Guidehouse

Naval Agility

Critical Initiatives

Foreword

Nations have historically struggled with resource limitations as they sought to advance comprehensive security strategies. The way a nation prevails through history depends on their agility in adapting to their evolving security environment, successfully leading change, and conserving precious resources.

This paper encapsulates earlier works, 'Agile Defense' (2011), and its sequel, 'Agile Defense: Sustainable Cost Reduction on the Path to Greater Agility' (2014). It continues the discourse on the imperative of institutional and operational agility, with a focus on the Navy and Marine Corps. This update reflects shifting priorities in the emerging threat environment of 2019. That said, the common threads that define, strengthen and operationalize agility persist: adaptability, innovation, collaboration, visibility, and velocity.

Our goal in publishing this paper is to highlight the challenges facing our United States naval forces and to set our views on the most compelling ways forward to address those challenges. This point of view builds on our leading knowledge of the government defense environment from working with defense organizations across the world, and further draws on specific insights gathered through interviews with senior naval officials.

In short, Navy and Marine Corps leaders must move forward in achieving a culture of agility, accountability, and enhanced lethality to address the requirements of the modern security landscape and the challenges presented by an alarming array of actors in that environment.

Bryan Miller
Principal, Naval Forces Team
Guidehouse LLP

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An Enduring Thread of Naval Agility – Past and Future

The legacy of today's modern Naval Force was born out of necessity. Sailors and Marines came together when the Continental Congress raised two Battalions of Marines for service as landing forces for the recently formed Continental Navy. In a matter of weeks, those forces conducted their first operations against the British in the Bahamas.

Naval technology and tactics changed out of necessity too. Sail power gave way to steam. The 1844 "Peacemaker Accident" on the USS Princeton's gun laid the seeds for more scientific ordnance technology led by a young naval engineer named John A. Dahlgren. The Princeton's design engineer, John Ericcson, later designed the Monitor Class, an ironclad war ship with angular designs to make projectiles skip off the hull, and that kind of angular design would evolve into the stealth design of the USS Zumwalt.

This kind of agile response to the needs of the moment is characteristic of the American Naval Forces, and it was innovative ideas from more junior officers, championed by senior officers, that carried the day.

History shows us that as American Naval Forces adapt to the social and technological changes of the day, their success has been a function of flexibility and the willingness to improve processes with the agility to meet the immediate and urgent needs of Sailors and Marines. Valuing agility, and achieving it, however, are two different things.

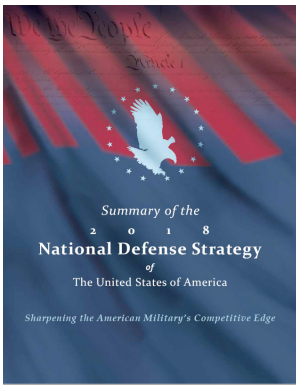
Achieving agility requires leadership engaged on a daily basis, widely-internalized common vision, a change-oriented culture, a well-communicated plan for change, and the hard work of empowered and engaged junior leaders to implement. Today's Naval Forces have a mandate: Become more agile or find yourself at risk.

Why Naval Agility Matters

This paper applies our tenets of "Agile Defense" to the challenges and opportunities confronting Naval Forces. Those forces need to:

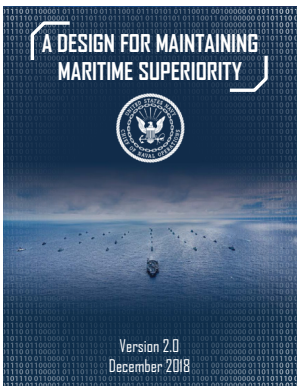
- Be ready with leading warfighting capabilities to prevail
- Be forward-looking for challenges and opportunities
- Be a transparent steward of the Nation's resources

The theme of agility is captured as a common thread across our Navy's strategy and guidance.



"Cultivating a lethal, agile force requires more than just new technologies and posture changes; it depends on the ability of our warfighters and the Department workforce to integrate new capabilities, adapt warfighting approaches, and change business practices to achieve mission success."

National Defense Strategy of the United States of America, January 2018



"To recapture strategic momentum and grow our advantages in the maritime domain, the U.S. Navy will act with a sense of urgency and creativity. Three central themes will guide our response: #1. The Navy will become more agile."

A Design for Maintaining Maritime Superiority 2.0, December 2018

"We must now move with a sense of urgency to improve how we manage the Department in order to continually reinvest into the improved readiness and modernization of our force. While doing so, we will create a more agile and accountable organization that not only responds rapidly and with precision, but also anticipates future threats and opportunities."

