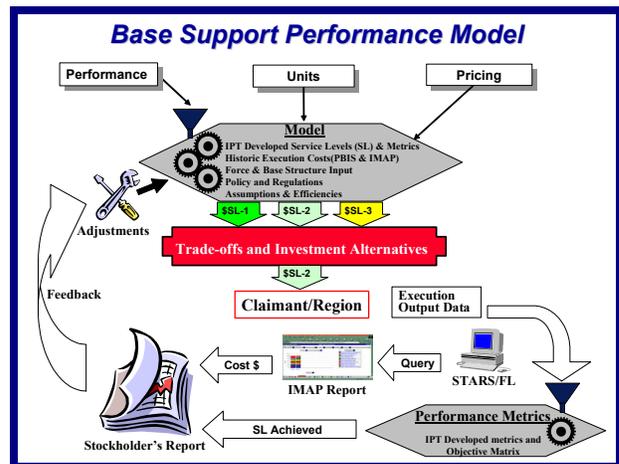
Continue the use of all approved standards, capability levels, and metrics for POM-06. Issue CNI guidance to IPTs to re-energize efforts. Maintain current IPTs. Review all SIM functional areas for IPT applicability and establish IPTs and complete Performance Models for appropriate remaining SIM functions.

### Impact/potential impact on SIM

- Better definition and credibility of true resource requirements in terms of dollars as well as capabilities (capability levels).

- Establishment of linkage between resources and capabilities for better utilization of resources.
- Ability to provide options to leadership regarding desired service delivery.
- Ability to measure results after the financial plan is executed by way of the annual SIM Stockholders' Report.

## 3. Develop Measures of Customer Satisfaction.



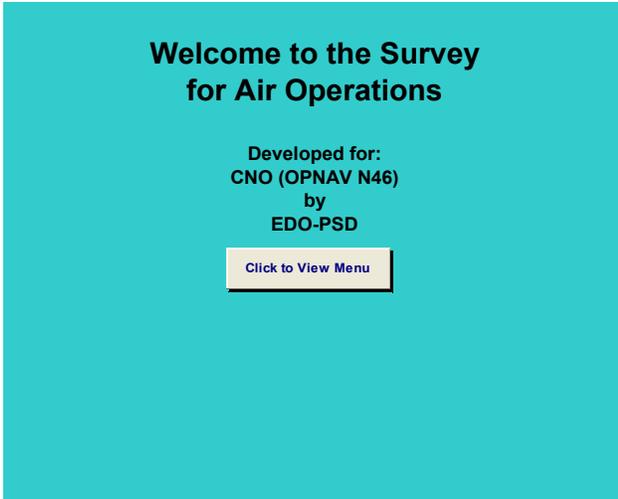
Note: Service Levels changed to Capability Levels effective FY 2004.

### Background

Measuring customer satisfaction is essential for SIM. It is a key metric for the "Customer" quadrant of the Balanced Scorecard, one of the Baker's Dozen action items, and most of the IPTs have included measuring customer satisfaction as one of their metrics. This measurement of customer satisfaction is not a one-time measurement, but rather a continuing requirement to measure changes in the delivery of service on an annual basis. To successfully accomplish this, SIM must:

- Develop appropriate metrics and a system capable of measuring customer satisfaction.
- Collect data via a scientific customer satisfaction survey.
- Establish a mechanism to interpret results. The timeframe is 2-3 years.

## SIM Stockholders' Report FY 2003



### Progress to date

OPNAV N46 had planned to utilize specialized contractor support to provide a common, standardized and scientific approach to collecting customer satisfaction data for all SIM business areas. FY 2003 funding was reduced in view of other SIM priorities and this initiative was not pursued. It is CNI's intent, if funding is available when balanced against other CNI priorities, to commence this initiative in FY 2004.

Several functional areas, particularly in Community Support, have customer satisfaction survey mecha-

nisms already in place. The goal of the SIM survey is not to replace these surveys, rather, the emphasis will be to analyze how specific programs affect readiness, and develop an objective measure of readiness – a readiness index.

### Next steps

Funding priorities must be analyzed relative to this initiative. Rather than building a new survey from the ground up, we will pursue more readily adaptable mechanisms. The focus of our efforts in this area is:

- Limit the number of customer satisfaction surveys in order to not overwhelm the personnel being surveyed.
- Ensure the survey tools provide specific assistance to the needs of the individual IPTs in order to provide each functional area with good, timely customer satisfaction data.
- Provide initial results and feedback for use in developing performance metric evaluations.
- Develop meaningful statistics to support IPT efforts to measure their linkage to readiness and support to the warfighter.
- Provide customer satisfaction data down to the individual base level.

### Impact/potential impact on SIM

The measurement of customer satisfaction is a key metric or metric contributor in the overall perfor-

