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SPEAKER: We now have the great opportunity to continue to hear from the Army's leadership, by hearing from the senior civilian, the person who has the responsibility for the Army and all that it is and all that it does, the 19th secretary of the Army, Dr. Francis Harvey. Sir.

DR. HARVEY: Thank you. Thank you very much. Before I get started, my aide reminded me that if you spend too long in these breaks, PT next week is going to be a lot longer than it otherwise would be. So watch those donuts.

General Brooks, ladies and gentlemen, it certainly is a pleasure to be here today and have the opportunity to address the symposium. What I want to talk about today is the strategic context for the 2006, 2007 Army program and budget, as well as the associated supplementals. It is very important that you, as the Army's principle communicators, understand this context. However, before I do that, I would like to make a couple of general remarks. This year's theme: Leading a culture of engagement, is both timely and appropriate, because to win the global war on terrorism, it is critical that the American people have a total, true picture of all Army activities, and that they understand the sacrifices that our Soldiers are making.

The primary way to accomplish this, is through meaningful engagement by public affairs professionals; engagements in which timely and accurate information is provided. Many times, this involves difficult topics for which the press and the American people don't always have a complete understanding. Consequently, it is important for you to be proactive. And let me emphasize that word, proactive in a sense to get a head of the game and develop and implement strategies that insure the public has all the necessary background information they need to make informed judgments.

In summary, public affairs has, and is playing a very important role in our overall effort to win the global war on terrorism. And I want to personally thank you for your dedication and hard work in this regard. Now let me get back to the strategic context and let me introduce this by making two key points at the onset. First, as you well know, our nation is at war, so the financial resources to execute the Army program are derived from a combination of the budget and supplemental. At the end of the day, it is the total money that counts. We have to follow the guidelines and rules given to us by the OMB and the Congress, but the chief and I like to say money's money and that is what is important. So, when you hear and you think about and you write about the Army budget, and the Army program, make sure you realize it is a combination of both those two.

Secondly, and very importantly, transformation is ingrained in everything that we do. What I am going to show you this morning is that transformation is ingrained either explicitly or implicitly in everything we do. The Army Modular Force, which I will talk about, is explicit. But I am also going to talk about combined training where there has been an implicit transformation, a major transformation that is going on. So with that as a background, let me get the first slide up here.

And, there it is. I guess I can't wander. I was going to try to wander, but I think I better stay behind the podium. First, let me start out with the strategic principles. And we have four of those principles shown here. First, to focus on the Soldier, which is our centerpiece. Second, to provide a perspective on the 21st century security environment. Our third principle in formulating again, our program and budget, is to create a framework with over-arching strategies and supporting initiatives needed for today's commitments, while preparing for the future. And finally, transform the Army in a continuous evolutionary fashion that leads to revolutionary results. Transformation is a continuous, steady, activity that is not binary in nature and when we get close to what we set out at the beginning of transformation, we up the stakes again. So everything we do for, as far as I am concerned, forever, is transformational.

Now, with these strategic principles in mind, we have developed a framework shown on the next slide.

This framework starts at the top with a description of the 21st century security environment. You can see there that the threat that we have today is totally different than the threats we had at any time in the past. It is really an error of our uncertainty and unpredictability. You can see the four challenges there. Traditional, irregular, catastrophic, and disruptive. In a persistent state of conflict, it is in a sense the default position. Next, we have a strategic goal, which soon will be substituted by a vision statement, which I have my transition team working on. But it will be consistent with what you see there, relevant, ready today and tomorrow. Our mission is enduring and is to provide the necessary forces and capabilities to the combat commanders in support of the national security and defense strategies. Now, to accomplish our mission, to achieve our vision, we have four over-arching and interrelated strategies that are supported by twenty supporting initiatives. What I would like to do is take each one of those strategies, one at a time, and show you an example of the supporting initiative. So, if you give me the next slide, you can see that.

Before I get there, and as I said at the onset, transformation is an important component of what we are doing in the Army. And not to be arrogant about it, but to really reinforce the importance of transformation and what it is, I have a quote here from my arrival ceremony. And that quote says, and this is very important, "That transformation is a multi-dimensional and interrelated process that involves adapting new technologies of warfighting and business operations". Traditionally, people have thought of transformation as kind of a technology thing. You get a new technology; you incorporate it in your operations. But that is just one dimension of transformation. Developing improved operating concepts and business processes. You can do that independent or in conjunction with a new technology.

