DEPARTMENT OF THE ARMY
DIRECTOR OF THE ARMY STAFF
WASHINGTON DC 20310-0202

DACS-ZDV-DAS SEP 0 8 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Transforming the Way We Do Business Execution Guidance

1. References.

a. Memorandum, Headquarters, Department of the Army, SASA, subject: *Implementation Instructions for Secretary of the Army Transition Team,* 11 July 2005.

b. Memorandum, Headquarters, Department of the Army, DAPR-DPZ-A, subject: *Transforming the Way We Do Business,* 11 July 2005.

2. Purpose. To provide preparatory guidance prior to issuance of a deliberate plan in support of the Business Transformation actions directed through the implementation of instructions for the Secretary of the Army Transition Team.

3. Concept Execution.

a. Intent. The Army is in the process of implementing the most dramatic changes to the design of our operating forces in 50 years. It is time to extend this same mindset to the Institutional Army in order to ensure its ability to provide the people, training, resources, quality of life, and infrastructure that will be critical to the continued success of America's Army. The institutional activities that generate relevant and ready forces are the "business end" of our Army. To meet the challenges posed by an ambiguous, uncertain international security environment, the Army must achieve the same high level of continuous, measurable improvement in its business processes and functions. This guidance memo will provide execution instructions to support implementation.

b. Concept. Business Transformation will follow an aggressive schedule. Risk will be mitigated by leveraging proven best-practices and providing an initial investment of support from industry leaders with Lean Six Sigma expertise. During the last quarter of FY05, the Army will issue a deployment order, providing guidance and direction for commanders' planning and execution for the upcoming year. Staffing and planning sessions will be conducted in preparation for the deployment. During the first quarter of FY06, an enterprise assessment will be refined and completed to inform the Army's senior leaders of process capabilities and performance. Additionally, the Army will initiate the training and

education necessary to develop the Lean Six Sigma expertise and organizational structure required to succeed in this critical effort. These roles and positions will be established throughout all levels of the Army, in accordance with the Army approved deployment schedule. Based on the results of the enterprise assessment, process capability gaps will be identified for assignment as a project. These projects will be prioritized and assigned to the respective project sponsor with an appropriate project team-lead (see Enclosure 1) until project completion.

c. Tasks.

(1) Designate a Deployment Director who will lead business transformation in your respective organization. The Deployment Director should be a senior civilian executive or senior officer with both the longevity and the vision and skills to lead change. Your Deployment Director will participate with the Senior Review Group for Business Transformation (SRG(BT)) that will finalize and implement the business transformation deployment plan.

(2) Be prepared to detail your Deployment Director to participate in Executive Awareness Training and Deployment Plan development events.

(3) Be prepared for your Deployment Director to lead your organization's awareness training and assessments that are strategically aligned with enterprise-wide assessments and action plans. Attached is a strawman on the current thinking regarding a proposed organizational structure (Enclosure 2) to assist Deployment Directors in leading change. This will be a topic of discussion at the Army Deployment Planning Event detailed below.

(4) Conduct individual assessments of your workforce to determine the aptitude of your personnel to undergo varying levels of Lean Six Sigma training and certification to either participate in improvement projects, to lead major or minor improvement projects, or to train and mentor those that do on behalf of your organizations. Be prepared to nominate the number of individuals you consider necessary to train in a "train the trainer" approach to implementing Lean Six Sigma (Enclosure 1). Have your personnel begin the defined Army eLearning Lean Six Sigma Curricula and track completion (Enclosure 3).

d. Coordinating Instructions.

(1) Identify your organizational Deployment Director NLT 13 Sep 2005 to POCs listed.

(2) Be prepared for your Deployment Director to participate in a planning session at a location to be determined in the Washington, DC area on 20 September 2005.

(3) Participate in the Executive Launch of the Business Transformation Deployment Plan on or about 10-14 October 2005.

(4) Be prepared to conduct executive awareness training at the organizational level around the middle of October 2005.

(5) Be prepared to conduct organizational Sponsor workshops and awareness workshops NLT 1 November 2005.

(6) Develop an order of merit list for those individuals prepared to undergo Lean Six Sigma Green and Black Belt training NLT 1 November 2005.

(7) Be prepared for your Deployment Director to present an initial baseline review of your organizational processes to the SRG (BT) NLT 1 December 2005.

(8) Be prepared for an EOH-level visit to your organizations to review progress on Business Transformation after 1 January 2006.

4. The points of contact are the Office of the Executive Director, Institutional Army Transformation, (703) 695-7595 or Army Program Analysis and Evaluation, (703) 695-3829.

BY ORDER OF THE SECRETARY OF THE ARMY:

James L Campbell.