MWR CUSTOMER SATISFACTION SURVEY							
*MWR is very interested in how satisfied you are with the _____ program. *Below are statements that may reflect your satisfaction with this program. *Please indicate your level of satisfaction by circling your response to each item. *Circle "0" in the "Not applicable" column for items you believe do not apply to this program. Thanks for your feedback!							
ITEM	NOT APPLICABLE	STRONGLY DISAGREE	DISAGREE	NEITHER DISAGREE OR AGREE	AGREE	STRONGLY AGREE	
1. Equipment provided is up-to-date	0	1	2	3	4	5	
2. Programs start on time	0	1	2	3	4	5	
3. Staff is willing to go an extra step	0	1	2	3	4	5	
4. Programs are offered at convenient times	0	1	2	3	4	5	
5. Staff is dependable	0	1	2	3	4	5	
6. Staff has enthusiasm	0	1	2	3	4	5	
7. Staff gives individual attention to you	0	1	2	3	4	5	
8. Staff responds to requests quickly	0	1	2	3	4	5	
9. Information provided is accurate	0	1	2	3	4	5	
10. Facility is aesthetically attractive	0	1	2	3	4	5	
11. Staff is well dressed and appears neat	0	1	2	3	4	5	
12. Staff understands your needs	0	1	2	3	4	5	
13. Staff is competent	0	1	2	3	4	5	
14. Staff acts on participants' suggestions	0	1	2	3	4	5	
15. Staff makes you feel as though you belong	0	1	2	3	4	5	
16. Facility is comfortable	0	1	2	3	4	5	
17. Staff is friendly	0	1	2	3	4	5	
18. What is promised is delivered	0	1	2	3	4	5	
19. Staff is knowledgeable	0	1	2	3	4	5	
20. The organization is concerned with quality control	0	1	2	3	4	5	
21. Program/facility is at a convenient location	0	1	2	3	4	5	
22. Other participants are not bothersome	0	1	2	3	4	5	
23. Problems are quickly solved	0	1	2	3	4	5	
24. Staff takes time with the participants	0	1	2	3	4	5	
25. Staff performs duties consistently well	0	1	2	3	4	5	

mance assessment for almost all SIM functions. While local surveys provide a means to solve an immediate issue at the base level, a Navy-wide approach would provide common data collection in support of CNI and will enable each SIM IPT to refine their standards, metrics and capability levels, to ensure that each function is focusing on what the customer really needs vice assumed levels of service and standards.

**Investment Quadrant**  
"Focus shore investments to maximize Fleet Readiness."

## 4. Develop Credible Link to Fleet Readiness (IPTs).

### Background

The intent of this action is to incorporate a rigorous requirements determination and validation process that enables optimum allocation of resources that best support the warfighter for maximum readiness. This action will benefit the resource providers and assessment process.

### Progress to date

The various IPTs have continued to refine the standards, capability levels and metrics. Eleven IPTs (representing over 80% of SIM resources) have been approved to-date by the SIPB. OSD's Defense Readiness Reporting System (DRRS) continues to be developed and refined with an anticipated IOC of FY 2004 and FOC in FY 2007. OSD recently initiated an all-service effort aimed at developing a Defense Readiness Reporting System (DRRS). Navy is developing its link to DRRS through DRRS-N. Fleet Forces Command has been designated the lead agency for its development. Future versions of



DRRS-N will capture combatant support organization data and will provide the link to Fleet Readiness.

### Next steps

A key aspect of the IPT institutionalization process and charter will include a specific task to develop readiness links for use in the Capabilities Based Budget (CBB) and POM process for use in CBB-05. Participate in OSD effort to develop DRRS.

### Impact/potential impact on SIM

This action with regard to BOS funding will help identify return on investment from a readiness perspective. It will also enable SIM funding decisions to be viewed with improved credibility within the Navy, OSD and Congress. This action will provide a means by which Navy leadership has the requisite information to make optimal funding trade-offs within SIM.



## 5. Develop Vision and Strategic Imperatives necessary for meeting Navy installations force structure requirements in the year 2025.

### Background

This action is a progression of the Navy global basing plan. The intent is to establish a framework for development of an operationally-focused, future-oriented concept for meeting the SIM requirements of the Navy through 2025. The construct of this framework will be communicated through Navy Ashore Vision (NAV) 2025, a CNO-approved publication intended to effectively identify facility

requirements; align infrastructure with the future Fleet; and sustain and recapitalize that infrastructure efficiently and economically while providing the overarching guidance for development of SIM investment strategies. NAV 2025 will assist in aligning SIM strategies to current and future force structure requirements.

### Progress to date

OPNAV N46 is currently developing NAV 2025 with input from IMCs, N3/N5, and HQMC.

### Next steps

OPNAV N46, with NAVFAC's technical assistance, continues to incorporate comments into NAV 2025, get comments/concurrence from the SIPB, and brief up the chain to the CNO.

### Impact/potential impact on SIM

This action will establish the baseline for future Navy installation requirements worldwide. It will also provide a useful tool and baseline for any future BRAC efforts.

## 6. Develop Communications Plan.



### Background

The previous SIM Strategic Plan was completed, approved, and promulgated in 1997. This initial Plan was primarily a Headquarters-focused document that over-emphasized efficiency at the expense of addressing customer and effectiveness issues. It did not have a process to evaluate progress towards the stated goals and had not been used to coordinate the efforts of the entire SIM team. There was general agreement among Navy's SIM leadership and chain of command that this Plan needed revision to provide a vision and a plan to move forward; and it needed to be revised on a more collaborative basis with the SIM chain of command.

OPNAV N46, with support from each of the eight IMCs, initiated a process to revise the Plan beginning in February 2001. This process was a collaborative one and was completed in October 2001 and has resulted in buy-in from key stake-holders

including all IMCs, MCPON's office, OPNAV N40, N41, N44 (now merged with N46), N45, N46, N81, NAVSUP, NAVFAC, SECNAV, various Navy Regions, and NAVY IG.

This revised Plan articulates the SIM Mission, Vision, Goals, Strategies, Performance Measures, and Actions to support the Goals. Follow-on efforts are already initiated, focusing on execution actions that are reported in this report. The revised Strategic Plan has been reviewed and approved by the Navy's SIPB, briefed to the VCNO (Oct 2001), disseminated through posting on the Navy SIM Clearinghouse, and is in the process of being executed by all in the SIM chain of command.