Department of the Navy Business Operations Plan FY2019-2021, October 2018

Naval Agility Defined

What is Naval Agility?

Agility is especially relevant to the Department of the Navy because of the high-risk and fluid portfolio of threats that they must be ready to confront.

Our descriptions of agility are based off of our prior research and interviews with senior Defense leaders from around the world.

We define agility as "perpetual awareness and the ability to be decisive and take action in an expedient and well-coordinated manner," though other definitions may apply and be as effective in describing this organizational quality.

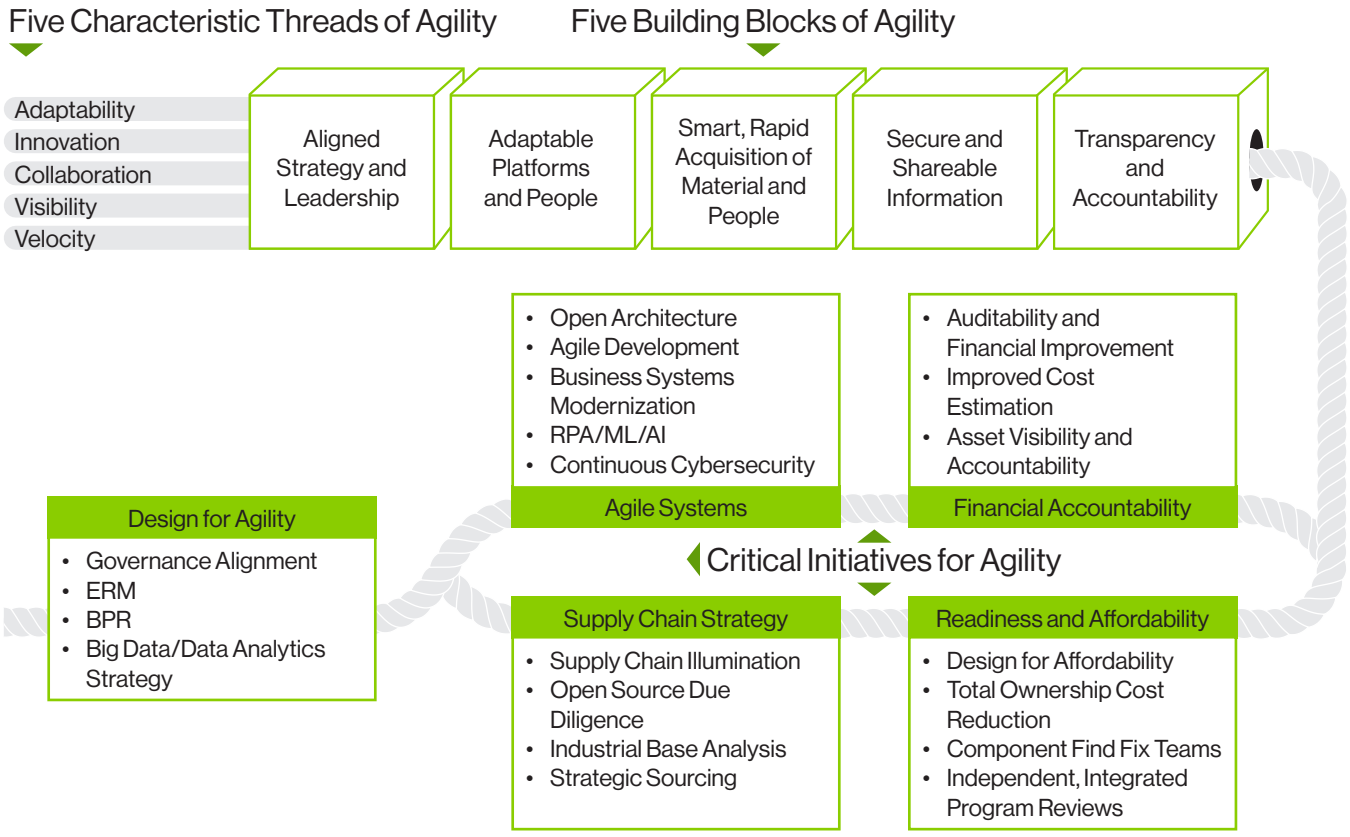
Many of the most effective private sector organizations have adopted agility as a key strategic imperative in order to survive in hyper-competitive commercial markets. These organizations purposefully seek to reinforce their core agility characteristics when making resource trade-offs. They also tend toward leaner and flatter organizational structures that "de-layer" costs and assign capital to its highest and most effective use.

