



# Department of Defense INSTRUCTION

NUMBER 5010.43  
July 17, 2009

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DCMO

SUBJECT: Implementation and Management of the DoD-Wide Continuous Process Improvement/Lean Six Sigma (CPI/LSS) Program

References: See Enclosure 1

1. PURPOSE. This Instruction establishes policy, assigns responsibilities, and provides guidance for the DoD-wide implementation of the CPI/LSS program in accordance with the authority in title 10, United States Code (Reference (a)) and DoD Directive (DoDD) 5105.82 (Reference (b)), and the guidance in Executive Order 13450 and DoDD 5010.42 (References (c) and (d)).
  
2. APPLICABILITY. This Instruction applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").
  
3. DEFINITIONS. See Glossary.
  
4. POLICY. It is DoD policy that:
  - a. Per Reference (d), all DoD Components shall implement CPI/LSS as an essential tool for improving the operating effectiveness of their organizations across the full range of operational, administrative, science and technology, and support functions.
  
  - b. CPI/LSS concepts, methodologies, and best practices shall be applied to assure cost-effective management and the implementation of improved processes and new technologies throughout the Department of Defense.

c. Demonstrated performance improvements and results achieved as an outcome of CPI/LSS projects shall be documented and maintained in an automated, transparent fashion for purposes of management review, assessment, research, knowledge sharing, and historical reference.

d. DoD Components shall be permitted to retain savings and other financial benefits generated by CPI/LSS projects, unless explicitly directed to meet efficiency targets in accordance with DoD guidance.

## 5. RESPONSIBILITIES

a. Deputy Chief Management Officer (DCMO). In accordance with Reference (b) and section 904 of the Final Implementation Report for the National Defense Authorization Act for Fiscal Year 2008 (Reference (e)), the DCMO shall:

(1) Oversee the implementation of CPI/LSS programs and initiatives within the DoD Components.

(2) Provide the necessary resources and guidance to effect full synchronization, integration, and coordination of CPI/LSS information and capabilities across DoD Component organizational and functional boundaries.

b. Director, DoD CPI/LSS Program Office. The Director, DoD CPI/LSS Program Office, under the authority, direction, and control of the DCMO, shall:

(1) Develop guidance for CPI/LSS implementation and management, as vetted through the DoD CPI/LSS Senior Steering Committee (SSC), in accordance with Reference (d).

(2) Conduct periodic assessment of program implementation and accomplishment.

(3) Act as Chair of the CPI SSC.

(4) Oversee the CPI/LSS Awards Programs for the Deputy Chief Management Officer and the OSD Staff.

(5) Provide DoD Components with a central process improvement database and knowledge sharing site.

(6) With assistance from the Military Departments, oversee an annual CPI Symposium as described in Enclosure 3.

(7) Develop and maintain DoD-wide CPI/LSS training, education, and certification standards.

c. Heads of the DoD Components. The Heads of the DoD Components shall:

(1) Implement CPI/LSS policies consistent with Reference (d), this Instruction, and guidance approved by the DoD CPI SSC.

(2) Attain training and project targets described in Enclosure 2.

(3) Comply with the CPI/LSS procedures in Enclosure 3.

(4) Provide appropriate representation to the DoD CPI SSC (Enclosure 4) and its supporting bodies.

d. DoD CPI SSC. The DoD CPI SSC shall carry out all duties and responsibilities as listed in Enclosure 4.

6. PROCEDURES. LSS is a disciplined process improvement methodology, endorsed by DoD leadership as a primary means by which the Department will become more efficient in its operations and more effective in its support to the warfighter. These procedures provide the framework for successful CPI/LSS implementation and the sustainment of a continuous process improvement culture across all organizational levels of the Department of Defense. Further details on these procedures are documented in Enclosure 3.

a. Institutionalization of the CPI/LSS Program. DoD Components shall implement the necessary capabilities to fully institutionalize continuous process improvement within their organizations, to include the use of LSS concepts and tools in their organizational culture and to promote transparency of successful CPI projects throughout the Department of Defense.