### Progress to date

OPNAV N46 and the SIM chain of command have moved ahead on all fronts to publicize SIM requirements, needs, and results as detailed below:



- Three ALNAV's have been published in the past two years on strategy and claimant/regional consolidation actions.
- OPNAV N46 briefs every Shore Station Command Seminar.
- A SIM Clearinghouse web site was created and populated as a SIM Knowledge Warehouse that includes expense policy documents, conference data/reports, directives, and PPBS-related information.
- OPNAV N46 participates as a part of N8 staff resource programming evolutions and working groups (IWARs, etc) as well as OPNAV/Navy and OSD Secretariat studies and working groups dealing with base support, ashore readiness, and shore installation management.

**Next steps**

Publish and disseminate 2003 SIM Stockholders Report in early 2004 which will report on the "Product of the Plan," i.e., the execution results of earlier FY 2003 programming and budgeting efforts in terms of funding and outputs/capability levels.

**Impact/potential impact on SIM**

- Greater credibility with regard to SIM funding requirements with N8/FMB/CNO in POM-04.
- Stronger defense of SIM requirements by chain of command and at highest decision levels in Navy.
- Better understanding by warfighters of importance of SIM support as a factor in fleet readiness.

**Process Quadrant**

*"Align our processes, structure, and standards and employ best business practices to provide effective, efficient Navy shore facilities and services."*

**7. Align Financial Systems.**

**Background**

The intent of this action is to help streamline and improve the fidelity and granularity of the processes for BAM/Capability Plans and other data calls. This action will go in the business plans of OPNAV N46, Claimants, and the Regions. It is still to be determined how it will be accomplished, what resources will be required, and how success will be measured.

**Progress to date**

The POM-04 BAM was the first to define OBOS requirements by functional components in accordance with the Installation Core Business Model. For the first time, programming decisions were made by functional area. However, it continues to be difficult to track financial decisions by function from programming through execution because the financial database is not aligned with the CBM functional areas.

Significant progress was made in FY 2002 by creating Program Elements (PEs) for POM-04 allowing visibility to OBOS programming decisions in the financial database.



Effective 1 October 2003, CNO directed the standup of Commander Navy Installations Command (CNI) as the single Installation Management Claimant for Base Operations Support programs. This move provides the opportunity to achieve capability levels, based on customer requirements, through standardized cost collection methodologies and reporting.

During FY 2003, CNO N46 working in conjunction with Finance, Management and Budget (FMB), established special interest codes (SICs) to track 31 program areas of the Core Business Model (IMAP CBM). Each SIC is tied to a unique set of cost account codes. CNI is in the process of developing financial statements and reports that show, by type of expense, what it costs in each business area.

**Next steps**

Identify one standard financial management system to track and manage all BOS funds. Currently, all 16 Regions and 4 PSA's use a variety of memorandum accounting systems to execute their programs and report management information data. By directing all activities to use the same system, efficiencies and savings will be achieved within financial management, as well as, across CNI. Furthermore, by implementing standard business practices, CNI will be able to implement standards in financial management and reporting, achieving improved consistency throughout CNI for management comparison and analysis.

Continue refining financial management statements and costing reports to provide program managers real time financial data by program to assist them in making effective and efficient business decisions.

Continue developing standard business practices that will enhance the validity of costs per unit output, or other defined metric.

**Impact/potential impact on SIM**

- Better identification of resource requirements by function.
- Enhanced visibility and tracking of programming decisions by function in the financial database.
- Improved ability to track financial events by function and measure results after execution.
- Development of cost ratios to performance metrics and capability levels.

**8. Evaluate/Correct Organization Structure.**

**Background**

The intent of this action is to validate the current organizational structure(s) for the purpose of ensuing optimal staff alignment in order to provide SIM support as efficiently and effectively as possible, and then determine if changes are required. This process will help to identify organizational misalignment, as well as determine the steps needed to correct this misalignment.

**Progress to date**

In May 2002, OPNAV N44 was successfully merged into OPNAV N46 and the overall N46 organizational structure was realigned more in consonance with parallel Fleet organizational structure. In accordance with the CNO's 2003 guidance of "Establish Commander, Shore Command...",

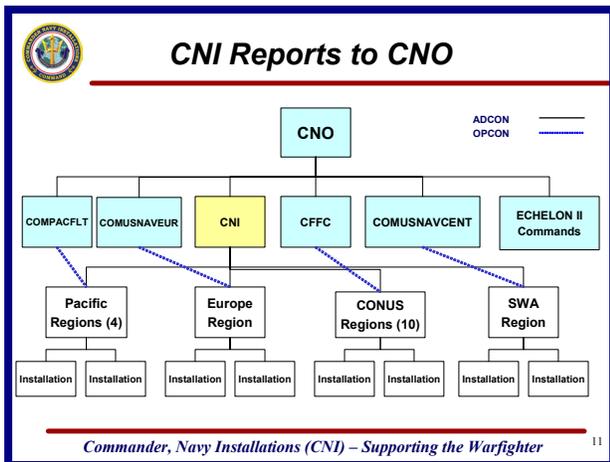
Commander, Navy Installations was stood up on 1 October 2003. This transformation event is likely the most significant event in Shore Installation Management in the last several decades.

**Next steps**

CNI will continue to evolve in staff and organization to meet its responsibilities. The command will be relocated to Anacostia and placed in a single facility for best synergy and will continue streamlining processes and have an organization to achieve program-centric objectives.