Defense and security organizations must adopt a similar posture, but it will become increasingly difficult for them to do so without disciplined, agile processes that can react to volatile budget authorities that often reflect political realities over strategic ones. The challenge is for these organizations to cut costs and organizational impediments judiciously and in a manner that sustains organizational agility threads in proper equilibrium.

Our prior research presented a model for building and maintaining Defense agility comprised of five characteristic threads of agility, as well as five building blocks of agility.

Feedback from senior Defense officials has been that the model is helpful, but they often struggle to identify pragmatic steps forward that their organizations can take to become more agile.

Our more recent work expands the Agile Defense model by building in five areas of critical initiatives as pragmatic steps for Naval leaders to execute to improve their agility.



The Five Characteristic Threads of Defense Agility

Essentially, agility at an organizational level is the strategic mix of standardization and flexibility, targeted at those organizational pressure points where they are not only needed today, but will most likely be needed tomorrow. Timing and timeliness is an essential component of agility – timely understanding, timely decisions, and timely action. We believe that there are five characteristics of an agile organization. We identify these characteristics as "threads" because of how they "weave" their way through the key elements of an organization in a complimentary fashion—strengthening each other the more tightly integrated they are. Leaders must weave these threads together at the strategic, operational, and tactical levels within the Navy and Marine Corps. This approach breaks down stovepipes and barriers to innovation and effective action.

In agile organizations, the threads function to produce highly effective organizational responses that anticipate and mitigate a broad range of tactical and strategic challenges:

- **Adaptability –** The ability to adjust and meet changing mission requirements;
- **Innovation –** The ability to generate and apply new ideas, methodologies, and technologies;
- **Collaboration –** The ability to leverage internal and external knowledge and resources to enhance the mission;
- **Visibility –** The ability to create and maintain transparency to enhance fact-based decision-making;
- **Velocity –** The ability to recognize and respond with the requisite tempo to new circumstances and events.

Woven together across an organization, a command, or an enterprise, these threads increase the strategic alignment of the organization. A stronger understanding of one's environment, the effective marshalling of resources, and their agile employment in the service of statecraft has always been **"the certain recipe of success"** for a nation's military.

The Five Building Blocks of Defense Agility

Based on our interviews with successful Defense leaders, we believe there are five critical building blocks for an agile defense organization. Effective leaders use these building blocks as a base as they pursue enhancement of agility characteristics. These successful leaders establish a culture within their commands that rewards continuous improvement, risk taking, and the appreciation of dynamic change.

Aligned Strategy and Leadership. Leadership alignment is often hindered by traditional bureaucratic inertia. "Agile-minded" leaders attack this problem through well-developed performance management systems that measure not simply those metrics that are available, but those things that matter.

Adaptable Platforms and People. The most successful companies emphasize management that adapts quickly to changing circumstances, and encourages and rewards people who develop flexible skills that can be applied to leading these businesses through necessary change.

Smart, Rapid Acquisition of Material and People. Defense organizations need an established alternative, tailorable process by which an urgent requirement can be met through rapid, smart acquisition, not burdened by bureaucratic gates.

Secure and Shareable Information. Defense organizations must always work at becoming better at sharing information internally and across a broad spectrum of other players. Defense organizations must learn how to balance information security with the absolute requirement to share and collaborate in a meaningful way.

Transparency and Accountability. Transparency and accountability contribute to greater agility by fostering expedited "agreement on the facts". Trust and a level of shared understanding support strategic, operational and tactical decisions. Private sector companies who broadly share and graphically display key performance metrics are far more adept at aligning teams around a common goal.

Critical Initiatives: Design for Agility

Designing for agility requires more streamlined and effective approaches to business operations. This includes designing in how technology will support and drive the organization, particularly from one of its most important resources: data.

Governance Alignment

Unchecked, over time governance can become misaligned from strategy and increase drag on the organization rather than improve agility and effectiveness. A successful governance strategy is a function of a clear vision, unmistakable mission guidelines, and clear-cut objectives. Governance structure and strategy can sometimes be misaligned. Commands should evaluate structure/strategy alignment with an assessment of policies and directives that help or hinder objectives and priorities. To determine metric relevance, a measurement standard should be able to reflect actual readiness and the capability of contributing towards mission objective.

Enterprise Risk Management (ERM)

ERM includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. It should not be confused with Operational Risk Management (ORM). ERM is a framework that describes an approach to identify, react, analyze, and monitor risks and opportunities that face the enterprise externally and internally. An agile ERM identifies "risk triggers," courses of actions and the desired outcomes to support timely decision making. ERM must be based on reliable and transparent data, open communications, and reliable information. Further, ERM is a required approach based on OMB's newly-revised Circular No. A-123. Naval leaders need to familiarize themselves with this approach and can begin by developing initial risk profiles for their organization, as well as documenting risk appetite.