b. Strategic Alignment. Strategy alignment ensures DoD strategic project selection goals and priorities cascade across the Department with supporting implementation and initiative priorities. OSD and DoD Components shall adopt processes and means to support selection of high priority CPI/LSS projects to improve effective and efficient operations across the Department. An important aspect of strategy alignment and project selection includes performance management methods that make visible performance gaps and problems for resolution using CPI/LSS methods where most appropriate. A key component is accountability and the associated performance dialogue to review progress toward delivering results.


c. Consistency of Approach. DoD Components shall collaboratively determine a common set of standards for training, certification, deployment, and operational approaches that apply a common body of knowledge for implementation and execution of CPI/LSS across DoD organizations.

d. CPI/ LSS Integration. DoD Components shall collaboratively determine a structured knowledge management and information sharing capability to foster the CPI/LSS program. This focus on program integration is to increase cross-fertilization of CPI/LSS ideas and adopted DoD-wide business practices.

e. Human Capital. To attain this fundamental pillar of the program, DoD Components shall take all appropriate actions to educate civilian and military personnel on their role to take full ownership of the continuing DoD emphasis on process improvement and training opportunities.

7. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Instruction is effective immediately.

  
Elizabeth A. McGrath  
Performing the duties of  
Deputy Chief Management Officer

Enclosures

1. References
  2. Training and Project Targets
  3. Procedures
  4. DoD CPI SSC Charter
- Glossary

ENCLOSURE 1

REFERENCES

- (a) Title 10, United States Code
- (b) DoD Directive 5105.82, "Deputy Chief Management Officer (DCMO) of the Department of Defense," October 17, 2008
- (c) Executive Order 13450, "Improving Government Program Performance," November 13, 2007
- (d) DoD Directive 5010.42, "DoD-Wide Continuous Process Improvement (CPI)/Lean Six Sigma (LSS) Program," May 15, 2008
- (e) Final Implementation Report for the National Defense Authorization Act for Fiscal Year 2008, Section 904, July 25, 2008
- (f) DoD Instruction 1400.25, Volume 250, "DoD Civilian Personnel Management System: Volume 250, Civilian Strategic Human Capital Planning (SHCP)," November 18, 2008

ENCLOSURE 2

TRAINING AND PROJECT TARGETS

1. TRAINING. A sufficient number of trained personnel are required to maintain an adequate knowledge base to influence an organization's culture regarding process improvement and meet the demands for solving problems and closing performance gaps.

2. TRAINING TARGETS PROVIDED TO DoD COMPONENTS

a. At least 1 percent of an organization's total onboard population shall be trained as Lean Six Sigma Black Belts (Level 2).

b. At least 5 percent of an organization's total onboard population shall be trained as Lean Six Sigma Green Belts (Level 1).

c. DoD Components may establish leader training targets and report as appropriate.

3. PROJECT TARGETS PROVIDED TO DoD COMPONENTS

a. Component Heads will ensure sponsors and champions are appointed at the appropriate level and will review Component projects on a routine basis.

b. For individuals working toward Lean Six Sigma Green or Black Belt certification or DoD Component equivalent, refer to the parent DoD Component for the number of successfully completed projects required for certification.

c. Post-certification, each organization's Green and Black Belt must either lead or participate in one or more CPI/LSS projects sponsored by their organization each fiscal year, and shall be encouraged to enhance CPI/LSS training through additional projects, training, or continuing education (conferences, courses, etc.).

4. CERTIFICATION TARGETS PROVIDED TO DoD COMPONENTS

a. Components shall establish certification targets.

b. Components shall report progress on certification as appropriate.

