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

MAY 1 1 2006

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Establishment of DoD-wide Continuous Process Improvement (CPI) Programs

The Secretary and I expect that every DoD organization is focused every day on improving the effectiveness of our support to the Warfighter. This is particularly important now--given wartime demands, recapitalization needs, and fiscal realities.

CPI has proven to be an important tool for improving the operating effectiveness of the DoD, not only within logistics and acquisition activities, but also across the full range of operational, administrative, Science and Technology, and support functions. We should continue to broaden and accelerate use of these tools to further improve effectiveness.

The attached guide is a resource for use by the Department in designing and managing CPI efforts. The guide standardizes terminology and incorporates best practices from leading industry and DoD experience.

DoD's policy on the capture of benefits from improvement efforts is that cost savings and expense reductions that result from improvements in overall operating effectiveness can be retained by the organizations that generate them. Effective management oversight should lead to reinvestment in additional CPI efforts and recapitalization.

The Deputy Under Secretary of Defense (Logistics and Materiel Readiness) will take action to institutionalize our CPI efforts including CPI expert certification, guidance documentation, and creation of forums to capture and share best practices across the Department. Thanks for working to create a culture of continuous improvement throughout the DOD.

Attachment:
As stated

OSD 07485-06
5/11/2006 11:57:15 AM

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