Business Process Reengineering (BPR)

Organizations must be able to rapidly assess and improve their many complex end-to-end business processes to not only achieve standardized procedures across the enterprise, but also to enable the organization to rapidly adapt to emergent technologies and reach economies of scale. Rapidly understanding the need for reengineering, developing and executing effective approaches, and being able to visualize and demonstrate the achievement of desired outcomes are critical capabilities for success.

Big Data/Data Analytics Strategy

Naval leaders are often drowning in data, but don't have the right data readily available to make optimal decisions. The challenge for any data analytics strategy is to balance data appetite with data need. An enterprise data analytics strategy is the comprehensive vision of harnessing data-dependent capabilities with a road map that lays out the process of planning or creating strategies and plans for handling the data created, stored, managed and processed by an organization.

Naval leaders often find it difficult to determine where to start in terms of an analytics strategy. We suggest a six step process:

1. Inventory all potential use cases and questions you'd like to answer, then for each use case:
2. Identify the data required to address that use case, both data currently accessible and any not
3. Identify technology and software tools needed, both currently licensed or not yet purchased, using an analytics reference architecture
4. Identify talent and organization needs to accomplish the use case, whether organic to the organization or not and whether current or prospective
5. Identify process or governance changes needed
6. Identify culture changes needed

Then create standard definitions for ease of implementation, and strategic benefit to the organization, and rate and plot each use case accordingly. Refrain from trying to accomplish everything at once. This provides the organization's roadmap, starting with the highest value/easiest to implement, and working down the list.

Critical Initiatives: Supply Chain Strategy

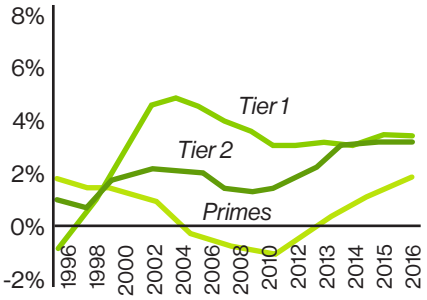
The U.S. Naval Forces face an unprecedented environment with regard to supply chain risk. Acquisition supply chains have evolved into enormously complex ecosystems that often span the globe for technology and service providers as well as sources of raw materials. This has created a globally interconnected supply chain and increased the "supply chain attack surface" that can be targeted by threat actors.

Beyond the prime contractor and some major first level suppliers, there is limited visibility for the acquisition community into whom the rest of the suppliers are for a given program. There is a continued inability to answer such questions as: 1) Who are the suppliers, and do they pose a supply chain risk; 2) Is there a vulnerability for a supplier to implant malware or other malicious software; 3) Are there suppliers who have access to infrastructure, technology, and data that could be exploited; and 4) Are there suppliers who are a target for nefarious state-actors to gain access to the supply chain? These unknowns serve to increase the supply chain risk and hinder the ability to identify mitigation strategies. Ultimately, this could lead to operational failure and inhibit the ability to effectively execute a mission.

To maintain agility, it is necessary to have visibility into the supply chain. Being able to adapt, react and more importantly, predict the potential impacts of risks within the supply chain will allow our Naval Forces to maintain their warfighting edge.