ENCLOSURE 3

PROCEDURES

1. INSTITUTIONALIZING THE CPI/LSS PROGRAM

a. Executing Roles and Responsibilities – Implementation Planning. Planning for CPI/LSS implementation incorporates a variety of responsibilities across the DoD enterprise. These require a top-down deployment strategy supported by effective program management at all organizational levels focusing on:

- (1) Increased communication of CPI objectives and promotion of a CPI culture.
- (2) Establishment and use of common CPI/LSS terms of reference and practices.
- (3) Increased collaboration across DoD Component organizations, minimizing duplication of effort and promoting full transparency of CPI/LSS activities across the DoD enterprise.
- (4) Establishment of processes for communicating project information and promotion of sharing of project opportunities and results across all DoD functional areas to achieve exponential benefits and return on investment.

b. DoD Component CPI/LSS Points of Contact, Champions, and Support Teams. Each DoD Component shall establish a CPI/LSS program infrastructure with the resources to:

- (1) Act as a cadre of focal points that are knowledgeable of CPI/LSS principles and methodology.
- (2) Execute effective CPI/LSS program implementation and long term successes based on fact-based decisions.
- (3) Provide organizational CPI/LSS education and training and facilitate CPI/LSS project management.
- (4) Provide strong and continuously visible leadership throughout all levels of the organization to promote a CPI/LSS culture of innovation and teamwork.
- (5) Accept process ownership and employ CPI/LSS tools to help execute and accelerate process improvement.
- (6) Identify, execute, and communicate CPI/LSS project replication or collaborative opportunities by sharing documented guidance, (e.g., standard operating procedures, regulations, checklists, deployment guidebooks) that defines how or when action should be taken by the DoD Component.

c. CPI/LSS Symposiums. The Director, DoD CPI/LSS Program Office, will oversee an annual symposium with support from the Military Departments. The symposium will provide opportunities for exchange of ideas, methods, technology solutions, and experiences to:

- (1) Make available updated guidance and direction from senior management officials and knowledgeable CPI/LSS experts.
- (2) Discuss and collaboratively share completed ongoing or planned projects that have been initiated or accomplished by one or multiple DoD Component organizations.
- (3) Promote project solutions and best practice replication across the DoD enterprise.
- (4) Share experiences and lessons learned to facilitate project replication among CPI/LSS practitioners.
- (5) Provide venues for individual and organizational education and training.
- (6) Inspire renewed commitment to stewardship of public funds through effective management.

d. CPI/LSS Awards and Rewards Program. Recognition of successful CPI/LSS projects is an essential element of encouraging and publicizing the extension of an improvement-oriented culture across the Department of Defense. DoD Components shall establish multi-level rewards, awards, and recognition programs across the enterprise for individuals and organizations to:

- (1) Reward successful teams and key individuals to encourage greater interest and commitment to the CPI/LSS program.
- (2) Gauge CPI/LSS organizational progress and maturity.
- (3) Demonstrate leadership commitment and involvement in promoting the CPI/LSS program.
- (4) Highlight new ideas and recognize innovation among the DoD workforce.
- (5) Encourage greater collaboration from people or organizations by linking incentive and honorary awards programs to continuous process improvement program results, especially when the results are seen to be greater than the sum of their individual efforts or capabilities.

## 2. STRATEGIC ALIGNMENT

a. Strategy Alignment, Project Selection (SA&PS). DoD Components must identify organizational mission, priorities, and goals from top to bottom within an enterprise. An organization's leadership must communicate and identify strategic priorities for improving



performance and delivering results, as well as companion performance management method to delegate outcomes to the individual level. A companion method of reporting accomplishments from the individual to the command level should be established. Key elements for success include strategic planning, governance, communication, and process integration.

(1) Strategic Planning. While methods and lexicon may vary, DoD Components must develop a formal strategic plan, which must be approved by senior leaders. The strategic plan must represent the roadmap to accomplish the highest priority objectives. This plan sets the desired level of performance and assigns accountability for the results.

(2) Governance. DoD Components must establish a formal process to regularly review the elements of their strategic plan to ensure the attainment of their goals. Notionally, governance should take the form of regularly scheduled meetings with a standardized format to review strategic measures and progress toward goal accomplishment.

(3) Communication. The strategic plan must be communicated and cascaded throughout the organization. The organization must also be in regular coordination with their higher headquarters to ensure alignment.

