

# GAO Highlights

Highlights of [GAO-19-165](#), a report to congressional committees

## Why GAO Did This Study

DOD continues to confront organizational challenges that hinder collaboration. To address these challenges, section 911 of the NDAA for FY 2017 directed the Secretary of Defense to issue an organizational strategy that identifies critical objectives that span multiple functional boundaries; establish cross-functional teams to support this strategy and provide related guidance and training; and take actions to streamline the Office of the Secretary of Defense. Further, section 921 of the NDAA for FY 2019 calls for the Secretary of Defense to reform the department's enterprise business operations.

The NDAAs for FY 2017 and 2019 also included provisions for GAO to assess DOD's actions in response to sections 911 and 921, respectively. This report assesses the extent to which DOD has made progress in (1) addressing the requirements of section 911, and (2) reforming the department's enterprise business operations under section 921. GAO reviewed documentation on DOD's implementation of sections 911 and 921; interviewed cross-functional team leaders, members, and other DOD officials; and compared DOD's implementation of its cross-functional teams to GAO's key practices.

## What GAO Recommends

GAO recommends that DOD establish a process to identify and prioritize funding for implementing its cross-functional teams' business reform initiatives. DOD concurred with this recommendation.

View [GAO-19-165](#). For more information, contact Elizabeth Field at (202) 512-2775 or [fielde1@gao.gov](mailto:fielde1@gao.gov).

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## DEFENSE MANAGEMENT

### DOD Needs to Implement Statutory Requirements and Identify Resources for Its Cross-Functional Reform Teams

## What GAO Found

The Department of Defense (DOD) has implemented four statutory requirements in section 911 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, but has not addressed five requirements intended to support cross-functional teams and promote department-wide collaboration (see table).

**Status of Department of Defense's Implementation of Requirements in Section 911 of the National Defense Authorization Act (NDAA) for Fiscal Year 2017, as of December 2018**

Section 911 requirement	Statutory due date	Status
Award contract for a study on cross-functional teams	March 15, 2017	Completed
Provide the results of the study to Congress	July 15, 2017	Completed
Establish cross-functional teams	September 30, 2017	Completed
Issue report on cross-functional teams	June 23, 2018	Completed
Develop and issue an organizational strategy	September 1, 2017	Not completed
Issue guidance on cross-functional teams	September 30, 2017	Not completed
Streamline Office of the Secretary of Defense	June 23, 2018	Not completed
Provide training to cross-functional team members and their supervisors	Not specified	Not completed
Provide training to presidential appointees	Within 3 months of appointment	Not completed

Source: GAO analysis of the NDAA for Fiscal Year 2017 and Department of Defense information. | GAO-19-165

For two of these requirements, DOD has missed the statutory deadline by more than a year. GAO previously recommended that DOD take actions to improve its implementation of section 911, and DOD reported it is doing so, such as revising its draft cross-functional team guidance to address statutory requirements. Fully implementing GAO's prior recommendations and the remaining statutory requirements would better position DOD to effectively implement its cross-functional teams and advance a collaborative culture, as required by the NDAA.

Nine cross-functional teams are driving DOD's enterprise business reform efforts under section 921 of the FY 2019 NDAA, but the teams' progress has been uneven. As of September 2018, DOD reported that these nine teams were pursuing a total of 135 business reform initiatives. However, 104 of these initiatives have not reached the implementation phase. A key challenge facing the teams is that some lack resources to fully implement their approved initiatives. For example, DOD officials stated that the department did not fulfill four of nine funding requests from the teams in fiscal year 2018 to implement their initiatives. As of September 2018, DOD officials estimated that the teams need about \$6.7 billion to implement their initiatives from FYs 2018 through 2024, but DOD has not identified sources for this funding. GAO's prior work on efficiency initiatives found that up-front investments may be required to realize long-term savings. In addition, GAO's prior work on leading practices for implementing effective cross-functional teams highlights the importance of providing teams with access to resources and having well-defined team operations with established rules and procedures. However, DOD has not established a process for identifying and prioritizing available funding for implementing the teams' initiatives. Without such a process, DOD and the teams may not be able to adequately plan for and execute their reform initiatives.