Defense Industry Trailing five-year Economic Profit Margin

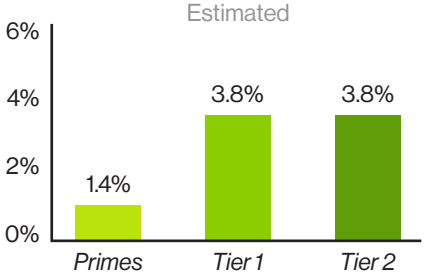
1996-2016



Defense Industry Average Annual Economic Profit %

1996-2016

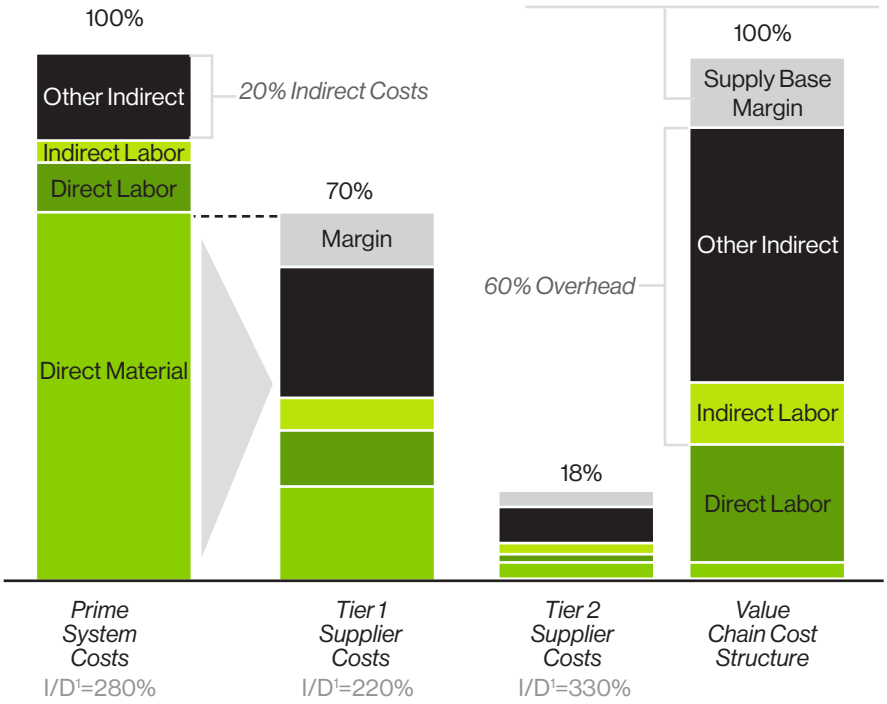
Estimated



[1] Ratio of total indirect cost to direct labor cost
Source: Company 10-Ks, Capitol IQ, Strategy & analysis

Cost Breakdown for an Average Defense Airframer

While this is average, a few suppliers capture considerably high margins



Supply Chain Illumination

Key to understanding the risks is the identification of the suppliers resident within the supply chain. Supply Chain Illumination is the process by which this becomes possible. This "map" provides insight into the companies that comprise the supply chain for that system, subsystem or component. Once completed, analyses include:

Open Source Due Diligence

Open Source Due Diligence is the process by which a detailed analysis of a supplier is conducted. Examples include: reputation of the supplier; key commercial interests and business activities; key business partners and networks; allegations of disputes or litigation; touch points with foreign governments; international sanctions; civil, regulatory or criminal investigations, and involvement with illegal or unethical business practices. Once risks are identified, mitigation strategies can be put in place to address them, increasing the likelihood of successfully executing the mission.

Industrial Base Analysis

Insight into the capability, capacity, and gaps within a system's supply chain can be obtained. For example, information regarding the credentials (or lack thereof) of suppliers deep within the supply chain may provide insight into potential quality issues if the supplier is tasked with increasing its throughput. The financial stability of a supplier may provide insight into the potential for a supplier to no longer be viable, thereby adding risk to the supply chain.

Strategic Sourcing

This includes the identification of alternate suppliers, as well as identification of alternate production methods, including additive manufacturing. Insight can also be gained relative to the roll-up of costs through the multiple tier levels of suppliers. More than sixty percent of the cost of a weapon system is overhead—not primarily from Prime Integrators, but rather from the stacked overhead across the supply chain. Finally, risk categories include: Strategic Risks to include Geographic, Sole Source/ Sourcing Capacity; Market Risks to include Brand, compliance, financial stability of market; Production Risks to include Production capabilities, Ability to scale, Labor availability, Ability to meet current demand; and Performance Risk to include Quality, Geopolitical, Conflict minerals, financial stability of entity, and labor strikes/shortages.

Critical Initiatives: Readiness and Affordability

This sea-services must address the rising costs to sustain operations today while making the investments to succeed in the future. These investments include helping OEM's design tomorrow's weapon systems to reduce future operating costs while helping engineering, maintenance, and supply chain managers reduce the cost of sustainment, improve the readiness of deploying forces, while making the required investments in modernization and lethality. Agile processes must consider designing affordability at the front end; reducing total ownership costs for the life of a system; aggressively looking for cost drivers; and keeping an eye on discovering new risks as a program matures.

Design for Affordability (DfA)

DfA addresses both material and manufacturing build costs by rigorously identifying the drivers of cost and identifying tradeoffs to ensure optimize cost while meeting all requirements and performance objectives. Further, DfA enables a collaborative approach that

includes both government and industry stakeholders, ensuring that all cost-cutting measures have been explored and vetted for the maximum benefit to the platform and government program.

Total Ownership Cost Reduction (TOC)

Agile Naval Forces need to look at lifecycle costs to manage requirements creep and fight to lower costs wherever that makes sense. Where DfA drives design trades and choices about affordable priorities, TOC focuses on controlling the cost of the actual work that is being done or expected to be done throughout a system lifecycle. Balancing technology against manpower requirements is a dynamic event that all systems of systems experience throughout its lifecycle. Agile organizations are forever challenging program assumptions embedded in cost estimate analyses to inform decisions and negotiations. This active mindset to challenge high costs will deliver better value and control cost growth.

