THE UNDER SECRETARY OF DEFENSE

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ACQUISITION AND TECHNOLOGY

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
PRESIDENT, DEFENSE ACQUISITION UNIVERSITY
COMMANDANT, DEFENSE SYSTEMS MANAGEMENT COLLEGE

Subject: Section 912(c) Commercial Business Environment Final Report

In conjunction with the other related 912(c) efforts, I directed the establishment of a study group to develop a program aimed at recommending training on commercial business practices. Attached is the Final Report, *The Commercial Business Environment: Accelerating Change Through Enterprise Teaming*, which provides recommendations for an implementation strategy for adopting effective commercial business practices to achieve the Revolution in Business Affairs.

This is an important Report and contains many sound ideas. I am, therefore, directing the Deputy Under Secretary of Defense (Acquisition Reform) to take immediate action on the Report's key recommendations, each of which cumulatively should affect change in the way we currently conduct business:

1) Establish a Change Management Center (CMC) to take the lead in accelerating acquisition and logistics reform initiatives, while providing a resource for change management across the Department;
2) Explore using the CMC to help the Defense Acquisition University adopt key attributes of the corporate university approach to provide education and training for the acquisition, technology and logistics workforce; and
3) Pursue and incorporate, where possible, cross-functional teaming across the Defense business enterprise to accelerate organizational goals and manage change.

For additional copies of the report, please contact Mr. William Mounts at (703) 614-3882 or mountsw@acq.osd.mil. The report may also be downloaded at http://alpha.lmi.org/cbe/.

J. S. Gansler

Attachment:
As stated