Changing organizational structures. If you really look at what we are doing, in terms of the Army Modular Force, it is organizational transformation at its heart. It starts out there, and then that has implications in process. That has implications, if we want it to, and to be amenable into new technologies. So, for example, if you think about the future combat system, it is really a future combat strategy in which we set up the Army Modular Force initially, and I am going to talk about that in a second, and then we spiral in the

technologies into the force. So it starts out really as a stand-alone organizational transformation, and then we apply process changes in information. And finally, and this has to occur always, in any transformation, if you don't do the final one sentence there, it is really not transformational. And that is to develop leaders and people in a culture that are relevant to the future. Army modularity, it is great initiative; it is the centerpiece of what we are doing. However, if we don't transform our leadership attributes, if we don't transform our culture, we are not going to really have true transformation.

So, with that background, let me then take each one of these strategies, one at a time, and expand on them and show you an example.

First, providing relevant and ready land power to the combatant commanders. There are nine initiatives, supporting initiatives by which we are implementing that strategy and we are going to focus on the one in red that is the **Army Modular Force**. And a description of that is shown on the next slide.

Ok, you have heard a lot about this, let me explain to you in my own language what it is. We have spent a lot of time in the last three or four months defining modularity. Thinking about what it is and what its advantages are, and this was realized before, but in my opinion, we were not getting the word out. There was a lot of misunderstanding or lack of understanding in the hill. There is a lack of understanding in the OSD (Office of the Secretary of Defense), so I kind of went on a campaign to really make sure that everybody understood what this is.

At its heart, it is a total redesign of the operational Army into a larger, more powerful, more flexible, more rapidly deployable force. We are converting from a division-centric structure to a brigade-centric structure. And, of course, as you probably know, it is centered around the brigade combat team unit of action. And one of the, the key attributes of that organizational element is that it is organized the way it fights. Essentially, we have brought much of the functionality that used to reside in the division down to the brigade combat team. There are between 3500 and 4000 Soldiers. And this organizational element is self-sufficient and it is standardized and it stands alone.

Standardization is very important here because what it does is it really, really permits you to do more efficient, effective planning and logistics. Now, when we say standard and a lot of you in the audience know this better than I do, that no one division was like another division. But after we are done with this, a heavy brigade combat team in the 3rd Infantry Division is going to be exactly the same as any other heavy division. That standardization has all the advantages that I am used to in industry in terms of planning and logistics. And it also will mean that we can have stay behind equipment in theatre and left behind equipment at home. They are interchangeable, reducing the cost of all the force generation and movement. Keeping that standardization and thought in mind, we have also standardized headquarters and support brigade. So we are standardized across the board. Now what are the advantages here?

First, the number of BCTs in the rotational pull increases from 48 to 77. That has important implications that I will get to in a second. We have had an increase in combat

power by at least 30% because we are increasing the number of Unit of Actions in the active component from 33 to 43. There is an important point to be made here in terms of combat power. There is a lot of focus in budgets and in testimony on end strength. The end strength is important but what is more important, in my way of thinking, is combat power. In combat power, the operational Army is the product of the number of units in the combat power per unit. The numbers of units is going up from 33 to 43, but then let's talk about the combat power of an individual unit.

It certainly depends on people strength or end strength. But it also depends on the quality and technology of the weapon systems and the information systems. It depends on the efficiency and the effectiveness of the tactics and techniques and procedures. It depends on the flexibility and the adaptability of the organization. It depends on the level of training of the Soldiers. And finally, it depends on the caliber and quality of the leadership. All of those elements go into combat power and when you think about this Army Modular Force, we are enhancing each one of those elements. So, it is not useful to only talk about end strength, you must talk about the whole spectrum of what I just talked about.

Third, advantages of future network centric developments can be readily applied to this design as the first step in transforming the BCTUA into the future combat system. So we have a design by which we can spiral in technologies, information technologies, precision guided munitions technologies, UAV, UGV technologies. We can spiral those into the BCTUA and slowly and methodically transform it into the FCS. The next advantage is that the headquarters is joint capable and organized the way it will operate. Again, by analogy with the BCTUA, these are stand-alone. I know in the past when you deploy a headquarters, you had to augment it. That is no longer going to be the case. They are going to be organized and they are going to be ready to be deployed instantaneously when we are done.

Finally, and perhaps most importantly, the Army Modular Force, in combination with the active component, reserve component rebalancing will reduce the stress on the force by generating predictable rotation cycles and longer dwell times at home. Our objective is for the active component, one year deployed, two years at home station. So one out of three, you are deployed. For the Guard, it is one year deployed, ~~one year deployed~~, five years at home station for one in six. And for the Reserves it is one year deployed, four years at home station, for one and five. That will clearly reduce the stress on the force and we are migrating to that as we speak.