Component Find Fix Teams (CFFT)

CFFT has the goal to identify engineering, maintenance, and supply chain deficiencies for individual components that drive high cost and low readiness across the Naval Enterprise.

An agile organization can execute a repeatable four-phased methodology known as the Component Level Diagnostic (CLD). The CLD methodology seeks to exhaustively identify root causes of sustainment issues using 12 Integrated Product Support (IPS) Elements. This methodology develops holistic, effective, efficient, cross-functional solutions to address shortfalls:

Independent, Integrated Program Review (I2PR)

Transparency comes by independent reviews that lead to better accountability and operational transformation. An Independent, Integrated Program Review (I2PR) – a rapid assessment of program risks that can be utilized across virtually any kind of program – provides senior program officials the kind of independent, objective insight into program risks to support timely decision-making on how to mitigate risk priorities that are identified in the review. Using this kind systematic approach delivers organizational agility. To review, observe, assess, integrate and report findings of a chosen program's likelihood of successfully executing and delivering its intended outcomes and benefits, agile organizations use I2PR benchmarks as a measure of successful program characteristics. Upon completion of an an I2PR, program leadership has at their disposal: (1) dashboard visualization into the health of the program, and the ability to drill into any risks identified; and (2) insight into relevant courses of action(s) to remediate challenges and maximize program success.

Component Selection Phase

- Component Level Diagnostic (CLD) Pool
  - Top 200 drivers of selected T/M/S from VECTOR
  - Merge with Depot Component Analysis Status Tool (CAST)
  - Nominate 20 to 30 items for consideration
- Refine with NAVSUP WSS IWST, Burn Down Charts, and Readiness Recovery Playbook
- Review with NAVAIR 6.0 and PMAs
- EM&SCM
  - Approves 20 items and 2 T/M/S for first CLD cycles
  - Makes Integrated Investment Decisions
  - Focus EMSCM resources on actionable enterprise solutions that will close the RBA/FRT gap and keep it closed
  - Track progress against approved implementation roadmap, remove barriers identified during implementation, and approve recommended course changes

Capture & Document Benefits

Find Phase

- Forensic analysis to assess the current state of the engineering, maintenance, and supply chain management for each component the CFFT examines.
- Follow the component infrastructure from the aircraft through the organizational, intermediate, and depot level and the process that support them.
- Through the lens of the 12 Integrated Product Support (IPS) Elements
- Illuminate issues and solutions real time to logistics managers to create more RBA/EFT aircraft today

Fix Phase

- Engineering Change Proposals (ECP's)
- New tools
- Test fixtures
- Repair Procedures
- Training
- Identifying alternative sources of supply
- Kitting and PEB opportunities
- Increased I level maintenance capabilities

Critical Initiatives: Financial Accountability

In the public sector, financial accountability is a function of the relationship between members of government and lawmakers representing the citizens/taxpayers. Government organizations require reliable data for their financial and budget processes, and the culture of agility and accountability comes from management driven processes, such as financial reporting and cost methodologies. Unreliable data derived from faulty financial reports hinders an organization's ability to meet agile goals and successfully complete missions. For a financial management team to achieve a culture of agility they need to take steps throughout the funding lifecycle that allows transparency for each dollar spent to determine the impact these funds have in supporting the warfighter.

Auditability and Financial Improvement

An organization's financial management and audit posture is a function of its systemic financial management process and internal controls. When internal controls are found lacking, information becomes unreliable, thus impairing decision-making.

A Strategic Audit and Sustainment Approach will lead to a satisfactory audit opinion, energizing innovation and collaboration, improve visibility and enable agility across the organization. This strategy should evaluate such factors as leadership priorities, financial management business process, current remediation efforts, best practices, and accomplishment capability. Additionally, to accelerate agility, agile leaders seek out opportunities to leverage efficiencies and avoid duplication of efforts, such as the overlap of cybersecurity and application control requirements. Most importantly, every approach should address the end-to-end business processes, internal control environment, and financial system modernization to be successful. The alternative is a "whack-a-mole" approach that solely focuses on deficiency remediation that will reappear annually due to scope increase throughout the audit cycle. Effective financial management is vital to achieving the DON's goal to be an agile naval organization.

Improved Cost Estimation

Financial Management can be impaired by decentralization; a lack of accurate historical and actual cost data; estimated cost inflation for vessels and aircraft under construction; and a lack of technical financial management skill sets within the Department. Financial management problems will contribute to inconsistent and unreliable reports to Congress on weapon system operating and support costs, limiting the visibility that Congress needs to effectively oversee weapon system programs and make cost-effective choices.