(4) Process Integration. SA&PS must inform each DoD Component's budgeting process.

b. Using Enterprise-Wide Projects and Criteria. DoD Components shall benchmark improvement efforts and cross-fertilize application of best practices across organizational boundaries. These efforts are facilitated by:

(1) Placing high priority on adopting and modifying existing projects rather than relying primarily on new starts.

(2) Using common CPI/LSS processes and tools across all DoD organizations.

(3) Maintaining ongoing liaison with CPI/LSS practitioners in other DoD Components.

c. Benefits Tracking. DoD Components shall establish well defined, credible benefit targets for each approved project. The benefits tracking process is characterized by:

(1) Establishing a baseline.

(2) Developing quantifiable benefit targets for tangible benefits.

(3) Establishing a mix of readily attainable and challenging benefits targets.

(4) Regularly assessing progress toward achieving benefits targets and re-evaluating targets upward or downward as appropriate.

(5) Categorizing projected benefits into categories such as performance improvement, savings and, or cost reduction, and customer satisfaction.

(6) Consistently tracking attainment of benefits targets and maintaining auditable historical records of target achievements.

(7) Establishing indicators for terminating CPI/LSS projects when successes and/or progress is not being achieved.

(8) Ensuring resources (funding and human capital) have been allocated or can be allocated for CPI/LSS initiatives from project selection through implementation.

d. Project Completion. Successful implementation of CPI/LSS in the DoD Components depends on a program that consistently produces beneficial process improvement projects over time with discernible benefits. Actions that are likely to result in a successful CPI/LSS program include:

(1) Developing an adequate “charter for action” for the project which clearly states the current performance gaps and desired outcomes of the project.

(2) Defining the most effective CPI/LSS improvement approach for each discrete project opportunity.

(3) Identifying key leaders, aligned to projects, who are empowered and accountable for achieving project success.

(4) Selecting employees with high potential who are best suited to lead and execute projects.

(5) Identifying implementation considerations that should be factored into the priority of project execution.

(6) Setting realistic and attainable project completion dates through consultation with champions, stakeholders, subject matter experts, and customers.

(7) Continuously reassessing progress against planned project results and completion dates and resetting as needed.

### 3. CONSISTENCY OF APPROACH

a. Training and Certification. The DoD CPI/LSS Program Office shall develop and implement DoD-wide training courses and certification standards to ensure full consistency of program content, to ensure cross-organizational acceptance of recognized core competencies and promote enterprise teaming and projects by:

- (1) Developing and approving common DoD-wide certification requirements for CPI/LSS practitioners at all levels of competency.
- (2) Developing and implementing a common body of knowledge framework for use by all CPI/LSS project leaders and team members to grasp, access, and apply CPI/LSS concepts and tools, human interaction skills, and required technical enablers.
- (3) Establishing common DoD curriculums for CPI/LSS training courses based on standard core competencies with sufficient flexibility to permit tailored extensions to meet organization-unique requirements.
- (4) Adopting minimum CPI/LSS training, testing, and certification standards throughout DoD organizations to achieve effective proficiency certification.
- (5) Establishing quantitative targets for completion of CPI/LSS training courses by the organization's civilian and military workforce.
- (6) Promoting transparency of processes and alignment with industry and/or academia and recognized leading CPI organizations.

b. CPI/LSS Fundamental Concepts. DoD Components shall employ the fundamental concepts and core competencies of CPI/LSS, and other CPI methodologies that are commonly used throughout the Department of Defense, as part of a structured approach for analyzing and improving their processes to accomplish their organizational mission more efficiently and effectively on a continuing basis. There are many tools and methods associated with CPI/LSS, with a few summarized in the Glossary. A robust, effective CPI/LSS program will leverage the right tools and methods for problems being addressed, including Lean Six Sigma, theory of constraints, and business process reengineering.

c. CPI/LSS Deployment. LSS leaders shall apply accepted CPI/LSS concepts through a disciplined deployment approach that is focused on the alignment of goals and priorities throughout the organization. Baseline performance against the priorities and goals will identify improvement opportunities for closing gaps. Leaders should consider the customer, operational environment, resource availability, and viable technology enablers when establishing priorities and goals. The elements of an effective CPI/LSS deployment include:

- (1) Ensuring full understanding of the organization's mission, vision, and strategy by all CPI/LSS program participants and alignment of CPI projects to these elements.
- (2) Establishing a performance baseline.
- (3) Articulating performance measures and then measuring performance against those measures.
- (4) Establishing goals and specifying how projects will be selected and managed; using CPI/LSS to improve performance.

