



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
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SECNAV INSTRUCTION 5420.197

From: Secretary of the Navy

Subj: DEPARTMENT OF THE NAVY BUSINESS TRANSFORMATION COUNCIL

Ref: (a) 2008 National Defense Authorization Act, Section 904  
(b) 2009 National Defense Authorization Act, Section 908

1. Purpose. To formally establish the Department of the Navy (DON) Business Transformation Council (BTC), chaired by the Under Secretary of the Navy (UNSECNAV) with the membership and processes defined herein. Just as the Department of Defense (DoD) Defense Business Systems Management Committee (DBSMC) provides a senior DoD forum to align transformation efforts, the BTC provides a senior Department of the Navy (DON) forum in which business transformation efforts that cross organizational and or functional boundaries can be strategically assessed, approved and accelerated.

2. Cancellation. UNSECNAV memo, Department of the Navy Business Transformation Council Charter, of 29 June 2006; and Secretary of the Navy (SECNAV) memo, Department of the Navy Business Transformation Council Charter, of 19 December 2006.

3. Responsibilities. The BTC shall advise the SECNAV on the strategic direction the Department should pursue regarding business operations and transformation, and redirection of funds in support of these efforts. The BTC will make decisions and provide direction for the entire Department, approve business strategies and goals, and identify performance metrics to evaluate progress toward desired outcomes. The BTC will also ensure DoD policy resulting from DBSMC or Business Transformation Agency decisions is communicated and executed throughout the DON. This instruction in no way abrogates the statutory or regulatory responsibilities assigned to other organizations or offices within the DON. The BTC shall:

a. Provide a DON forum to collaborate, integrate, and provide senior level direction regarding major issues impacting business operations.

b. Provide strategic level DON business operations information to the DoD chief management officer (CMO)/deputy chief management officer (DCMO) to assist in the performance of their duties.

c. Support development and implementation of DON Business Transformation plans to achieve and maintain an integrated management system across the business mission area. Support development of business transformation reports which identify progress against these business transformation plans.

d. Prioritize key DON business operations transformation initiatives and inform the planning, programming, budgeting and execution process by identifying and submitting funding requests.

e. Charter BTC executive advisory boards to provide a structure for vetting issues and gaining concurrence on critical decisions related to complex, high priority initiatives.

#### 4. Scope and Applicability

a. References (a) and (b) focus attention on DoD business operations and transformation by requiring DoD to establish a CMO and DCMO, and the Military Departments to establish a CMO, an office of business transformation and a director of the office of business transformation.

b. DON business operations and transformation efforts include transforming the budget, finance, accounting, and human resource operations as required by reference (b), as well as the operations of the five core business missions necessary to support the warfighter: Human resources management, weapon system lifecycle management, materiel supply and service management, real property and installations lifecycle management, and financial management. DON core business missions map exactly to the DoD core business missions. This alignment ensures all operational improvements at the DON level are aligned and compliant with the DoD Business Enterprise Architecture.

c. This instruction applies to business operations and transformation efforts identified by the BTC chair for review.

5. BTC Membership. The BTC shall be composed of principal and advisory members as well as an executive secretary.

a. Principal members include:

- (1) Under Secretary of the Navy/CMO - BTC Chair.
- (2) Vice Chief of Naval Operations.
- (3) Assistant Commandant of the Marine Corps.
- (4) Assistant Secretary of the Navy (Financial Management and Comptroller).
- (5) Assistant Secretary of the Navy (Research, Development, and Acquisition).
- (6) Assistant Secretary of the Navy (Manpower and Reserve Affairs).
- (7) Assistant Secretary of the Navy (Energy, Installations and Environment).
- (8) General Counsel.
- (9) Deputy Under Secretary of the Navy for Business Operations and Transformation/DCMO.

b. Advisory members include:

- (1) Deputy Under Secretary of the Navy for Policy, Plans, Oversight and Integration.
- (2) Deputy Chief of Naval Operations for Integration of Capabilities and Resources, (N8).
- (3) Deputy Commandant, Programs and Resources, (HQMC P&R).
- (4) Director, Office of Program Appraisal.
- (5) Department of the Navy Chief Information Officer.

c. The function of BTC executive secretary shall be performed by the assistant deputy chief management officer.

d. In addition to the members identified above, other personnel may be invited, in an advisory capacity, as appropriate based upon the topics to be discussed.

6. BTC Procedures

a. The BTC shall meet at the discretion of the BTC chair.

b. Agenda topics will include predetermined issues related to DON business operations and transformation.

c. The executive secretary will:

(1) Coordinate BTC agenda, including items proposed by principal members, with the BTC chair and presenters.

(2) Publish the BTC agenda to members in advance of each meeting.

(3) Control access to meetings and record all decisions, guidance, and directed actions.

(4) Archive all briefs and feedback memorandums and make them available online to all members and their staff. Many of these archives will meet the definition of a Federal record. They must be managed in accordance with paragraph 7 of this instruction.

7. Records Management. All records created by this instruction, regardless of media and format, shall be managed in accordance with SECNAV Manual 5210.1 of November 2007.

  
Ray Mabus

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