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The New Planning, Programming, Budgeting, and Execution System

1

- The purpose of this study is to identify and assess options that achieve fully integrated Defense capabilities--with maximum effectiveness, at best value to the nation. Clearly, the context is a fiscally constrained environment.
- We do not plan to provide a single option, but to lay out alternative paths and their implications.
- While we will consider “out of the box” and even radical alternatives, we are keenly focused on options that will achieve and end state and are implementable,” including in the immediate term.



Management Initiative Decision 913

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- Implements a 2-Year Planning, Programming, Budgeting and Execution (PPBE) Process
- Title 10 responsibilities and requirements do not change
- Needed because “the Department’s processes for strategic planning, identification of needs for military capabilities, systems development and acquisition, and program and budget development are not well integrated.”
- “The strategic planning process does not explicitly drive the identification of needs for military capabilities and acquisition processes.”
- “The DoD will evolve from an annual POM/BES cycle to a biennial (2-year) cycle starting with an abbreviated review and amendment cycle for FY 2005. The Department will formulate 2-year budgets and use the off year to focus on budget execution and program performance.”

2

MID 913 asserted that the dept’s processes for identifying needs for military capabs and the processes for meeting those needs as well as possible within resource constraints were “not well integrated,” and established a new, biennial cycle of planning, programming, budgeting and execution processes that will seek to deal forcefully with a number of weaknesses that have been identified in several recent high profile studies for the SecDef of the long standing PPBS process

Such weaknesses, or limitations, as those shown on the following chart



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The Aldridge Study Deliverable

A Process That:

- Ensures that joint programs are *born* joint, rather than forced into jointness late in their development.
- Mitigates the December train wreck.
- Assigns the Combatant Commanders a central role in shaping the Defense program.

3

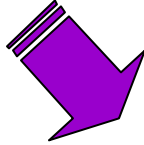
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The Desired End State

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Current Process:
Repetitive, adversarial, and labor intensive.
Produces best-in-the-world component forces,
but is not as cost-effective as it should be.



Desired End State

Streamlined, collaborative yet competitive,
efficient process that produces a fully
integrated joint warfighting capability.

Strategy
Planning
Resourcing
Execution



Moving to the
end state requires
a realignment of
effort

Strategy
Planning
Resourcing
Execution & Accountability



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The Goal Is Good Guidance

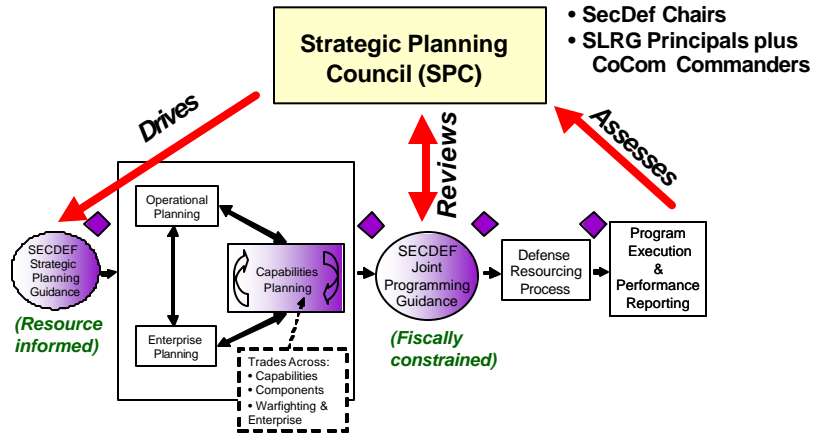
“The mark of good guidance is that you can distinguish by their actions those who have read it from those who have not.”