(5) Continuously aligning and measuring goals at each level of the organization from individual projects to Service and, or agency management organizations to DoD level goals in order to validate causal relationships, key stakeholder roles and responsibilities, and positive impact up and down the enterprise value chain.

(6) Conducting a value stream analysis that addresses all of the potential nodes, interfaces, and activities across a selected part of the enterprise, with clear links to DoD Component value streams and priorities, as they relate to creating or measuring value to the customer and constraints to product flow.

(7) Developing a framework of CPI/LSS structure and behavior that:

(a) Keeps the CPI efforts aligned with planned expectations that guide the team to obtain needed technical expertise and consistency of approach.

(b) Accomplishes required detailed analysis of current operations and the options for improvement.

(8) Identifying how people will be selected and incentivized to participate in the LSS program, and establishing LSS training and, or certification goals and conducting periodic progress reviews.

(9) Incorporating the requirement to apply CPI/LSS principles and techniques in DoD contracts and partnering arrangements whenever practicable.

d. Operational Planning. Effective operational planning requires that all participants in the CPI/LSS project share a common understanding of CPI concepts and tools; organizational mission, goals, and objectives; and the actions and best practices required to achieve the CPI/LSS project's process improvement objectives. Key elements of CPI/LSS operational planning include:

(1) Creating and refining a documented operational plan and gaining approval by the process owner, key stakeholders, and the owner's supporting work group.

(2) Identifying the right participants in the CPI effort, including the CPI sponsor, SSC, project champion, support team, and working group membership.

(3) Establishing project timing and priorities of actions to be accomplished and identifying required resources.

(4) Implementing the operational plan by executing applicable process improvement concepts and methods.

(5) Recognizing and building on existing and applicable best practices.

(6) Establishing a strategic communications plan.

e. Change Management and Metrics. DoD Components shall implement effective change management techniques as an integral part of the CPI/LSS program. Basic elements of change management include:

(1) Reviewing current performance and measuring it against the standards set by management for the organization.

(2) Understanding and clearly communicating the ideal condition and future direction for the organization, (i.e., determining the priorities of the organization and identifying the environmental factors, internal and external, that support or inhibit attaining organizational goals).

(3) Identifying available and realistic opportunities for process improvement.

(4) Communicating priority opportunities for change to all organizational members who will be involved in executing selected changes.

(5) Implementing and validating a balanced set of metrics to measure the progress and success of each CPI/LSS project.

(6) Establishing an effective information feedback mechanism to permit two-way communication among all members of the CPI/LSS leadership, support teams, and work groups.

(7) Training all hands in change management.

#### 4. CPI/LSS INTEGRATION

a. Project Tracking. DoD Components shall implement the capability to systematically track CPI/LSS project activity from project selection to completion and to maintain an accessible, transparent, and historic record of each project approved and executed under the auspices of the organization's CPI/LSS program. Project tracking elements shall include at a minimum:

(1) A description of the project, its purpose, objectives, participating organizations, planned and actual costs, planned and actual benefits (business case), scope of functions involved, and expected results.

(2) Planned activities and related milestones.

(3) A documented assessment of achieved results against planned improvement activities.

(4) Project costs occurring over the actual project timeline period.

(5) Projected return on investment (ROI) against actual ROI as data becomes available, to include savings, as defined and approved by the designated authority.

b. CPI/LSS Organizational Roles and Responsibilities. A standard management and support structure for a CPI/LSS deployment is essential to ensure successful, integrated deployment of the CPI/LSS culture and reinforcement of applicable roles and responsibilities. Basic CPI/LSS organizational structures include:

(1) CPI Champions. Provide senior management guidance, resources, and leadership of the CPI/LSS program for a DoD organization.