The next strategy is training and equipping Soldiers to serve as warriors and growing adept as leaders.

I recently had the opportunity to visit Fort Polk and believe me, I was very, very impressed with what I saw there. When I was on the Army Science Board in the late 90's and early 2000, I had the opportunity to visit the NTC (National Training Center) and I was impressed then but we were fighting the Russians in a classic linear battlefield with

classic one on one. I went down to JRTC (Joint Readiness Training Center), which is shown on the next slide, I saw a totally different picture.

It was a great example of implicit transformation. It has totally changed since 2001. We have a contemporary operating environment, a very realistic battlefield. There are eighteen Arab villages; it is a well orchestrated urban environment. I went into one of the villages and there were Iraqi-American roll players, sheiks, imam, mayors, realistic. They had Iraqi security forces as part of it. They had media on the battlefield. We had reconstruction and civil affairs realities with translators and money to give to the locals to start reconstruction projects. It was a great balance between warfighting, security, government, civil affairs, and instability. But I think most importantly the opposing forces were no longer what they used to be, they were insurgents and Fedayeen. When you went between villages, there was abandoned cars and debris by the side of the road, and if you didn't move that, the next day you went by, a simulated IED went off. And then, as a reward for not doing that, you had to sit in your HUMMV for eight hours or so before they removed you. Just to remind you how important it is. So very realistic in terms of what our Soldiers are going to see when they get there. It is just a critical component of Soldier protection, of caring for the Soldiers, of preparing them. It is a great example of implicit transformation.

Our next strategy is obtaining a quality of life for Soldiers and their families that match the quality of their service.

In caring for Army families and Soldiers is very important and there is an initiative that has been going on since the late 90's called the RCI, or the residential communities initiative, which is just right on the mark for families.

When I go to bases, when I go around, I get just very, very positive feedback and we have made tremendous progress over the last four years. And you can see it there in terms of projects, there is now, there are 35 projects that have been started in which we have transferred over 50,000 homes to the private sector. We just awarded seven projects. You can see there, there are six projects in solicitation, and seven future projects. For these first 31 installations involved in these projects, you can see the leverage that we are getting. We invested around 570 million dollars in government funds. That resulted in 7.7 billion dollars in private investment. Leverage of about 14:1. And besides efficiently using the tax payer's money and getting private industry involved, we accomplish through this privatization, much quicker than we otherwise would have. You can see 2 ½ times in five years what MILCON did in twenty. So this is just a marvelous example of out of the box thinking, of being proactive, of trying to get ahead of the curve, so to speak. And it is, some of the side benefits you can see there are subcontracting to local business, which is important to the communities that are affiliated with our installations. And needless to say, it is important to Congress and we get strong support there.

Our final strategy, as you can see there, is providing infrastructure to enable the force to fulfill its strategic role and mission. And I am going to highlight the one I have

highlighted there is business transformation and that is one that is near and dear to my heart.

When I came into this job, my observation was that, under the chief's leadership, he had moved out smartly on forced transformation and centered around the Army Modular Force. A very insightful initiative and a number of other supporting initiatives that are interdependent with and affiliated with the Army Modular Force. So that particular initiative was in good shape. All we had to do there is insure that OSD understood the importance of that and that we get the proper funding and financial resources for that. But I think we have accomplished that and coupled with that is the business transformation. My observation was we were just in the initial stages of that. And so that is what I plan to personally put major emphasis on.

Now you can see there that transformation is multi-dimensional. It involves first streamlining our organizations. Second, reengineering our manufacturing, repair, and administrative processes. We are going to use a methodology called Lean Six Sigma, which is essentially an approach to reduce cycle time and improve the quality of the processes that we use to do our business. You have a process in public affairs. So I expect Brig. Gen. Vince Brooks to take on a personal objective to me to reduce the cycle time and quality of output of the numerous processes we use in public affairs, and legislative affairs, and in other headquarters functions that we have. A couple of weeks ago we did a Saturday offsite with all the key leaders, both in the secretariat and the Army staff, and we had a whole day on Lean Six Sigma because, if you are going to lead this effort, you have to apply it to yourself, and I am anxious to reduce cost in the headquarters operation for one reason, and one reason only, to free up resources for our warfighting mission.

