DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

April 30, 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL, TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: DoD-Wide Continuous Process Improvement (CPI) / Lean Six Sigma (LSS)

Since our 31 March CPI/LSS off-site, valuable comments on our current baseline of CPI/LSS activities and efforts in DoD have been reported. While I am encouraged by our collective efforts to date, it is important to accelerate adoption of these best practices, and to leverage feedback from the recent CPI/LSS seminar as we define the Department's next steps.

To respond to your near-unanimous feedback from the seminar, I am directing the establishment of a DoD CPI/LSS Program Office within the Office of the Deputy Under Secretary of Business Transformation within AT&L. This office will leverage the existing CPI/LSS Senior Steering Committee (SSC) to drive DoD-wide CPI/LSS activities, rigorously track results and formulate a multi-level "rewards" program. Other forums and/or management structures to accelerate our efforts may be established, if required. The Office of Business Transformation will oversee the activities of this Program Office with strong support and active participation from all OSD offices.

OSD 07088-07
4/30/2007 1:17:20 PM

Aggressive implementation of CPI/LSS within all levels of DoD will go a long way to support our overall business transformation efforts. Accordingly, each organization is asked to accomplish the following:

- Assign a CPI/LSS focal point to coordinate with the DoD CPI/LSS Program Office.
- Establish a 12- to18-month workforce training objective of 1% LSS black belt trained and 5% green belt trained personnel. Personnel selected should include top-rated staff members (e.g., at minimum from the top half).
- Include CPI/LSS in individual employee performance objectives.
- Provide support to the DoD CPI/LSS Program Office in DoD-wide process improvement initiatives.
- Report progress and outcomes of ongoing and completed CPI/LSS projects and activities to the DoD CPI/LSS Program Office every 30 days initially.

As with other parts of DoD's ongoing culture change, all levels of our organization need to be directly involved with CPI/LSS. Kindly ensure your organization's maximum attention to forthcoming CPI/LSS Program Office communications, which will provide detailed guidance to help implement this memo. Immediate questions should be directed to Beth McGrath at 703.695.9715 or elizabeth.mcgrath@osd.mil.

Thanks for your leadership and personal involvement in the incorporation of CPI/LSS into your organization, and I look forward to personally hearing from you and your change agents on your CPI/LSS successes.