(2) CPI SSC. Define organizational vision and strategies, assess and guide deployment plans and applicable metrics, and monitor project performance.

(3) CPI Support Teams. Provide education and training and facilitate management of CPI/LSS initiatives.

(4) CPI Work Groups. Accept project ownership and employ CPI/LSS tools to execute process improvement.

(5) CPI Peer Groups. Provide vehicles for sharing CPI information and collectively help optimize CPI initiatives across their organization and with other CPI groups.

c. Project Replication and Collaboration. DoD Components shall develop and implement enabling capabilities to accomplish maximum sharing and reutilization of successful CPI/LSS projects among organizations with similar process improvement objectives and requirements. Ideally, DoD Component organizations shall work collaboratively whenever practicable to combine resources and expertise into single CPI/LSS teams to achieve common-use project outcomes. Actions to facilitate such cooperation include:

(1) Ensuring CPI/LSS guidance, briefings, training materials, and user documentation are developed and disseminated with commonly accepted CPI/LSS terminology to the extent possible.

(2) Implementing a shared on-line reporting process to enable each DoD Component to communicate and disseminate projects in planning, project results, and replication opportunities across DoD organizations and functional areas.

(3) Working together to enable DoD Components to implement a common CPI/LSS data repository or, at a minimum, develop the capability to electronically link separate repositories to allow transparent visibility of replication or collaborative opportunities across the Department of Defense.

(4) Ensuring integration of CPI/LSS lesson observations into the DoD Component's formal lessons learned program to facilitate sharing and collaboration at the joint level.

d. Operational and Financial Benefits. DoD Components shall implement procedures to take full advantage of management's commitment to permit resource benefits resulting from CPI/LSS improvements to be retained by the generating DoD Component(s) by:

- (1) Continuous liaison with financial staffs to assist with and support the structuring and validation of CPI/LSS resource benefits and investments.
- (2) Documenting validated resource benefits generated from CPI/LSS projects in DoD Component programming and budget submissions.
- (3) Linking planned initiatives to reinvest, recapitalize, or further strengthen operational capability, using CPI/LSS generated resources, in DoD Component programming and budget submissions.
- (4) Specifically identifying CPI/LSS projects, replicated within a DoD Component or across multiple Components or collaborative projects among multiple Components, in programming and budget submissions as a basis for increasing the fiscal priority of such projects in programming, budget development, submissions, and reviews. Increasing fiscal priority is justified since such projects cost less and produce more.

## 5. HUMAN CAPITAL

a. Personnel Descriptions, Classification, and Recruitment. Insofar as practicable and consistent with professional education and licensure requirements, DoD Components shall develop and adopt standard elements and language for position descriptions and position classification documentation for full-time LSS positions for purposes of maximizing consistency of approach, organizational mobility, and cross fertilization of CPI/LSS certified personnel resources to support mission accomplishment by:

- (1) Applying standard CPI/LSS core competencies, position descriptions, and performance objectives in personnel management documents in accordance with DoD Instruction 1400.25, Volume 250 (Reference (f)).
- (2) Developing common, shared recruitment documentation to enhance DoD efforts to attract employees with the right CPI/LSS skills.
- (3) Reducing recruitment fill time by applying standard CPI/LSS position classification templates and language and placement guidelines.

b. CPI/LSS Resource Utilization. As part of their civilian and military human resources systems, DoD Components shall develop and implement the capability to identify, track, and fully utilize CPI/LSS professionals throughout the workforce by:

- (1) Identifying military and civilian CPI professionals across the enterprise through automated systems and/or databases that provide visibility of training and certification for CPI/LSS Green Belts, Black Belts, and Master Black Belts.

(2) Including CPI/LSS levels of competency certifications in official personnel records.

(3) Establishing the requirement to recruit or train CPI/LSS professionals as part of all process improvement teams and, or organizations.

