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Episode 9

Peter Levine on the Defense Management Institute



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Peter Levine on the Defense Management Institute

IDA Ideas host Rhett Moeller spoke to IDA Senior Fellow Peter Levine about the recently announced Defense Management Institute (DMI) and his role as director.

[Begin transcript]

Rhett Moeller: Hello listeners, and welcome to another episode of IDA Ideas. I'm your host, Rhett Moeller, and today we're going to look at another facet of the work that we do at the Institute for Defense Analyses. Our work supports the nation's security in many different ways, and we're excited about a recent development here at IDA. In this episode, I'm joined by Peter Levine, who has extensive experience and has worked for both the Senate Armed Services Committee and the Department of Defense. Peter, welcome to IDA Ideas.

Peter Levine: Thanks Rhett. It's great to be here.

Rhett Moeller: In a development announced at the end of January, we are happy to share that Peter will now serve as the director for the new Defense Management Institute or DMI. And before I ask you some questions, Peter, I'd like to share a brief overview to set the stage a little. DMI was established by the Department of Defense to enhance the management organization and improve performance in the enterprise business operations of the Department of Defense. On the day of the announcement, Deputy Secretary of Defense Kathleen Hicks noted that the Defense Department is the world's largest and most complex institution with a budget of more than \$800 billion and a workforce of three million operating 24 hours a day in every time zone around the globe. She went on to say that [DOD] owes it to the taxpayers to ensure the resources are managed as efficiently and effectively as possible. DMI will contribute to that effort by learning from the best of the public and private sectors in helping to consistently update and improve DOD management practices. This is the goal of Peter's work through DMI, getting to have a hand in improving how the DOD carries out its work while dealing with all the numerous complex issues. That's really exciting. So, in this episode, we're going to dive in for a few minutes today and talk about it. So now that we have that set, Peter, we all know that the Defense Department is a really big operation. Could you provide us a little bit of context when we talk about studying defense management? What's the scope of the DMI's work? Are we looking at just the Defense Department or defense more broadly?

Peter Levine: To start with, you quoted Secretary Hicks who mentioned at our kickoff event that there are three million military and civilian employees of the Department of Defense; that's a little bit more than two million in the military, active and reserve, and a little bit less, fewer than 1 million, on the civilian side. For the people on the military side, we're responsible for providing

food and housing and clothing. We provide comprehensive health care, both for members of the military and for their families. We provide training and education going all the way from daycare up to graduate education, not only education for members of the military, but members of their families. And then we have to do the kinds of things that are needed to sustain them in the field and sustain operations. So, beyond training, we have to have a huge acquisition operation in order to get them what they need, starting with science and technology and engineering. Running through acquisition and sustainment of equipment, we have to provide a logistics system to provide transportation, warehousing, and maintenance for equipment in the field. We have to provide communications, worldwide communications, to support our forces and support our operations. All of those things are military essential, but they are also huge business operations. And so, we divide business operations up, we divide defense management up into the kinds of components that are required to sustain that operation. We have, we think in terms of management and governance, organizational alignment. But we also think in terms of resource and financial management, IT and data management, acquisition, management, logistics management, human resources management, health-care management. All key management areas that that we intend to try to help the department think about and organize in the Department Defense.

Rhett Moeller: I see. So obviously, defense management has a lot of complex factors compared to many other management environments. You've got lots of stakeholders, lots of moving parts. What particular challenges motivated the creation of the DMI?

Peter Levine: For this complex management challenge, or set of management challenges, we have a very complex management system. Within those management structures, we have divided leadership among political appointees, senior military officials, and senior civilians. Of those, career civilians tend to stay in the same place over a period of time. But political appointees and military and senior military leaders rotate in and out frequently. One of the results of that is that we have constant changes in leadership, which means that maintaining an institutional knowledge and a steady hand on the management is a difficult challenge for the department. One of the ways that we want to try to help that is helping the department establish a community of interest around management. People who think about management on an ongoing basis and can help carry the institutional knowledge and preserve the institutional knowledge and bring it back to leaders who may be new in their roles so that they know what has gone before and lessons that have been learned from what's been tried in the past and can build on past experience rather than repeating mistakes or trying things without that kind of knowledge and that informed approach.

Rhett Moeller: Great. So, the animating problem was continuity of leadership of paving the way to make transitions from leader to leader easier.

Peter Levine: Well, that's an aspect of it, but I think that it's not just that, it's preserving the institutional knowledge of the department, it's creating a network of expertise outside of the department which can inform what goes on inside the department. So we've been asked to bring together a network of experts from IDA, from other FFRDCs [federally funded research and development centers], from think tanks, from academia, from the private sector, management

consulting firms, public interest organizations, former government officials, people with deep knowledge of different aspects of defense management, of management generally, who can work across these different types of pillars of organization, bring knowledge from different sources and be available to the Department of Defense and to senior leaders and managers in the Department of Defense to help them address these kind of problems that they're likely to face on a day-to-day basis.

Rhett Moeller: So, Peter, in your first answer, you talked about a broad range, obviously some far-reaching problems that cover a lot of different aspects of supporting military operations around the world and everything that goes with it. And then you also mentioned several key areas that I believe you're calling the eight pillars. When you look at these eight pillars, any one of them encompasses a broad range of knowledge. How does the DMI plan to assist the defense community across this wide range of topics, challenges and expertise?