**Impact/potential impact on SIM**

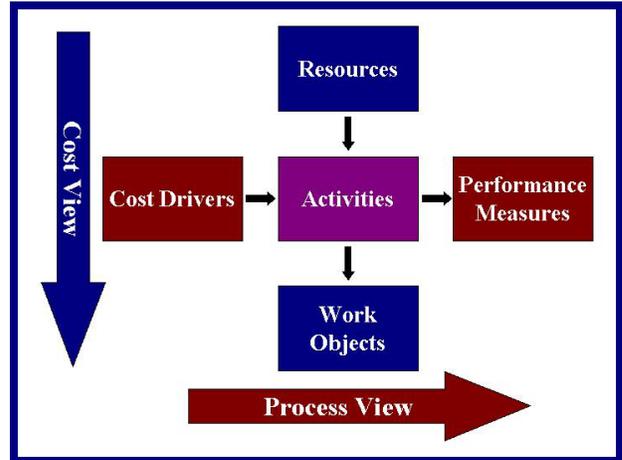
- Since 1997, the Navy has embarked on a series of actions to continuously improve ashore services to the Fleet, reduce redundancy, capture savings, and enable management claimants to focus on their primary missions such as training, acquisition, research and development, reserve mobilization/support, and medical support.
- IMC and Regional consolidation initiatives streamline SIM organizations and allow divesting IMCs to concentrate on their primary military missions independent of concerns regarding base operations, facilities management and tenant support.
- IMC and Regional consolidation have produced savings that help the Navy to recapitalize the Fleet.
- Other benefits of these SIM consolidation and regionalization actions include:
  - More coordinated competition for greater economies of scale and increased efficiencies.
  - Facilitates standardization of policies/procedures and capability levels, which in turn helps ensure the best quality of life for all of our Sailors.
  - One IMC combined with SIM staff consolidation produces greater flexibility in the execution of overall SIM funding and fewer HQ staffs performing the same SIM functions.
- The initial IMC consolidation and regionalization actions in 1998, including competitive sourcing initiatives, allowed the Navy to reduce SIM funding over the FYDP by \$8B. Although detailed historical cost



and manpower savings are not available, typical examples of a Navy Fleet Concentration Area at that time include:

- Port Operations realized a \$750,000 savings in tug operations and \$120,000 in maintenance savings. In addition, a \$6M backlog was eliminated.
- The cost per housing unit shrank from \$6,500 to \$5,400; FTEs were reduced from 138 to 98. Overall savings of \$14.2M.
- Food Service utilized a regionalized contracting approach that saved \$1M per year.
- In addition to the above \$8B in reductions already taken over the FYDP during the initial phase of SIM efficiencies, further FYDP reductions have recently been incorporated into the SIM funding line from both the “Skunkworks” initiative (-2%/\$110M per year) and the SECNAV Workload Validation Study (-\$153M per year) for a total additional reduction of \$1.24B over the PB-04 FYDP.

Other important stakeholders are invited to these regular meetings as necessary (e.g., OPNAV N8 representatives, BRAC representatives, or other Subject Matter Experts). Additionally, CNI is staffed with representatives with assigned cognizance over each SIM function and who affect full internal CNI and external policy coordination as appropriate.



The current SIM Strategic Plan was reviewed and endorsed by the SIPB, OPNAV N4 and the VCNO, and is available electronically via the SIM Clearinghouse web site. This Strategic Plan lays out in detail the SIM mission, vision, and strategic goals for the entire corporate Navy SIM community. This plan will be revised by CNI in FY 2004.

## 9. Identify BOS Functional Area Owners.

### Background

The intent of this action is to identify SIM functional process owners, such as the SIPB, IMWG, or other important SIM stakeholders, to ensure clarity of purpose and accountability throughout SIM. This action will be inculcated as part of the business plans of OPNAV N46, the Claimants and Regions.

### Progress to date

This action item is essentially complete. OPNAV N46 had created a permanent SIM “Board of Directors” under OPNAV N4 called the SIPB. It is composed of Flag Officers/Senior Executive Service representatives from each installation claimant. This group meets at least four times per year. Under CNI, this governing body no longer includes the installation claimants and is simply the Regional Commanders. They are supported by an Installation Management Working Group (IMWG), consisting of the Business Managers (O-6 /GS-15) from each Region, which meets roughly six times per year.

### Next steps

CNI is now the single process owner for installation management.

### Impact/potential impact on SIM

Identifying process owners provides a more streamlined SIM chain of command with better clarity regarding who is responsible for SIM policy and funding. The desired and likely result will be an improved focus on SIM service delivery.

## 10. Deploy ABCM to Help Manage the Shore Establishment.

The goal of the SIM Activity Based Cost Management (ABCM) initiative is to develop and implement a common ABCM model across SIM to provide managers the true costs of their services and products. More importantly, ABCM provides an

understanding of the reasons for those costs (what drives the costs) in a format that will allow effective, efficient management decisions in allocating resources and evaluating alternatives. Existing systems focus on traditional cost accounting methods and provide little or no visibility of the causes of service costs. The implementation spans the 16 Navy regions and covers the activities performed in the 29 functional areas of the Installation Core Business Model. The SIM ABCM initiative has the endorsement of the SIPB.

**Progress to date**

FY 2003 was to be the first year that centralized funding was provided to OPNAV N46 for implementation of ABCM across the SIM community. This funding was cut by Congressional action. However, COMPACFLT and COMLANTFLT funded pilot programs utilizing their own funding and both organizations began model implementations in their respective regions. The SIPB voted in favor of implementing/maintaining ABCM for SIM within available funding.

**Next steps**

The stand-up of CNI will enable a centralized, common approach to ABCM implementation across SIM. The intent is to analyze the current programs for “best of breed” features and develop/implement a model utilizing these features. We must ascertain if FY 2004 central funding for this initiative will be available and brief the SIPB (now the Regional Commanders’ Conference) regarding standardized implementation of ABCM across SIM in 2004.

