

Business Reform

Discussion

The Marine Corps is committed to supporting the Secretary of Defense Reform Initiative (DRI) and the DON Revolution in Business Affairs (RBA) which are designed to apply those business practices that American industry and the public sector have successfully used to become more capable, lean, flexible and competitive. The Marine Corps program is designed to produce an outcome that achieves balanced performance and cost reduction improvements.

The focus of RBA in the Marine Corps is in the business enterprise, that part of the Marine Corps responsible for managing activities that consume resources that deliver goods and services to the operating forces. The primary “best business practice” being implemented in the business enterprise is Activity Based Costing and Management (ABC/M). ABC/M will increase visibility of performance and cost data, improve decision-making, improve performance, and reduce costs. ABC/M is being implemented world wide at every Marine Corps installation and at both maintenance depots. In the future, the Marine Corps plans to expand ABC/M to other organizations and to integrate ABC/M with strategic planning and the resource requirements process. This long-term commitment to systematically improve performance and reduce costs will make the Marine Corps a model of good stewardship.

The Marine Corps is actively involved with the DoD effort to increase/leverage competition within the government and the private sector to improve services and save money. It is are currently competing facility management and related business units at every U.S. installation. Other business units are being evaluated for competition and outsourcing in the future. Reengineering, privatization, and regionalization initiatives will complement competitive sourcing as appropriate.

Regarding acquisition, the Marine Corps, in conjunction with DoD, has embraced total life cycle management and Total Ownership Cost reduction concepts. Marine Program Managers have been designated “Life Cycle Managers” giving them “cradle-to-grave” responsibility for their systems and equipment. This designation, along with the stand-up of the Marine Corps Materiel Command, is designed to integrate the management of all phases of a system’s life cycle. These initiatives will enable tradeoffs between investments in development, production and support with the goal of reducing the costs to procure, operate and maintain weapon systems, equipment and information systems in order to sustain modernization and maintain the readiness of the Marine Corps.

Other acquisition reform initiatives include: multi-year procurements, contractor incentives, reduced logistics response times, new cost tools to balance cost with performance (cost as an independent variable), and an improved financial system to capture these costs.

The Marine Corps has an active and aggressive facilities demolition program. From 1994 through 2000, it will have torn down 3.3 million square feet of unneeded or inadequate facilities. After 2000, it will continue to solicit and centrally fund demolition requirements submitted by the installations, resulting in perpetual savings in space and operation and maintenance costs, and improving safety and appearance.

The Marine Corps is actively supporting DoD initiatives to reengineer the defense travel and personal property programs and cargo documentation and financial processes. Efforts make use of the best business practices.

Marine Corps Position

The Marine Corps will continue to aggressively support Defense and DoN business reform by identifying, implementing, and using innovative tools and techniques to improve business practices. Marine Corps business improvement initiatives will build upon existing efforts and expand across the entire enterprise. Through ongoing cooperative networking and business improvement efforts the Corps will be able to accomplish its mission more efficiently and economically.

