

**SEC. 908. BUSINESS TRANSFORMATION INITIATIVES FOR THE MILITARY DEPARTMENTS.**

(a) In General- The Secretary of each military department shall, acting through the Chief Management Officer of such military department, carry out an initiative for the business transformation of such military department.

(b) Objectives- The objectives of the business transformation initiative of a military department under this section shall include, at a minimum, the following:

(1) The development of a comprehensive business transformation plan, with measurable performance goals and objectives, to achieve an integrated management system for the business operations of the military department.

(2) The development of a well-defined enterprise-wide business systems architecture and transition plan encompassing end-to-end business processes and capable of providing accurately and timely information in support of business decisions of the military department.

(3) The implementation of the business transformation plan developed pursuant to paragraph (1) and the business systems architecture and transition plan developed pursuant to paragraph (2).

(c) Business Transformation Offices-

(1) ESTABLISHMENT- Not later than 180 days after the date of the enactment of this Act, the Secretary of each military department shall establish within such military department an office (to be known as the 'Office of Business Transformation' of such military department) to assist the Chief Management Officer of such military department in carrying out the initiative required by this section for such military department.

(2) HEAD- The Office of Business Transformation of a military department under this subsection shall be headed by a Director of Business Transformation, who shall be appointed by the Chief Management Officer of the military department, in consultation with the Director of the Business Transformation Agency of the Department of Defense, from among individuals with significant experience managing large-scale organizations or business transformation efforts.

(3) SUPERVISION- The Director of Business Transformation of a military department under paragraph (2) shall report directly to the Chief Management Officer of the military department, subject to policy guidance from the Director of the Business Transformation Agency of the Department of Defense.

(4) AUTHORITY- In carrying out the initiative required by this section for a military department, the Director of Business Transformation of the military department under paragraph (2) shall have the authority to require elements of the military

department to carry out actions that are within the purpose and scope of the initiative.

(d) Responsibilities of Business Transformation Offices- The Office of Business Transformation of a military department established pursuant to subsection (b) may be responsible for the following:

(1) Transforming the budget, finance, accounting, and human resource operations of the military department in a manner that is consistent with the business transformation plan developed pursuant to subsection (b)(1).

(2) Eliminating or replacing financial management systems of the military department that are inconsistent with the business systems architecture and transition plan developed pursuant to subsection (b)(2).

(3) Ensuring that the business transformation plan and the business systems architecture and transition plan are implemented in a manner that is aggressive, realistic, and accurately measured.

(4) Such other responsibilities as the Secretary of that military department determines are appropriate.

(e) Required Elements- In carrying out the initiative required by this section for a military department, the Chief Management Officer and the Director of Business Transformation of the military department shall ensure that each element of the initiative is consistent with--

(1) the requirements of the Business Enterprise Architecture and Transition Plan developed by the Secretary of Defense pursuant to section 2222 of title 10, United States Code;

(2) the Standard Financial Information Structure of the Department of Defense;

(3) the Federal Financial Management Improvement Act of 1996 (and the amendments made by that Act); and

(4) other applicable requirements of law and regulation.

(f) Reports on Implementation-

(1) INITIAL REPORTS- Not later than nine months after the date of the enactment of this Act, the Chief Management Officer of each military department shall submit to the congressional defense committees a report on the actions taken, and on the actions planned to be taken, by such military department to implement the requirements of this section.

(2) UPDATES- Not later than March 1 of each of 2010, 2011, and 2012, the Chief Management Officer of each military department shall submit to the congressional defense committees a current update of the report submitted by such Chief Management Officer under paragraph (1).