

THAT FIRST STEP

In the Spring of 1970, I told then Secretary of the Navy John Chafee that the Navy's personnel management practices could pose dangers to the fleet as great as anything the Soviets were likely to do.

That was fifteen years ago. Many of the problems that preoccupied me as Chief of Naval Operations from 1970 to 1974 have been overcome. Today's fleet is certainly more modern, better manned and equipped than the Navy of the immediate post-Vietnam period. Yet the personnel management issue - especially the quality of the people who do the essential work of procuring a navy in peacetime - remains. This enormous task has been made even more difficult as a result of recent stories of \$400 claw hammers, \$600 ash trays and other allegations of waste and fraud in the Pentagon. These individual stories are indicative of a larger problem, which is all too familiar to me - the need for profound changes in the management of people who are called on to make key decisions in the Navy's acquisition and procurement processes.

Secretary of the Navy John Lehman and Chief of Naval Operations Admiral Jim Watkins are taking the most significant step yet seen in the Navy to eliminate waste and inefficiency in procurement programs. That step is to improve the quality of the people managing acquisition, logistics, and readiness programs. Secretary Lehman recognizes full well the Navy, in fact all the services, must attain excellence in not only contingency responses and preparation for war, but also for business management.

In terms of personnel management, top priority must be given to training and experience in military operations and warfare specialties. The Navy has developed a culture, however, that not only rewards the generalist and the warfare specialist, but also forces the business management specialists to take a back seat. The best and brightest Naval officers have traditionally sought tours of duty with the operating fleet, avoiding business school education in favor of a war college class, and when forced into a tour at headquarters, aiming for positions where political contacts can be made and nurtured. This type of career path almost inevitably led to promotion, and the vast majority of today's flag officers were "raised" in this manner.

Officers unwise or unlucky enough to balance their career paths between operational tours and tours in the acquisition field found the promotion door closed and finished their careers at the Commander or Captain level. Occasionally, when the demands of the bureaucracy called for a top-notch senior officer to manage a major weapon system acquisition, the individual selected often lacked the business education and experience in the acquisition field. The officer also knew that his chances to attain flag rank were virtually eliminated by this detour from the "right" career path.

To correct this situation, in March of this year, Secretary Lehman announced the establishment of the Navy Materiel Professional (MP) program. The MP program is

designed to prepare outstanding naval officers for careers which concentrate on systems acquisition, maintenance, and readiness functions. The MP will follow a career path that integrates operational tours with business education and acquisition management tours. Almost forty percent of the Navy's flag officer billets have been set aside for Materiel Professionals to provide the career incentives necessary to attract high quality people to the program.

Why take the trouble to mold a career military officer into an acquisition manager with a specialty in business? Why not turn over all acquisition, logistics, and readiness management to civilians who are trained at the outset to enter the business field? Why not rely on civilian managers who would provide continuity and would consistently develop the knowledge and experience required to deal with their colleagues in the defense industry? The answer is simple. The military officer brings experience and attributes that go beyond technical skills and which are essential to the success of military procurement programs. Beyond his credibility within the Service, with defense contractors and with the Congress, the military officer brings to the acquisition community the practical operational experience -- hands-on knowledge of how ships, airplanes, and other systems are used by the fleet -- that means so much in developing a system that will work effectively.

The course chosen by the Secretary and the CNO should meld the best attributes of career civilian managers and career military officers into the Materiel Professional, and the Navy's acquisition and procurement programs will

be greatly improved. But the key to success of the MP program will be in the Navy's management of it, and the initial two - to - three year period will be critical. Program management initiatives have been tried before, but they have not been wholeheartedly supported by the naval hierarchy and consequently have not been carried through to a successful conclusion.

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An example is the fate that befell a decision I made when CNO regarding a particular issue. Advised that the desired action had not been taken, I sent a key aide to find the "missing" decision memorandum. He did, in the back of a certain commander's file drawer. When called to account, the commander replied, "Why, hell, nobody's in favor of that but Admiral Zumwalt."

For the MP program to be a success, it must be an "all hands evolution," and the entire chain of command must be supportive. In addition, the higher chance of selection to flag rank should serve to attract high quality officers to the MP program, but only as long as promises of promotion as reward for success are kept. Strict attention, of course, will be necessary to ensure that warfighting capability is not diminished in favor of acquisition management improvement.

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The establishment of the Materiel Professional Program and the creation of a new career pattern represent one of the most dramatic and far reaching institutional changes in the Navy in decades. To ensure its survival and success, Congress should make it a statutory program. But it is only part of an ambitious course embarked upon by today's naval leadership back in 1981. The fleet has grown by more than fifty ships in four years, and the much publicized goal of "600" will be reached by 1989. Both initial recruitment and subsequent retention of qualified personnel are at near record levels. Depleted stocks of munitions and spare parts have been rebuilt. Even before the announcement of the Materiel Professional Program, the Navy substantially

changed the way it did business with the defense industry by increasing competitive bidding; eliminating sole source, monopolistic supply arrangements; and shifting to fixed price rather than cost-plus contract arrangements. Recent efforts by Secretary Lehman and Admiral Watkins have seen the dismantling of some of the layers of bureaucracy that have for so long encrusted our defense establishment. It is an effort that merits the support of all who believe in a strong, affordable national defense.

The next four years should provide confirmation that it is no longer "business as usual" at the Department of the Navy. Will the going be tough at times? As one who has fought many battles against "conventional wisdom", I can guarantee it. Will these personnel initiatives, new policies, and reforms meet with strenuous objections from vested interests and entrenched uniformed and civilian bureaucracies? Of course. But, as someone once observed concerning the legend that Saint Denis walked ten kilometers carrying his head in his hands: "The distance doesn't matter. It is only the first step that is the most difficult."

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