An agile Naval Force must implement cost estimation processes more effectively that produce the most accurate cost estimations, enabling leadership with the tools they need to make informed programmatic investment decisions. Organizational agility also mandates limited rounds of approvals by executive leadership.

The DON cost community impacts decisions within every functional area of the organization. Cost estimations are the driving force of data when Naval leaders decide to acquire ships, submarines, aircraft, weapons and technology necessary to achieve DON strategic objectives. Agility requires visibility, collaboration, and innovation, as mirrored in the need for the cost community within the DON to develop sound cost estimation methodologies and models that continuously advance.

Asset Visibility and Accountability

All United States citizens demand fiscal accountability from their government. Congressional oversight and Executive focus on sound business management has resulted in significant urgency for the DOD to obtain a clean financial statement audit opinion. For a sustainable environment, an agile organization must establish a comprehensive internal control program over its asset lifecycle – acquisition through disposal. This requires that organization to first understand and document the asset lifecycle, and then examine its process to identify gaps that can create lapses in accountability. In many cases, preventing these gaps means linking activities already performed by different elements of organization – invoice payments into a Construction in Process (CIP) balance, inventory results into accounting record updates, and other measures. A modern, control-based asset accounting framework will drive sustained accountability.

Critical Initiatives: Agile Systems

Moore's Law has confounded every business as one IT system is quickly made obsolete by the next system. Large organizations are especially challenged as budgets cannot support across-the-board IT system refresh efforts. Whether it is maintaining legacy systems throughout the rest of their life, deploying new advanced systems, integrating the two into effective enterprise-wide solutions, or all of the above, business systems will continue to be outpaced by technology advancements. A well-informed approach to these business systems can materially contribute to the achievements of agility or be a constraint limiting the ability of the Naval Services.

Open Architecture

Current Naval systems, whether weapons or business, face a number of barriers to interoperability: security, legal and privacy restrictions, perceived loss of intellectual property, and perceived loss of control over information and processes. Interoperability is really just a function of willingness to collaborate. Naval leaders need to understand their technical data rights per the FAR, strive to require technical data to be publicly available, incorporate modular design and design disclosure, and create and maintain publicly available data libraries instead of proprietary. Virtualization and agile development

Agile Development

Agile development emphasizes continuous collaboration and recurring requirements reviews between operational units and IT, while planning and executing smaller work packages.

With the continuous pressure to reduce costs, while maintaining and improving performance, agile organizations must adopt IT approaches like Agile order to produce functioning applications that are delivered on time, and at or under cost.

One size does not fit all, but in agile IT solutions interoperability, modular architecture, and "open" interface controls are Key Performance Parameters that should drive the overall solution.

Business Systems Modernization

Agile organizations understand the power of open design. For Business System Modernization, new systems should embrace modular architecture that permit successful validation and verification tests to ensure "openness" and use widely supported and consensus based standards for their key interfaces. Through modular architecture, agile acquisition and engineering communities are enabled to:

- Employ evolutionary acquisition and spiral development;
- Program in solution flexibility and reduced vendor-lock from the onset, to be responsive to changing tools and needs, and
- Execute affordable plans.

Acquisition strategies need to be looked at accordingly, to ensure that the services Naval leaders are buying are aligned with more open, agile, and flexible delivery over the course of execution. These should incentivize consortium-based or team approaches to be able to surge and flex to varying needs over time.

Robotic Process Automation, Machine Learning, and Artificial Intelligence

While RPA, ML, and AI may be considered buzzwords by some, foreign state sponsored investments and Silicon Valley investments provide evidence that many see these as the future of technology. Naval leaders should push their organizations to immediately automate manual processes with RPA, and incorporate ML and AI principles into their technology roadmaps.

Continuous Cybersecurity Monitoring through Risk Management Framework (RMF) Strategy and Implementation

As operating environments evolve into increasingly complex digital settings, agile organizations must be able to keep pace with information management in support of decision-making while balancing speed and security.

Agile organizations must appropriately allocate and properly align project plans to comply with RMF and Federal Information System Controls Audit Manual (FISCAM) guidance. This challenge must overcome pressing deadlines to remediate open RMF audit findings, identify potential cybersecurity vulnerabilities, and move to commercial cloud environments.