-- Russell Murray, 2nd



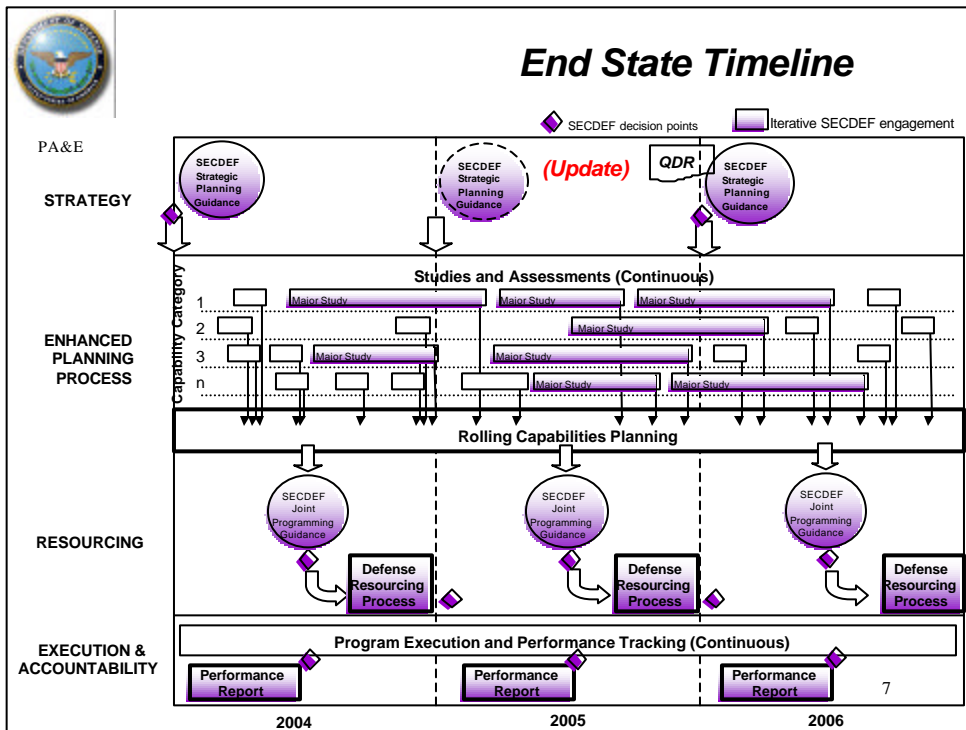
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The New Process



Corporate Board of Directors that:

- *Drives strategy and frames major planning issues*
- *Reviews joint needs and solutions to ensure congruency with strategy*
- *Assesses feedback on execution performance*



- After the review of the “As Is” baseline, the Study Team created a generic model of the “process of processes” that frame the Department’s planning, resource allocation, and execution processes.
- These processes are intended to describe the characteristics that any solution must have, without describing or pointing toward any particular solution.
- First, the Department must translate the guidance in the National Security Strategy, which provides “what” the Department must do, into “how” the Department will provide the needed capabilities. To do this, the Department must describe and prioritize the near, mid, and far term capabilities needed by the Joint force. It must be done in a way that recognizes the current and future resource picture.
- The planning process also provides the joint framework for assessing the current and future unmet needs of the Department, and identifying and prioritizing efforts to meet these needs with non-materiel and materiel capabilities. This analysis and planning must provide an affordable architecture for the joint force, balanced between near, mid, and far term needs.
- The resourcing process allocates resources and identifies how the resources will be used. The resources are then allocated to the operation and sustainment of the Department, or the development of new capabilities.
- The resources are then used to provide the needed capabilities in the execution and accountability process.



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SPG Development Process

Organized by Capability Category

The SPG is produced as needed to communicate Defense strategy, top priorities, risk tolerance, and broad capability guidance. It is top-down and resource informed.

Defense Strategy <ul style="list-style-type: none"> • Strategy construct (e.g., 1-4-2-1) • Key strategic goals and objectives • Force size, posture, and response times • Link to National Strategy 	Priorities and Risk <ul style="list-style-type: none"> • SecDef priorities for the Department (includes metrics) • Risk tolerance by category, theater, and mission area 	Capability Guidance <ul style="list-style-type: none"> • Major enterprise and warfighting needs, gaps, and overlaps • Broad guidance for each capability category 	Other Guidance <ul style="list-style-type: none"> • Studies list • Key assumptions on threats and opportunities • Broad resource constraints (TOA increase/decrease and end strength)
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Top-Down Process

- Input:**
- Strategic realities
 - Process feedback
 - Member ideas

Strategic Planning Council (SPC)

SPG (Draft)

Strategic Planning Council (SPC)

SPG (Final)

Traditional DPG-Like Process

- Input:**
- SPC vectors
 - Process feedback
 - Capabilities-based IPLs
 - Department inputs

