



THE UNDER SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

MAR 16 2018

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Restructure of Secretariat Functions

The Secretary of the Navy and I have committed to implementing a culture of agility, accountability, and enhanced lethality within the Department of the Navy. A more agile, accountable, and lethal force must be matched by business operations that reflect the same qualities. We must build a business operations culture that employs faster access to accurate information, reduces overhead and bureaucracy, and streamlines processes that impede rapid decision making. This culture must demonstrate the relentless pursuit of operational improvements in order to stay ahead of our adversaries and make the best use of the resources we are provided by the American people. Accordingly, I am taking the following actions to better align with the urgent mandate for change and to help facilitate more rapid implementation of business process improvements across the Department:

1. The position of the Deputy Under Secretary of the Navy for Management (DUSNM) and all supporting functions will be disestablished. It will be replaced by the Office of the DON Chief Management Officer (OCMO). The senior leaders of this office will report directly to me as the Chief Management Officer and they will assemble a small team of highly skilled experts and change agents. This office will act as a "catalyst" to help rapidly prioritize and accelerate business transformation initiatives. Initially, it will be focused on four lines of effort: improvement of audit outcomes and financial accountability, business systems rationalization and modernization, data strategy for improved business operations, and business reform across the Navy and DoD enterprise. This team will work collaboratively with all constituencies across the enterprise to ensure alignment and accelerate change.
2. In addition to my role as CMO, I will assume the responsibilities and authorities of the DON CIO. The N2/N6 will be the Deputy DON CIO for the Navy and the Marine Corps C4 will be the Deputy DON CIO for the Marine Corps. I will retain a small Office of the DON CIO Office of the Chief Information Officer (OCIO) reporting directly to me for statutory compliance, but will divest most other CIO functions to my DON CIO deputies in the Services.

The new offices of the CMO and CIO will contribute to a leaner, more focused approach to business transformation and will help facilitate greater cross-enterprise collaboration on critical issues that require an enterprise approach. This action will proceed immediately.


Thomas B. Modly

Distribution:
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SUBJECT: Restructure of Secretariat Functions (Cont)

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