**Impact/potential impact on SIM**

- Will know true/fully burdened costs of each SIM function and costs of providing these services to customers, including cost drivers.
- Will be able to compare or benchmark internally as well as with others who have similar cost systems.
- Will enable management (locally, regionally and Navy-wide) to make better management decisions with regard to keeping functions, modifying delivery methods, etc. to produce better services at the same or less cost.

<b>Workforce Quadrant</b>
<i>“Foster a highly skilled, valued, and aligned team in an environment where they can succeed.”</i>

**11. Determine SIM Workforce Mix.**

**Background**

Determination of the right SIM Workforce configuration (shape, mix and size) is a continuous endeavor, measured cumulatively over an extended period. To date, Navy has employed strategic sourcing techniques as the primary methods of SIM force configuration because Navy policies provide a wide variety of options for strategic sourcing BOS (IMAP) functions, including consolidation, restructuring, re-engineering, privatization, joint ventures, Functionality Assessment (FA), and A-76 studies. CNO and the IMCs have pursued all of these force configuration options in the attempt to achieve optimum efficiency, effectiveness, and recapitalization opportunity.

**Progress to date**

Since 1997, the IMCs and Regional Commanders have utilized A-76 competitions, FAs, and basic process (re-engineering) improvements to reduce manpower requirements and improve efficiencies totaling more than \$2B in recapitalization. While this achievement is significant, these efforts lack congruence and consistent calibration with Navy’s future manning projections.

With the formation of CNI and consolidation of SIM Workforce assets in a single claimancy, accountability for SIM Workforce shaping and sizing will be substantially improved. Even so, there is a continuing need for a methodical, corporate SIM human capital planning process that identifies force configuration options (with acceptable inherent performance risk) while accommodating important Navy force management imperatives such as sea-shore rotation. CNI will develop in FY 2004 a human capital/ workforce shaping strategy and plan.

## Next steps

Not all opportunities for A-76 competition in BOS functions and sub-functions have been exhausted; however, the remaining opportunities have limited recapitalization potential, requiring refined analysis of alternatives. A-76 studies may have diminishing utility as a force configuration tool, as the temporary moratorium on additional studies in the FY 2004 National Defense Authorization Act could effectively delay use of this strategic sourcing method. In addition, many of the planned FAs in major BOS functions have already been performed. These environmental factors make it necessary to employ increasingly refined management techniques for achieving optimum SIM Workforce shape, mix and size, and to emphasize sub-functional assessment as a key to realizing the Most Efficient and Effective Organization (MEO) in the delivery of BOS services.

The formation of CNI and consolidation of SIM Workforce assets in a single claimancy provides Navy with a long-sought opportunity to conduct a methodical, corporate level assessment of SIM Workforce assets, to align those assets with Navy and national goals, and to identify additional opportunities for recapitalization. Strategic SIM Workforce and human resource (HR) analyses conducted by CNO (N46) during FY 2003 revealed that the development of enhanced capabilities for total force management and human capital planning is a necessary prerequisite for determination of the optimum SIM Workforce mix. SIM stakeholders can expect to see special CNI emphasis on the development of these capabilities in FY 2004 and beyond.

Formation of the CNI Headquarters human resource (HR) organization is a first step in development of enhanced total force management capability, with closely aligned strategic sourcing, military and civilian manpower and HR functional elements. This organizational configuration will substantially improve collaboration and coordination among these typically stove-piped functions. A similar organizational template will be evaluated during the next fiscal year as a standard for regional implementation. In addition, CNI expects to explore the development of a common taxonomy for the comparative analysis of military and civilian mix alternatives, to evaluate

the benefits of multi-functional development of military and civilian HR staffs, and to consider the development or acquisition of a total force human capital planning tool. These studies will be for the use of functional managers, military and civilian manpower and HR practitioners in SIM Workforce mix analysis. These incremental steps should lead to further opportunities for savings and recapitalization.

## Impact/potential impact on SIM

The next steps toward determination of the optimum SIM Workforce shape, mix and size are expected to improve alignment of CNI efforts with both national goals and key elements of CNO's SIM Strategic Plan. Two key OSD goals are particularly relevant:

- "Integrate the active and reserve military, civilian employees, and support contractors into a diverse, cohesive total force and a rapidly tailorable force structure."
- "Improve the efficiency of and reduce the cost of civilian personnel management by improving and expanding regionalization of personnel management processes to serve multiple agencies."

The multiple SIM Workforce management actions planned for FY 2004 support these national goals and will enable CNI and regional commanders to conduct the integrated analyses necessary to achieve the optimum manning objectives (MEO) envisioned in the SIM Strategic Plan. Combined with actions to improve development of the SIM Workforce, these steps should promote both SIM Workforce effectiveness and increased opportunity for the recapitalization of assets across a wide spectrum of BOS sub-functions.



## 12. Designate N4 as Manager for Ashore Personnel.

### Background

This objective – to ensure that SIM Workforce development requirements are assessed, recognized and adequately resourced – was formulated prior to the CNO decision to consolidate SIM Workforce assets under the CNI claimancy and to establish a comprehensive military and civilian manpower and human resource directorate for SIM Workforce management in CNI Headquarters.

With the formation of CNI and the “double-hatting” of CNI and OPNAV N46, the underlying requirement for this objective has been satisfied.

### Progress to date

Over the past three years, OPNAV N46 has taken important steps to lay the foundation for an effective, centralized SIM Workforce development system. The strategy for SIM Workforce development and the primary conceptual and programmatic elements of the comprehensive development system envisioned are described under Priority Item 13 below (“Develop, Resource, and Implement a SIM Workforce-Development Program to Ensure the Workforce has the Right Tools to Serve the Customer”).