(4) Ensuring sufficient levels of investment in organizational training programs and budgets to develop and maintain sufficient numbers of CPI/LSS trained personnel to satisfy organizational requirements.

c. Workforce Objectives. A well trained workforce will help ensure successful implementation and sustainment of the application of CPI/LSS tools and methodologies resulting in improved organizational performance. DoD Components shall use workforce training and certification programs to provide individuals and improvement teams the requisite training and experience to effectively apply CPI/LSS to their improvement projects by:

(1) Implementing a hierarchical program of advancement for military and civilian professionals to attain a more successful, comprehensive knowledge of CPI/LSS concepts, tools, and experience (e.g., Green, Black and Master Black Belt levels).

(2) Incorporating CPI/LSS into individual employee development programs and, as appropriate, include results delivered from CPI/LSS projects as an evaluation factor in employee performance appraisals.

(3) Ensuring management emphasis on employee CPI/LSS knowledge, skills, and abilities to apply core competencies to close performance gaps and improve mission performance.

(4) Periodically revisiting CPI/LSS plans, programs, and projects and reset and/or revitalize as necessary.



ENCLOSURE 4

DoD CPI SSC CHARTER

1. PURPOSE. This enclosure describes how the CPI SSC will support a DoD-wide CPI culture that drives outcomes that satisfy warfighter capability requirements. It identifies the objective, authority, scope, membership, roles and responsibilities, and the relationship of the CPI SSC in the Department of Defense.
  
2. OBJECTIVE. The CPI SSC brings together membership (see Table 1) to guide and enable an effective enterprise-wide CPI program. Specifically, the SSC will establish policy and conduct oversight for effective enterprise-wide CPI implementation, leveraging strategic alignment, consistency of approach, integration, and human capital to implement best practices across the Department of Defense. The SSC recognizes CPI as a valuable tool for improving warfighter:
  - a. Capability. Technical ability to perform assigned missions.
  - b. Availability. Required forces and materiel ready, on time, at the right place.
  - c. Dependability. Reliable execution of capability -- sustain readiness.
  
3. SCOPE. The SSC scope and effect is to improve the overall efficiency and effectiveness across the DoD enterprise to gain the broadest possible range of organizational improvement. All mission areas are included in the SSC's scope: warfighting, business, information infrastructure, and intelligence.
  
4. MEMBERSHIP. The SSC shall consist of representatives (full-time or permanent part-time DoD employees) from the organizations listed in Table 1. The SSC shall be chaired by the Director, DoD CPI/LSS Program Office.

Table 1. SSC Membership

Organization	Position
Director, (DoD CPI/LSS Program Office)	Chair
Office of the Secretary of the Air Force	Member
Office of the Secretary of the Army	Member
Office of the Secretary of the Navy	Member
Joint Staff	Member
OUSD(AT&L)	Member
OUSD(Comptroller)	Member
OUSD(Personnel & Readiness)	Member
OUSD(Policy)	Member
OUSD(Intelligence)	Member
OASD(NII)/DoD Chief Information Officer	Member
DoD General Counsel	Member
Office of the Director for Test & Evaluation	Member
Office of the Director of Administration & Management	Member
Program Analysis & Evaluation	Member
Defense Logistics Agency	Member
Missile Defense Agency	Member
Defense Intelligence Agency	Member
National Security Agency	Member
Defense Information Systems Agency	Member
Defense Finance and Accounting Service	Member
Defense Contract Management Agency	Member
National Guard Bureau	Member

## 5. ROLES AND RESPONSIBILITIES

a. SSC Chair. Facilitate deliberations of the SSC, approve SSC agendas, and recommend agenda topics for future SSC meetings. The SSC Chair will:

(1) Coordinate pre- and post-SSC related meetings.

(2) Document SSC meeting minutes.

(3) Provide SSC meeting read aheads.

(4) Advise the Secretary of Defense through the Deputy Chief Management Officer on DoD-wide CPI efforts and/or initiatives.