Working Groups

Validate compliance with top-down guidance

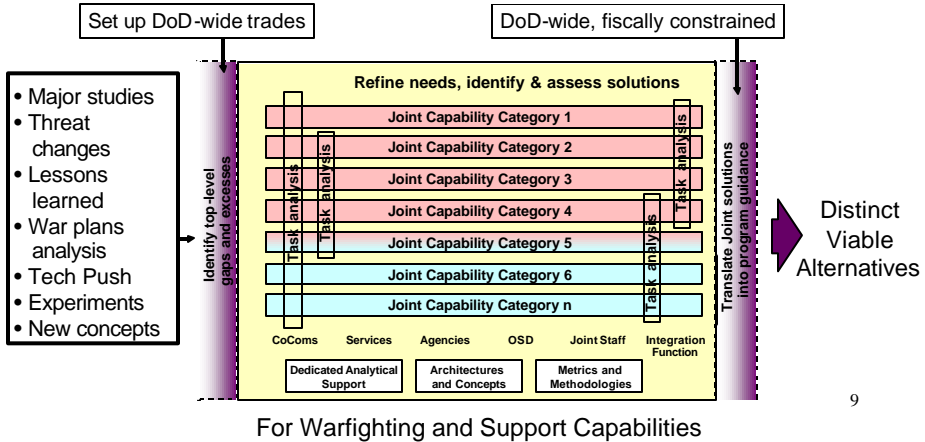
SecDef Decision

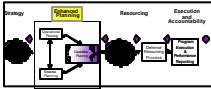


EPP Analysis Engine

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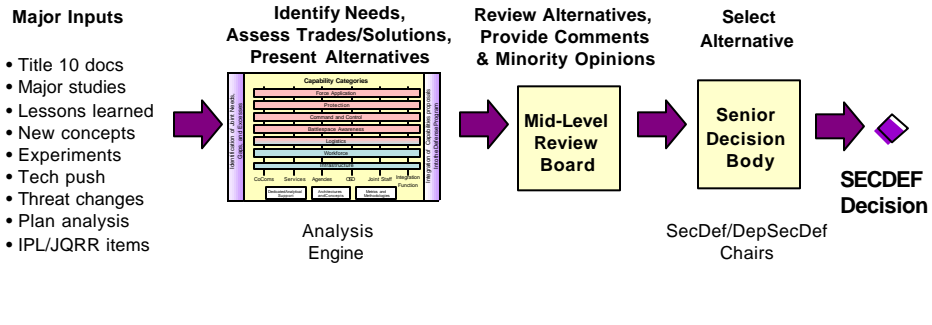
Translates strategic guidance into joint capability needs, gaps, and overlaps; then considers a wide range of solutions that integrate warfighting and enterprise concerns.

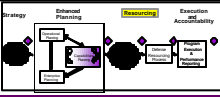




Capability Decision Process

- All stakeholders participate – OSD, JS, Components, CoComs
- Transparent forum for capabilities deliberation – all views shared
- Presents alternatives (vice a single recommendation) to leadership
- Provides a standard vetting process for capabilities-related issues
 - Capability needs, gaps, and overlaps
 - Study scenarios, assumptions, metrics, etc
 - Concepts and architectures



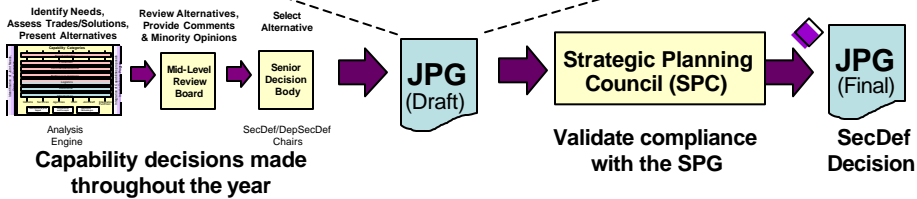


JPG Development Process

Organized by Capability Category

The JPG captures joint capabilities decisions made over the year in the Enhanced Planning Process and translates them into fiscally constrained programming guidance.

<p>Compliance w/SPG</p> <ul style="list-style-type: none"> Evaluate extent to which JPG meets objectives specified in SPG Describe reasons for differences (e.g. fact of life changes, execution feedback) 	<p>Directive Guidance</p> <ul style="list-style-type: none"> PDM-like direction for a handful of joint capability issues SecDef special interest items Maintains/corrects prior year decisions 	<p>Delegated Guidance</p> <ul style="list-style-type: none"> Develops metrics and measures of sufficiency for remainder of program Collaborate with Components to address all costs of directive guidance 	<p>Fiscal Adequacy</p> <ul style="list-style-type: none"> Developed with Components Demonstrates that top lines are adequate to execute all guidance—SPG (if any) and JPG
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Resourcing Process

- Streamlined program/budget review
- Common framework for managing resources information across the Department.
- Program and budget displays designed for DoD decision makers *and* external audiences
 - Organized by capability categories

Decisions from Enhanced Planning