CNI expects to build on the steps already taken by OPNAV N46 to fulfill SIM strategic objectives for the SIM Workforce and to begin implementation of a robust system of development and community management for SIM governance practitioners at national, regional and installation levels.

### Next steps

At the end of FY 2003, N46 and the pre-commissioning staff of CNI were engaged in the process of organizational realignment to effect a smooth transition of responsibility for SIM Workforce management and sponsorship. Execution (implementation) of the strategy for SIM Workforce development, program management for development systems, and the development of SIM Workforce resource requirements will become the primary responsibility of CNI in FY 2004.



### Impact/potential impact on SIM

Assimilation of SIM Workforce assets under the single claimancy of CNI and the transition in accountability for SIM Workforce development from OPNAV N4 to CNI/OPNAV N46 are expected to propel implementation of the strategy for workforce development formulated by OPNAV N46. The elements of that strategy are described in the next section.

## 13. Implement a SIM Work Force Development Program.

### Background

A trained and flexible workforce supported by HR policies and programs that enable high performance and reward contributions are major drivers of improved SIM efficiency and effectiveness. Preliminary work accomplished by OPNAV N46 to develop a strategy for SIM Workforce development and to formulate supportive HR policies will enable CNI to implement a comprehensive SIM development system that supports workforce preparedness, flexibility and accomplishment.

Workforce development activities must be calibrated with functional performance standards, integrated with all of the relevant elements of military and civilian HR systems, and supported with adequate resources and the appropriate tools to achieve the productivity and adaptability to change required in a dynamic, continuously improving BOS servicing environment.

### Progress to date

Over the past several years, OPNAV N46 has pursued several important interventionist objectives

in the formulation of an effective framework for SIM Workforce development:

- Assessment of competencies for the most critical SIM governance positions.
- Improvement in military HR policies.
- Identification of optimum civilian development strategies.

Together these initiatives constitute a basis for CNI implementation of a robust system of development and community management for SIM governance practitioners at national, regional and installation levels.

N46 initiated the inventory of the SIM Program Manager (PM) and Business Manager (BM) competencies important to successful performance in these positions. A rudimentary SIM knowledge management website (“WEBSTER”) was developed that contains competency development suggestions (sources of training and development) for SIM practitioners who aspire to PM and BM roles.

N46 initiated several military personnel policy initiatives to promote the preparedness of military members to assume key roles in management of Navy installations:



- A policy recommendation regarding the Additional Qualification Designation (AQD) of military billets in most BOS functions and occupations has been developed and is being evaluated.
- Another policy recommendation regarding the “fleet up” of Executive Officers to command postings was developed and is ready for the review of concerned stakeholders.
- An analysis of options regarding Manning Control Authority for enlisted placements in SIM assignments has been completed and awaits coordination among major military personnel stakeholders.

In addition, OPNAV N46 performed a strategic assessment of civilian SIM Workforce development requirements. That assessment focused on the development of candidates for critical SIM governance assignments, namely PM and BM positions found at

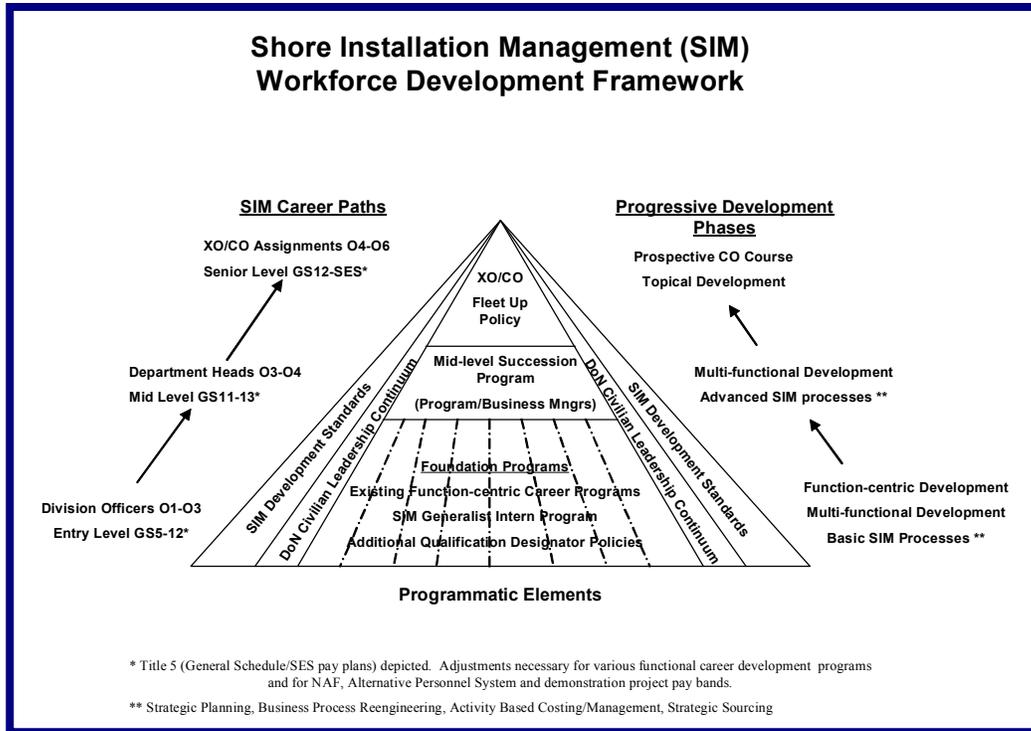
Navy secretariat, CNO, claimant, region and installation levels. The SIM Workforce development strategy that emerged was based on the multi-functional attributes of the SIM community of practice, the pre-existing, complex federal, DoD and Navy infrastructure for the development of civilians, and the need to leverage established civilian development programs to minimize redundancy and additional investment. This strategy was updated at the end of FY 2003 to integrate military and civilian development components and to reflect the transition of program management accountability for SIM Workforce development from OPNAV N4 to CNI.