Conclusion

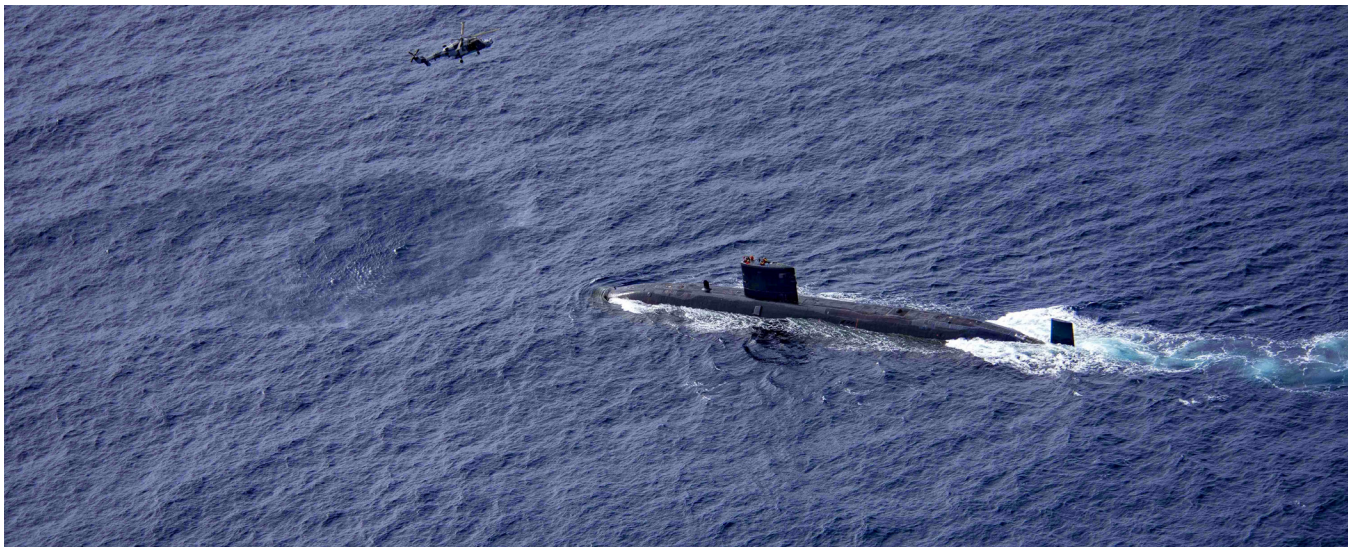
Defense organizations continue to apply short-term approaches to solve current issues and budgetary constraints. Such actions include organizational alignments without integrating strategy with performance expectations, sometimes delaying necessary modernization, and allowing outdated legacy systems and processes to continue. Such short-term views have degraded organizational performance at a time when national security challenges are growing in complexity and scale. Worse, non-strategic decisions may "lock in" leaders into organizational approaches or technological solutions which cannot be corrected in time to enable success on the battlefield.

In the mid-1930's, the Italian Air Force made major commitments to aircraft procurements during a time of rapid technological development within military aviation. Having "locked in" certain critical designs and operational concepts, the Italian Air Force lost the agility to inject new technologies and capabilities into their newly acquired airframes. By the outbreak of World War II, the Italian Air Force was already behind its competitors and remained in that condition throughout the war.

Strengthening the agility threads must be an aspiration, and a mandate, for all defense organizations if they are to be successful in protecting their citizens, and contribute to a safer world.

This paper has identified several areas where properly structured program efficiencies can lead to greater organizational agility. Our focus in this paper was on Naval Forces: the U.S Navy and Marine Corps team. Successful naval organizations of the future will be those that pay as much attention to long term sustained improvement as to short-term gains that meet budget goals.

It should be understood that these concurrent objectives are eminently possible if the approaches outlined in this paper are followed. Small wins, incremental progress, and getting points on the board across these areas matter and can have asymmetric effects. Naval leaders should embrace these approaches to meet the maritime security challenges that continue to expand in both their complexity and potential to disrupt society.



How Guidehouse Can Help

Following our recent merger with Navigant, we proudly serve both the public sector and commercial markets, with a focus on supporting client needs in Healthcare, Financial Services, Energy, Environment, National Security, and Aerospace & Defense.

Headquartered in Washington, DC, our reach has now expanded globally. We are a team of seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues that drive national and global economies.

Guidehouse is a leading provider of management, technology and risk consulting services to the public sector and commercial markets. We help our clients solve their most complex issues through collaborative solution design, bold strategy, and innovation that advances conventional thinking that prepares them for future growth and success.

We help navigate our government clients to address critical agile defense issues and mitigate those challenges to create a safer, healthier future.

If you would like to learn more about how Guidehouse can help navigate you forward into a more confident future, please visit **guidehouse.com**.

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