(5) Manage applicable support teams.

b. SSC Member. Represent their respective organization's interests, provide insight, make recommendations and commit resources to CPI initiatives, introduce strategies to facilitate CPI projects and successes across the enterprise, and exercise delegated decision authority for their organization. Deliberate as a member of the DoD enterprise.

### c. Overall SSC Responsibilities

(1) Encourage DoD-wide collaboration on CPI efforts to promote information sharing and enterprise integration (e.g., share lessons learned, discuss emerging opportunities, offer replication targets, commit to strategies).

(2) Monitor CPI efforts.

(3) Identify DoD-wide resource or policy requirements necessary to support CPI initiatives.

(4) Provide recommendations to the appropriate Under Secretary of Defense or the Deputy Secretary of Defense to improve CPI efforts.

(5) Integrate and align CPI related activities, as appropriate.

(6) Recommend topics for the SSC agenda.

(7) Coordinate CPI department policy and oversight.

(8) Facilitate the DoD CPI certification framework.

d. Support Teams. The SSC will establish the requirement for and designate support teams. Appropriate membership from Military Departments will be established as needed. The SSC may request the support or participation of individual Service, Defense Agency, Joint Staff,

OSD, or commercial resources. The SSC may establish a relationship with existing support teams or initiate a new support team to pursue a specific CPI task, concept, or initiative.

e. Secretariat. The Assistant Deputy Chief Management Officer will identify issues to be addressed by the SSC as well as provide secretariat support (as required) for the CPI SSC. The Secretariat will create and distribute meeting agendas and minutes and facilitate communication across working groups and the CPI SSC.

## 6. RELATIONSHIPS

a. The SSC is composed of flag officer and Senior Executive Service-level members from the staffs identified in paragraph 4 of this enclosure. SSC members shall bring enterprise-level CPI improvements and issues (e.g., initiatives, value stream analysis, gaps, and ideas) to the SSC to facilitate CPI initiatives and foster a DoD-wide knowledge of CPI efforts. The SSC will work in conjunction with the appropriate offices to broaden and enhance CPI knowledge throughout the Department of Defense in support of the warfighter.

b. Support teams will have a designated chair (from any Service or DoD or OSD Component) and appropriate representation across the Department of Defense. The support teams will meet separate from the SSC. The support team chair will provide periodic updates to the SSC.

7. MEETINGS. The SSC meets in forum monthly or as deemed necessary by the SSC Chair. Location and times are to be determined by the SSC Chair. Agenda items are coordinated by the SSC Chair and membership and are made available prior to the meeting.

## GLOSSARY

### DEFINITIONS

These terms and their definitions are for the purpose of this Instruction.

business process reengineering. The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed.

communication. A strategic process that ensures alignment of sub-organizations' goals, measures, and tasks. Requires the timely reporting of accomplishments to senior leadership. As organizations mature in their SA&PS efforts, they will become more aligned.

governance. A standardized format to review strategic measures and progress toward goal accomplishment. This should include individual projects as well as the CPI/LSS program and take the form of regularly schedule SA&PS meetings.

Lean. A methodology for continuous process improvement, focused on work flow, customer value, and eliminating process waste; unique from traditional process improvement strategies in that its primary focus is on eliminating non-value added activities.

process integration. The identification of strategic initiatives that must be communicated and vetted to accurately influence the POM planning process. A necessary output of SA&PS.

Six Sigma. A disciplined, data-driven methodology for process improvement that focuses on satisfying customer requirements while minimizing waste by reducing and controlling process variation.

strategic planning. High-level priorities and goals the organization desires to accomplish, strategic measures to assess progress toward goals, and specific tasks the organization will perform in order to accomplish its goals.

theory of constraints. A systematic approach to optimize resource utilization by identifying, exploiting, subordinating, elevating, and reassessing constraints in the process. Scientific principles are applied as a set of logical thinking processes to develop transformational breakthrough business solutions. A constraint is any resource whose capacity is less than the demand placed upon it. Theory of constraints attacks constraints and barriers (a restriction or other block to increases in output).