Key elements of the total force development strategy include:

- Development and enforcement of education, training and experience standards (policies) for key SIM governance practitioners in critical SIM-centric competencies such as strategic planning, business process engineering, ACBM, and strategic sourcing.
- The development of SIM military and civilian managers and supervisors against a common (universal) leadership model (the Navy’s Civilian Leadership Continuum) to ensure that increasingly sophisticated, market-sensitive HR policies (e.g., the National Security Personnel System) are effectively implemented.
- The implementation of key programmatic elements such as an entry level intern program to develop multi-functional SIM practitioners and a mid-level succession program for PM and BM positions.
- The credible branding and marketing of SIM-centric career paths to both internal and external candidates for key SIM governance positions.

The figure on the following page depicts the major programmatic elements of this total force strategy, its professional development phases, and the notional career paths envisioned for military and civilian SIM professionals.

The OPNAV N46 assessment of strategic SIM Workforce development requirements completed in FY 2003 also revealed that a wide range of ancillary development activities are required to realize



optimum workforce performance and customer service. These activities include:

- The multi-functional development (cross training) of select workforce cohorts to ensure resilience to change.
- A comprehensive knowledge management system that enables training on demand, the rapid exchange of ideas, expert assistance, mentoring, and promotes community cohesion.
- Methodical development of teaming skills essential for cross-organizational coordination of strategic sourcing initiatives.
- Acquisition of virtual collaboration tools that support teaming and promote the exchange of best practices among geographically dispersed workforce cohorts.

### Next steps

Since the SIM Workforce is unusual in character – more a community of practice than a single, uniform career field – CNI’s approach to the implementation of a SIM Workforce development strategy (Human Capital Development Plan) is expected to emphasize investment in those workforce cohorts critical to effective SIM governance, training in core SIM-centric competencies, and the leveraging of existing

systems of career development for the wide variety of IMAP functions and sub-functions represented in the workforce.

This strategy will require extensive collaboration with both internal and external stakeholders (including the proponents of existing DoD and Navy career programs) and the inculcation of SIM-centric curricula in established training systems (enlisted Training Centers, for example). During FY 2004, stakeholders can expect CNI to establish a deliberative body for SIM Workforce development with stakeholder representation and a charter to determine those investments that address the highest development needs with greatest potential return on investment.

The development of complimentary workforce recruitment strategies (entry level intern hires from among business school graduates, for instance) will also be developed in FY 2004 and should promote economy in workforce development investments while ensuring a continuing source of SIM governance talent and expertise to meet the changes in the workforce demographic profile that are projected over the next 5–10 years. CNI will develop a human capital/workforce shaping strategy and plan in FY 2004.

## Impact/potential impact on SIM

Research has shown that a robust system of workforce development that successfully provides opportunities to perform at high proficiency levels as well as preparation for career growth can provide a substantial return on investment in workforce contribution, diligence, and loyalty. These outcomes are subjective and difficult to measure directly. Accordingly, further progress in SIM Workforce development will be measured in part on the survey(s) of employees and customers originally envisioned in the SIM Strategic Plan. Data provided through functional performance metrics developed in capabilities based budgeting and capability level funding processes will also be used to assure that workforce development initiatives are having desirable effects on BOS customer service.

## Additional Initiatives

The following initiatives are not part of the Baker's Dozen, but might suggest two other areas of interest. They are Enterprise Land Mobile Radio System and the Common Access Card.

## 14. Enterprise Land Mobile Radio System (ELMR)

### Purpose/SIM relevance

To provide for an enterprise land mobile radio system to support ashore and in-harbor afloat naval assets as well as other administrative and operational agencies. This will enhance these organizations' efforts to deter, defend against, or defeat terrorist initiatives and provide the ability to coordinate critical activities during homeland security, anti-terrorism force protection, disaster response, consequence management emergencies, and support day to day operations.

### Background and key points

This need responds to the Joint Vision 2010 and its successor, Joint Vision 2020, as well as the Quadrennial Defense Review Report of 30 September 2001 that lists the need for the integration of various protection mechanisms in order to successfully

combat terrorist activities. This need also responds to objectives identified in Sections II and IV of the Defense Planning Guidance for FY 2003–2007. This guidance establishes critical operational goals to protect the United States and Possessions against those adversaries who rely on surprise, deception, and asymmetric warfare to achieve their objectives. This program also supports the National Telecommunication and Information Administration (NTIA) mandated narrowband directive.

### Current status

ELMR Flag review of the Mission Needs Statement (MNS) is currently under way. The Operational Requirements Document (ORD) has been completed and reviewed by the ELMR Integrated IPT working group. The ORD has been submitted via OPNAV N8 staff into the OPNAV Gatekeeper process in order to obtain ACAT III Program of Record status for ELMR. The North West Region has been designated as the lead ELMR pilot site. FY 2004 O&MN funding has been identified for this effort. This program has been briefed to the SIPB, Deputy Operations for Homeland Defense and OSD Command, Computer, Communications and Intelligence (C3I).



### Next steps

Initiate and complete site surveys for regions designated to implement ELMR in FY 2005. Gulf Coast Region has completed the site surveys for their region. Establish MOA/MOU's with USMC, USCG, USA, USAF, to realize economies of cost avoidance by capitalizing on common infrastructure and hardware.