JAMES L. CAMPBELL
Lieutenant General, U.S. Army
Director of the Army Staff

3 Enclosures
1. Definition of Roles
2. Straw-man Implementation Structure
3. On-line Training

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Enclosure 1: Lean Six Sigma Roles and Responsibilities

Army Headquarters Duties

Enterprise Deployment Director. This is a full-time, dedicated position reporting directly to the Secretary of the Army responsible for managing the implementation of our Business Transformation strategy across the Army. Provides deployment leadership and direction, resolves deployment issues and approves deployment plans. Works closely with MACOM and HQDA deployment directors, the Army Executive Business Committee, and a cross-functional deployment team to implement an Army enterprise-wide standard approach in accordance with a common set of deployment guidelines and processes.

Enterprise Master Black Belt (MBB). These are certified, full-time dedicated positions responsible for the certification and training for the Army. They are chosen for their ability to coach, teach, and mentor Army Senior Leaders, Project Sponsors, MACOM MBBs, Black Belts (BBs), Green Belts (GBs), and guide familiarization training. The MBBs lead projects (on a very limited basis) that have extremely high impact and spread best-practices across the Army Enterprise. The MBBs are required to successfully complete the Army's MBB certification standards (to be published) and serve in nominative assignments for the Enterprise Deployment Director.

Enterprise Black Belt (BB). These are certified, full-time dedicated positions responsible for leading projects within the Enterprise Deployment Director's span of influence to assist in institutionalizing a culture of continuous measurable improvement across the Army Enterprise. The BBs will assist MBBs in coaching and mentoring Project Sponsors, less experienced BBs and GBs. The BBs are required to complete the Army's certification standards (to be published) and serve in nominative assignments for the Enterprise Deployment Director.

MACOM/HQDA Staff Duties

Organization Deployment Director. This is a full-time, dedicated position reporting directly to the MACOM or HQDA Staff Principal responsible for managing the implementation of Business Transformation strategy across the organization. The Deployment Director provides leadership and direction, resolves deployment issues and approves subordinate organization deployment plans. He works closely with the Army Enterprise Deployment Director, other MACOM and Staff Deployment Directors, the Army Executive Business Committee, and a cross-functional team to deploy a standard approach to Business Transformation via a common set of enterprise deployment guidelines and processes.

Organizational Master Black Belt (MBB). These are certified, full-time dedicated positions responsible for providing technical coaching and training for Black Belts and Green Belts over the long term. They are chosen for their ability to coach, teach, and mentor organizational Senior Leaders, Project Sponsors, BBs, and GBs. The MBBs lead projects (on a very limited basis) that have

extremely high impact and spread best practices within and across the MACOM or DA Staff element. The MBBs are required to successfully complete the Army's MBB certification standards (to be published) and directly report to the Organizational Commanders or HQDA Staff Principals.

Organizational Black Belt (BB). These are certified, full-time dedicated positions responsible for leading projects within a specified MACOM or HQDA Staff organization. They report to an organizational MBB working on projects that directly support their organization. They may be requested to serve in a temporary status on higher-level or cross functional Army Enterprise projects. The BBs will assist MBBs in coaching and mentoring Project Sponsors and less experienced BBs, and GBs. The BBs are required to complete the Army's certification standards (to be published).

Green Belts (GB). These are certified part-time roles within the Army MACOM and HQDA Staff organizations. The GBs will serve part-time on projects being led by BBs. A GB may lead a project part-time in his/her function or area of expertise. A GB is required to complete the Army's GB certification standards (to be published). Significant dedication (30 – 40%) required for GB role during first four to six months due to training and certification requirements and the necessary front-end learning-curve time. A Green Belt is a certified level of competency earned by line management, organizational leaders, or individual contributors. In most situations, Green Belts will support projects being led by Black Belts. On occasion, a Green Belt may lead a project part-time in his/her function or area of responsibility and, in doing so, is accountable for delivering the verified value and benefits defined in the business case. Also, Green Belts perform Yellow Belt coaching, as required. Green Belt certification is highly encouraged in selection for leadership promotions.

Yellow Belt (Familiarization) Training. This is awareness level of training attained by completing the Army's e-Learning Lean Six Sigma Curricula detailed in Enclosure 3. This training will be completed by all personnel assigned to a project team if the team member is not certified in Lean Six Sigma or previously completed familiarization training. This training is available to all Army military and Army civilian employees.

Project Sponsors. A sponsor is a current Commander or Staff Principal accountable for results addressed by an HQDA, MACOM, or HQDA Staff sanctioned process. Project sponsors will be provided specialized training the management and execution of Lean Six Sigma projects. The project sponsor is involved from the start by identifying process capability gap(s). The project sponsor will initiate a specific project, clearly defined by a project charter, and identifies the individuals to serve on the project. The project sponsor ensures the strategic alignment of the project improvement metrics and associated goals and ensures availability of resources (financial and human capital) to support project work. The project sponsor conducts project reviews and resolves project barriers. Project sponsors inspect on-going project progress and ensure that

project improvements are sustainable. The project sponsor is accountable for executing improvement results.