We have an excellent opportunity, a very unique time, that we have resources and we have got to protect those resources and free up more resources to our primary mission. We are going to outsource where it makes sense. The Army business initiative counsel, called ABIC, is front and center on that and they are doing a lot of good things in terms of that. Of course, once you do process improvement, once you streamline organizations, once you reengineer processes, then you apply information technology to give you that extra added kick. And the last bullet there is intended to give you a little insight into the way I approach this. And that is I am not going to tell everybody how to do, and how to improve. I just expect that you are going to do that. We are going to jointly establish objectives in that regard and then I am going to empower you to do that and hold you accountable.

Now let me end with my priorities, and you can see that I have established seven priorities. And these priorities are an abstraction of our strategic plan. It is taking those objectives and taking those initiatives and actions, which I think are the most important out of the myriad of things that we do. The first and most important, I have said this many times, I believe it in the heart of my hearts, and that is my number one priority and the most important is providing for the well being of our Soldiers and their families. That is always paramount in my mind. That is number one above all. Secondly, providing the

land forces required to win the global war on terrorism. And you can see that that means effectively managing the force and ensuring readiness. The whole spectrum of recruiting, retaining, rewarding, organized training, and equipping. You talk about business transformation. One of the process improvement projects that the TRADOC is taking on is how to streamline and improve the recruiting process. Quality of output, time it takes. Transformation, I have spent a lot of time talking about that, obviously that is going to be one of my major priorities, and again, it is evolutionary constant changes leading to revolutionary outcomes. I am going to put a major focus on business practices.

Leadership. I have had a transition team that has four panels I had mentioned briefly and one of those panels being involved in vision and strategy. Another was involved in leadership and culture. We have developed a concept, which we will be elaborating on, called the full spectrum pentathlete for the 21st century security environment. That is to say, that in this day and age, we don't need a narrowly focused leader, we need, in a sense, a man for all seasons. We don't need a sprinter; we need somebody that is good at five things. That is good not only at war fighting, because that is the *sin quo non*, you have to have that but good at statesmanship, good at governance, good at business, good across a whole spectrum of leadership attributes. We are going to be expanding on that as time progresses.

In terms of major acquisition, as I described before, we have I think a very good strategy. A future combat strategy that will take the brigade combat team unit of action and will eventually convert it and transform it slowly but surely into a future combat system. It is important that we successfully execute the underlying programs. I have three of four of them there. The future combat systems. A joint tactical radio system. The warfighter information network. And, of course, Army aviation. Very important that we execute those on cost, on schedule, meeting their performance objectives.

Next is financial resources. The first five, I think, are consistent with Army priorities. There again, my focal areas, my special focus areas, but then I have taken two which I consider to be more personal, and that is ensuring the financial resources to execute the Army plan. Everything is for naught if we don't have the proper funding. So I take that very personal. That is my responsibility along with the chief to ensure that we get that. So far, we have done very well in the President's budget. We have done very well in the supplemental. Those two together, in our opinion, that is, the chief's and my opinion, provide us with the adequate resources we need to transform the Army into the force it needs to be to better fight the global war on terrorism and to protect the freedom and democracy of this country. So I spend a lot of time working with OSD and the Congress in that regard.

Finally, partnerships and relationships, first and foremost, a no daylight relationship with the chief. The chief and I have developed what I consider to be an excellent working relationship. We know that is important to the Army, but I like to say it is easy because he is just a first class individual. We both have the Army in our hearts and we have that above anything else that we do. So we have this attitude: Army first, but again, it is easy to do that with the chief because he is just a first class person. Also, we couple that with

productive relationships with the secretary, the Navy, the Air Force, Congress, industry, and, of course, the required community. So those are my priorities. I think about them everyday. I kind of do a check at the end of the week to say, what have I done to forward those priorities, what have I done to advance the objectives that are inherent in those priorities? And so, I really use this framework to guide my own personal behavior.

Let me end with the Soldier's Creed, let's not forget the warrior ethos: I will always place the mission first. I will never accept defeat. I will never quit. And I will never leave a fallen comrade. And this warrior ethos, by the way, just doesn't apply to the war fighter, it applies to everything we do. I am taken by the fact that, particularly the first three, public affairs, legislative affairs, acquisition, manpower and readiness, you take all those functions, I will always place the mission first. I will never accept defeat. I will never quit. That applies across the spectrum. So the warrior ethos just doesn't apply to the battlefield, it applies to everything that the Army does, but it is on its business side and its war fighting side.

So with that, let me end. Thank you very much.