## 15. BOS Applications Supporting the Common Access Card (CAC)

### Purpose/SIM relevance

The CAC will provide standard authentication, enabling physical access to buildings and controlled spaces while also providing the hardware token for logical access to the Department's computer networks and systems via the Navy and Marine Corp Intranet (NMCI). The CAC platform also contains DoD-wide and/or DON-specific applications such as food service, manifesting, deployment readiness and medical/dental readiness. These applications support specific standard business processes across the Navy. In addition to the inherent benefits realized by introducing a standard authentication technology, Navy business processes that use this E-Business technology reduce overall cost and increase the accuracy/quality of the work.



### Background and key points

The CAC is the standard identification card for active duty military, selected reserve, DoD civilian employees and eligible contractor personnel as directed by OSD (P&R). The technology associated with the CAC provides an opportunity that will allow the services to respond to situations in a more effective manner with respect to mobility readiness, personnel tracking and deployment manifesting. Other applications of this technology are/will be specifically designed to reduce the cost of doing business across the enterprise. Examples are; Property Accountability, Personnel Accountability, MWR Participation Tracking, Deployment Personnel

Accountability and Readiness Tool, Dental Information (SDI), Smart Immune, and SAMS Interface.

### Current status

We have established a program office at SPAWAR Pensacola to provide Life Cycle Management and support for the following applications:

- Food Service: This application uses smart cards to generate electronic transactions (head count) of all diners and all meal types at any dining facility.
- Deployment Readiness: Used to perform deployment readiness checks. This application is equipped with five setup elements; Command, Personal, Dental, Medical and Training. Deficiencies can be viewed and/or updated as deployment requirements change or are met.
- Asset Issuance: Identifies and controls issuance of things like laptops, equipment, gear, uniforms, rations, weapons, etc. The application maintains a database of inventory items, user information, operator privileges, and historical information of items stored in one or more armories/warehouses.
- Card Maintenance Utility: Update cardholder information on smart cards. As an Administrator or Operator, Card Maintenance is used to update demographic information of a cardholder, change a cardholder's PIN, backup the cardholder's data in the database or move legacy smart card data to the CAC. Creates backup database and custom reports developed from selected query options.
- Manifest Tracking: Efficiently tracks the attendance, embarkation and debarkation (including baggage) of military personnel/civilians in a variety of settings. As personnel arrive at a meeting, training session, embark or debark on a mission, they are registered in the database. Personnel are registered in the database when they present their CAC, or they can be entered into the database manually. The data provides an account of an individual service member or units of deployment activities.

### FY 2003:

Joint Program Management Office (PMO): This office was established and provides CAC functional

application management and resource allocation to other Services for the support of the four CAC applications and one utility. This included providing the applications, hardware, training and help support. Intra-Service briefings were also provided and promoted the applications and availability of using our Program Office as a shared resource for CAC applications.

**Payroll Deduction:** The PMO, Defense Accounting, Cleveland and NAVSUP have been coordinating efforts on the requirements necessary for Payroll Deduction for service members who eat in the galleys. This effort will be piloted in FY 2004. Each year millions of meals are served to service members in Navy galleys. Currently many diners pay cash for their meals, which cause larger galleys to collect and receipt for thousands of dollars daily. With the pending Basic Allowance for Substance Reform, all diners will have the requirement to pay for their galley meals. The Payroll Deduction option is a means to assist active duty diners buy providing an option to pay for their meals by using the CAC and the Defense Finance Accounting Service to automatically deduct (from their payroll) BAS for the meals they eat in the galleys.

**Food Service Implementation:** Coordinated with LANTFLT galleys and PSDs for the implementation of the Food Service application by developing an MOA, Implementation Plan and schedule.

**Demonstrations:** Provided demonstrations and discussions of the applications to various Navy activities in addition to Army, Marine Corps, Air Force, and Coast Guard.

### **Next steps**

The main priority for FY 2004 is to roll existing applications out across the SIM community.

- Pilot Payroll Deduction.
- Implement Food Service in LANTFLT.
- Develop and enterprise application solution for physical access security throughout the ashore establishment. The architecture will need to support legacy physical access control and security systems and utilize the

current infrastructure while providing a migration path to the use of new technology that will further reduce costs of manpower and technology.

- Southern Command: Coordinate with SOCOM to use Manifest Tracking for their personnel accountability requirements.
- Navy Documentation: Update Navy policy on using the CAC in place of paper meal cards for eating in galleys and define policy for service members using the CAC when going on leave or TDY.
- In December 2003, Terminal Fury, a two part Joint Exercise in Hawaii, was accomplished using Manifest Tracking. The CAC was used to build a roster of over 600 Navy, Army, and Air Force participants. Once the information was captured, reports were generated in a timely manner. The use of the CAC throughout the Terminal Fury Exercise was an enormous success.
- CAC Sustainment/Maintenance: This is an effort to coordinate the transition of activities from initial Mass Issuance of the CAC to steady state sustained CAC. Sustained operations include CAC issuance to new personnel, personal identification number reset, integrated circuit chip in support of public key infrastructure and re-issue due to expiration, lost and mutilated CACs.
- Pilot of PSDs and Pass and Tag: Pilot a Consolidated Pass and ID Office by integrating the PSD and Pass and Tag Office in the Norfolk area. This consolidation opportunity has the potential to provide improved customer service while reducing overall cost of these presently disparate ID operations.
- Pilot a double kiosk turnstile at Great Lakes galley. This kiosk will allow Service members to pass thru the turnstile quickly using their CACs; thereby eliminating the need for point of sale clerks.
- Establish a web page identifying the Program Management Services and the applications.