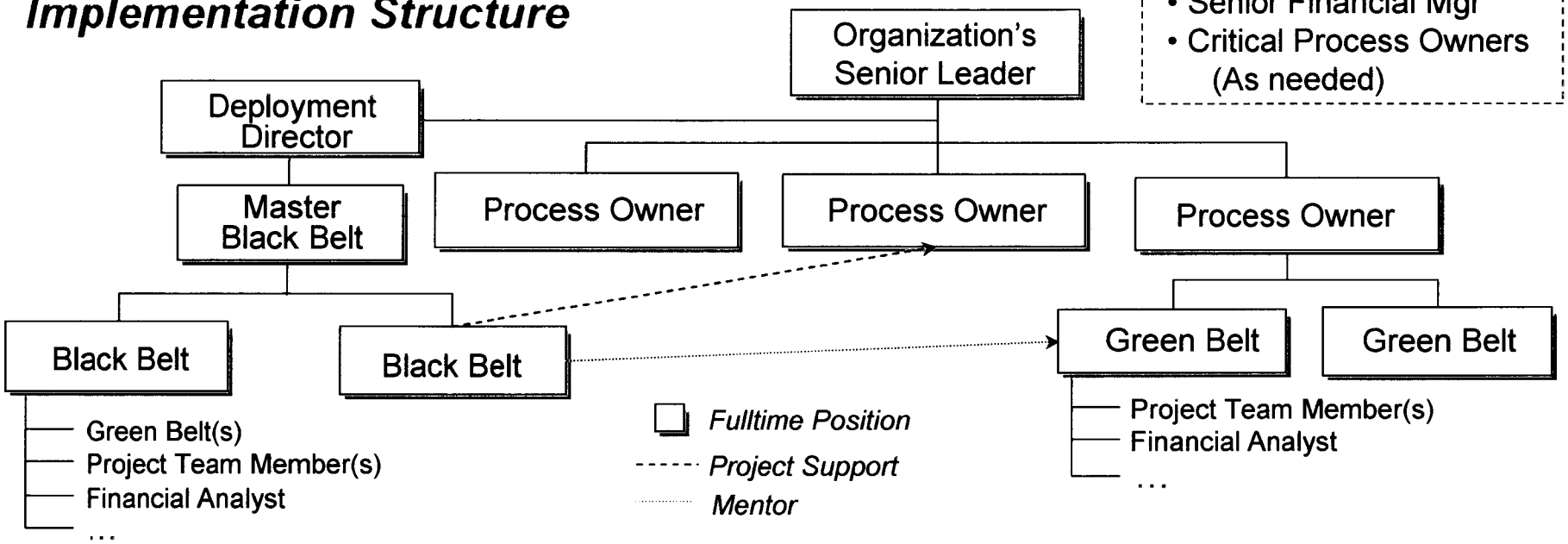
Team Members (TM). Team members can be a certified belt (most typically Green) but often are Yellow Belts. Still their value to a project is huge because they are usually the ones closest to the "action," that is, closest to the critical-to quality value-chain element being improved. Team members are responsible for gathering data, implementing solutions and, most importantly, helping to ensure sustained, on-going results of value-chain tasks. Focus on a specific project is roughly 15 to 20% of their time. However, this is not additional work; their time and effort is built into their normal job duties as they apply Lean Six Sigma tools and processes to get better results.

MACOM / HQDA Staff Lean Six Sigma Implementation Structure Strawman

Executive Steering Committee

- Senior Leader
- Deployment Director
- Master Black Belt
- Senior Financial Mgr
- Critical Process Owners (As needed)

Implementation Structure



Execution Infrastructure:

- Effectively translates senior leader priorities into a set of projects chosen to maximize capabilities and minimize costs (Links organizational leadership to team members)
- Focuses on continuously transforming processes with measurable outcomes that improve financial results
- Integrates Lean Six Sigma responsibilities into the existing structure
- Leverages existing organizational structure, processes, measures, and tools
- Lean Six Sigma becomes the routine way we do business

ENCLOSURE 3: Army e-Learning Lean Six Sigma Curricula

The Army has a robust and continually available e-Learning Capability located at: ***https://usarmy.skillport.com/rkusarmy/login/usarmylogin.cfm.*** To access the courses, an individual must have an Army e-Learning account that can be established by going to the above site. Once an individual has access, there are unlimited training opportunities. One of those opportunities is the Lean Six Sigma Curricula. The Lean Six Sigma Curricula provides self-paced awareness training on the topics that enable a broad appreciation for further training and education. Within the Course Catalogue on e-Learning, look for Lean Six Sigma Curricula with the following 11 courses:

General Overview

1) Six Sigma and the Corporate Enterprise
2) Business Execution in Action

Six Sigma Implementation

3) Six Sigma DMAIC: Define the Problem
4) Six Sigma DMAIC: Measuring the Process
5) Six Sigma DMAIC: Analyzing the Data
6) Six Sigma DMAIC: Analyzing the Process
7) Six Sigma DMAIC: Improving the Process
8) Six Sigma DMAIC: Controlling the Improved Process

Lean Production

9) Lean Logic
10) Lean Value
11) Lean Techniques