

## DEFENSE EFFICIENCIES

### Action Needed to Improve Evaluation of Initiatives

#### Why GAO Did This Study

In May 2010, the Secretary of Defense announced a department-wide initiative with the goal of achieving efficiencies and reducing excess overhead costs while reinvesting those savings in sustaining DOD's force structure and modernizing its weapons portfolio. The Secretary tasked the military departments and SOCOM to find estimated savings of about \$100 billion over the period of fiscal years 2012 to 2016. For fiscal years 2013 and 2014, DOD identified additional efficiency initiatives. The National Defense Authorization Act for Fiscal Year 2012 mandated that GAO assess the extent to which DOD has tracked and realized savings proposed pursuant to the initiative to identify \$100 billion in efficiencies. As the second report in response to this mandate, this report addresses 1) DOD's progress in adjusting its approach to tracking and reporting on the implementation of its efficiency initiatives since GAO's December 2012 report, and 2) the extent to which DOD is evaluating the impact of its initiatives. GAO reviewed guidance, and analyzed and discussed information developed after December 2012 with DOD officials.

#### What GAO Recommends

GAO recommends that DOD establish a requirement for the military departments and SOCOM to develop approaches for evaluating the impact of their efficiency initiatives, such as developing performance measures or other indicators. DOD concurred with GAO's recommendation, and provided additional comments that it will cease tracking initiatives that strictly call for program terminations. GAO believes this to be a reasonable approach.

View [GAO-14-134](#). For more information, contact Zina D. Merritt at 202-512-5257 or [merrittz@gao.gov](mailto:merrittz@gao.gov).

#### What GAO Found

The Department of Defense (DOD) has refined its approach for tracking and reporting on the status of efficiency initiatives by establishing specific requirements to standardize and expand the type of information that the military departments (Army, Navy, and Air Force) and U.S. Special Operations Command (SOCOM) report to senior decision makers. Initially, DOD provided general direction through emails, briefings, and training, which gave the military departments and SOCOM flexibility to selectively report on the initiatives that they believed were important, resulting in inconsistencies. For example, prior to February 2013, all but the Navy had chosen to report on all their initiatives. In February 2013, the DOD Comptroller issued written guidance that specified the type of information to be reported, including 1) whether original net savings projections are being met, and 2) any associated program or milestone risks. In instances where original net savings projects were not met or risks were identified, the guidance required further detail such as how implementation would be achieved. As a result, in their March 2013 reports, the military departments and SOCOM only reported details on those initiatives that were not achieving original net savings estimates or where risk had been identified. GAO observed, during this review, that information on all initiatives was now unavailable to DOD decision makers, thus hindering their ability to assess implementation progress across the full range of initiatives. Comptroller officials agreed that such information would enhance DOD's oversight, and in October 2013, the DOD Comptroller issued updated guidance, directing that this information also be reported on initiatives on track to achieve savings or not experiencing risk. The military departments and SOCOM subsequently began submitting reports with this broader set of information.

The military departments and SOCOM have taken steps to evaluate the impact of some of their efficiency initiatives, such as establishing performance measures to assess their impact on achieving desired outcomes. However, this has largely occurred on an ad hoc basis and varies by initiative because DOD has not required such evaluations. As a result, DOD lacks a systematic basis for evaluating whether its various initiatives have improved the efficiency or effectiveness of its programs or activities. In setting forth initiatives, the Secretary of Defense intended for DOD to improve the effectiveness and efficiency of its programs and activities, and that related initiatives should be specific, actionable, and measurable. While DOD has provided direction on how the military departments and SOCOM are to report on implementation status, this direction does not require them to develop approaches for evaluating the impact of their initiatives. In practice, the military departments and SOCOM varied in the extent to which they evaluated initiatives, including whether they had established measures or other indicators to assess outcomes. For example, GAO found instances where the military departments and SOCOM had established measures and assessed progress for some but not all initiatives. Developing a more systematic approach to evaluating the impact of its initiatives could provide DOD with more complete information to assess whether the initiatives are accomplishing desired outcomes, beyond achieving savings, and whether adjustments are needed in the scope of implementing the initiatives.