Peter Levine: Well, first, there are a lot of institutions that already provide support for the department and deep expertise in a number of these areas. IDA is one of them, but there are others out there. I mean, if you look at the acquisition area, for example, there's Defense Acquisition University, there's the Acquisition Innovation Research Center, RAND, other FFRDCs. There are plenty of people out there doing work. We don't intend — we couldn't replace those. We don't intend to replace those. What we want to try to do is to build a network so that we can bring those resources together and where there are places where fusing knowledge across different organizations and bringing experts together from different sources can be helpful. The department will do that. We envision doing things like holding additional conferences, holding symposia on specific issues, doing round tables, providing panels of experts for the department. When a specific issue comes up, probably, we would like to reach out to a next generation of leaders and provide educational modules or training or experiences for people who are in Washington for the first time to show them the kinds of challenges the department faces, the kinds of work that they could do if they came into the department and wanted to take on management issues. So, there are all these different kinds of roles in places where we would not be trying to replicate what's out there already. But we think we can bring to bear resources from across different organizations and fuse them together in a way that's particularly helpful to the department.

Rhett Moeller: Going back to this concept of the eight pillars, Peter, obviously, each one exists for a reason in the model that you created. Is any one of them particularly ripe for improvement or better organization and sharing of institutional knowledge?

Peter Levine: So, we tried to break down defense management into eight pillars. And the reason we've done this is to make sure that we cover the full spectrum of defense management issues, both for our network of expertise and for our web-based knowledge system. So, the eight pillars that we've developed are: one, management and governance; two, organizational alignment; then we have resource and financial management; IT and data management; acquisition management, logistics management, human resources management; and healthcare management. And we think that pretty well covers the spectrum of management issues the department faces. We of course are

open to the idea that there'd be additional issues that we may cover in a miscellaneous category. We have to recognize that the department is continually trying to improve in all of these eight areas. We're not bringing something new to the idea that, hey, let's work on the acquisition system nobody's thought of that before or hey, let's work on the human resources system nobody's thought about that before. People are thinking about those issues all the time and working on those issues all the time. What we think we can do is to bring that knowledge together in a way that it's helpful and, and learning that takes place together in a way that's helpful to the Department of Defense and useful to the Department of Defense. So, a couple of things we're doing, one is this network of expertise that I mentioned. The other is that we want to create a web-based knowledge system for each of the pillars. We want to bring together key documents and studies that show the history of what the department has tried in the past, case studies, lessons learned, what's worked, what hasn't worked, and bring that together in one place from a number of different sources, from as many different sources as we can, across a range of issues so that people in the department who want to understand what's gone on before, and want to understand all that good work that is going on now, across multiple sectors, can have a single place to go that will bring a lot of that together for them.

Rhett Moeller: So, Peter, you mentioned a website and all these resources. Is that going to be publicly available or who's going to have access to it?

Peter Levine: The objective is to have a resource that is available to the department but also to the public. So, this will be useful to organizations like IDA. So, when we do a new research project in one of these areas, it will help us with our due diligence because it will be a place where we can go to look at what's been done in an area. Our competitors, others in academia across other FFRDCs, the private sector, it'll be available to all of them, but most important will be available to the people in the Department of Defense. We have a prototype website up now, it's DMI.ida.org, but that's only got a couple of pillars and it's just got preliminary information. What we're doing now is working on a more robust website, which we'll work on with the web developer, which will have much greater search capability and much more resources. And of course, we will build out materials on all eight of the pillars so that we have this fully searchable and updatable. What we ultimately want to do is to rely on our network of experts to build this out further. So, it won't just be resources that we added a can identify, but we hope that our experts will help us fill in the gaps and say here's an issue you missed, here's a study you missed, so that it can be a source of collective knowledge. So, that will make it all that much more useful we think to the Department of Defense and the others across the community.

Rhett Moeller: Well, Peter, obviously, you've put a lot of thought and drawing upon a vast amount of experience to come up with all of this. And now you're at the part of setting up a new institution, and there's obviously a lot of work involved with that. In addition to the efforts you and your team are going through right now to build the DMI, is there anything coming up that you're really excited about or anything that you're particularly focused on that maybe you can let us know a little bit more about?

Peter Levine: Well, first, I want to make it clear that this is the idea of the Department. Secretary Hicks and Secretary Donnelly came up with the concept for this Defense Management Institute. So, it's really, we're working with them to, to bring to reality their vision of what this can be. One of the things we're particularly excited about getting started on in the near future is a review of the defense agencies and field activities there are about 20 some defense agencies and field activities, which are each independent business organizations of one kind or another, and we will be working with the Pentagon's Director of Administration and Management, Secretary Donnelly, to do a systematic review of those and identify areas where perhaps they could be more efficient or more effective. Over the last several months, I have spoken to probably approaching now, 200 different individuals who are experts in different fields of defense management, and I found uniform excitement and enthusiasm and willingness to support the department. This isn't a business proposition for most of them, for most it's a recognition that this is a problem and this is a set of issues that really need to be addressed and a desire to pitch in and support the department and help here. And I think that kind of energy is what really promises to make the Defense Management Institute a success.

Rhett Moeller: Well, Peter, thank you very much for taking the time to discuss this new Institute with us and for sharing your considerable experience. It's been most illuminating. As always listeners, if you want more information on IDA and its ongoing work, please take a moment to check us out at ida.org. This show is hosted by the Institute for Defense Analyses, a nonprofit organization based in the Washington, D.C., area.

Thanks for tuning in, and we hope you'll join us again next time as we discuss another big idea here at IDA Ideas.

Show Notes

Learn more about the topics discussed in this episode via the links below.

DOD Announces the Establishment of the Defense Management Institute,
<https://www.defense.gov/News/Releases/Release/Article/3284179/dod-announces-the-establishment-of-the-defense-management-institute/>.

Defense Management Institute (DMI), <https://dmi.ida.org/>.