

GAO Highlights

Highlights of [GAO-15-148](#), a report to congressional committees

Why GAO Did This Study

GAO designated DOD's supply chain management as a high-risk area and in July 2011 found that limitations in asset visibility make it difficult to obtain timely and accurate information on assets that are present in a theater of operations. In 2013, GAO found that DOD had made moderate progress in addressing weaknesses in its supply chain management and identified several actions that DOD should take to strengthen asset visibility, including completing and implementing its strategy for coordinating efforts to improve asset visibility across the department.

This report examined the extent to which DOD has (1) a comprehensive strategy and implementation plans for improving asset visibility; and (2) made improvements in asset visibility that meet GAO's criteria for removal from the High-Risk List. GAO reviewed DOD's 2014 *Strategy* and initiatives for improving asset visibility and evaluated DOD's actions to improve asset visibility against GAO's criteria for determining and removing high risk designations.

What GAO Recommends

GAO recommends four actions to improve DOD's management of asset visibility. The actions include, among other things, that DOD include information in its *Strategy* and SEPs on elements used to develop cost estimates; clearly link performance measures for the initiatives and the *Strategy's* goals and objectives; and demonstrate that the initiatives are resulting in measurable outcomes and progress toward meeting the goals and objectives in the *Strategy*. DOD agreed with all the recommendations.

View [GAO-15-148](#). For more information, contact Zina Merritt at 202-512-5257 or merrittz@gao.gov.

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DEFENSE LOGISTICS

DOD Has a Strategy and Has Taken Steps to Improve Its Asset Visibility, but Further Actions Are Needed

What GAO Found

In January 2014, the Department of Defense (DOD) issued its *Strategy for Improving DOD Asset Visibility (Strategy)* and supporting execution plans (SEP), which included five of the seven key elements of a comprehensive strategic plan and partially included the other two elements. For example, the *Strategy* fully includes a comprehensive mission statement; a problem definition, scope, and methodology; goals and objectives; activities, milestones, and performance measures; and organizational roles, responsibilities, and coordination. However, 4 of the 22 SEPs, which outline initiatives intended to improve asset visibility, did not address resources and investments and key external factors. DOD officials told GAO that this information would be added during regular updates to the *Strategy*. Since the *Strategy* was issued, DOD components have begun updating the SEPs to include information—such as costs and key external factors—that had been missing from the SEPs included in the *Strategy*.

DOD has taken steps to improve its asset visibility, and GAO's assessment is that the department has fully met one of the five criteria for removal from the High-Risk List—leadership commitment—and partially met the other four, as shown below.

Extent to Which DOD's Efforts to Improve Asset Visibility Meet GAO's High-Risk Criteria		
Criteria	Description	GAO's assessment ^a
Leadership commitment	Demonstrate strong commitment and top leadership support	●
Capacity	Demonstrate the capacity (i.e., the people and other resources) to resolve the risks	◐
Corrective action plan	A corrective action plan exists that defines the root causes and solutions and provides for substantially completing corrective measures, including steps necessary to implement the solutions GAO recommended	◐
Monitoring	Program instituted to monitor and independently validate the effectiveness and sustainability of corrective measures	◐
Demonstrated progress	Ability to demonstrate progress in having implemented corrective measures and resolving the High-Risk area	◐

Legend: ● Fully met ◐ Partially met

Source: GAO analysis of DOD data. | [GAO-15-148](#)

^aFully met indicates that all parts of the criterion were fully addressed. Partially met indicates that some, but not all, aspects of the criterion were addressed.

Related to demonstrating capacity, DOD has begun to identify the resources and investments required to achieve the *Strategy's* goals and objectives, but the *Strategy* and accompanying SEPs do not include detail on the elements used in developing cost estimates for the individual initiatives. Further, while the *Strategy* and SEPs serve as a corrective-action plan, there is not a clear link between the performance measures for the initiatives and the *Strategy's* goals and objectives, and DOD has not yet developed a process for determining whether implementing its initiatives is helping it to achieve these goals and objectives. Until these criteria are satisfied, the department will have limited ability to demonstrate measurable progress towards achieving progress in improving its asset visibility.