



DCMA Manual 4503-01

Strategic Planning

Office of Primary Responsibility

Corporate Governance Capability

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Process flow and key controls are located on the Resource Page

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Resource Page Link:

<https://360.dcma.mil/sites/policy/CG/SitePages/4503-01r.aspx>

Approved by:

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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," implements policy, assigns responsibilities, and provides direction to the Agency pursuant to DoD Directive 7045.14, "The Planning, Programming, Budgeting, and Execution (PPBE) Process."

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to all DCMA employees who perform strategic planning activities unless higher-level regulations, policy, guidance, or agreements take precedence.

1.2. POLICY. It is DCMA policy to:

a. Establish and implement a process for Planning as part of the Planning phase of the Planning, Programming, Budgeting, and Execution (PPBE) process as directed by DoD Directive (DoDD) 7045.14.

b. Establish a consistent approach and standardized framework for measuring, analyzing and reporting performance results during the Planning Phase of the PPBE process.

c. Provide structure for the alignment of resources to goals, objectives and initiatives based on overarching and clearly defined strategies.

d. Establish a formal mechanism for identifying, developing and implementing DCMA Strategic Planning activities.

e. Follow established guidance pursuant to Government Performance and Results Act Modernization Act (GPRAMA), and the Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget."

f. Execute this Manual in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The DCMA Director or delegate will:

- a. Provide strategic direction, oversight, and priorities in support of the DoD mission in accordance with (IAW) DoDD 7045.14, along with members of the Agency Senior Leadership Team (SLT).
- b. Approve the final DCMA Strategic Plan.
- c. Appoint Strategic Plan Goal Leaders.
- d. Ensure organizational resources are used to accomplish the DCMA mission in an effective and efficient manner.

2.2. DEPUTY DIRECTOR, DCMA. The Deputy Director manages the day-to-day activities supported by the Corporate Governance and Stewardship Capability Boards and headquarters elements assigned planning and resourcing responsibilities. Chairs the Workload and Resourcing Room that reviews and makes recommendations regarding requests for new and changing labor resource requirements and the DCMA Requirements Oversight Council responsible for requirements oversight and prioritization of requirements for the Agency.

2.3. DCMA SENIOR LEADERSHIP TEAM. The DCMA SLT or delegates will:

- a. Participate in the Strategic Planning Process.
- b. Collectively contribute to, endorse, and promote the Agency Strategic Plan.
- c. Accomplish the Agency's strategic priorities, initiatives, and mission.
- d. Monitor execution and performance of the Agency's strategic priorities, initiatives, and mission.
- e. Participate in execution and performance reviews in support of the Planning Process.
- f. Support obtaining necessary resources to execute the Agency's mission, strategic priorities, and initiatives.
- g. Review and analyze Defense Strategic Guidance as well as guidance from other internal and external sources in order to understand and adjust strategic direction for the Agency and identify critical, new or changing requirements impacting Agency mission.

2.4. DCMA STRATEGIC PLAN GOAL LEADERS. The DCMA Strategic Plan Goal Leaders are appointed by the DCMA Director and will:

- a. Execute the Agency's strategic priorities.

- b. Be accountable for leading implementation efforts to achieve a goal.
- c. Lay out strategies to achieve the goal, manage execution, regularly review performance, engage others as needed, and correct course as appropriate.
- d. Report performance progress during Quarterly Strategic Performance Reviews.
- e. Identify resource requirements necessary to execute the Agency's mission, strategic priorities, and initiatives.

2.5. CORPORATE GOVERNANCE CAPABILITY MANAGER. The Corporate Governance Capability Manager (CM) or delegate will:

- a. Manage the DCMA Strategic Planning Process. (A process flowchart is available on the Resource Page)
- b. Provide necessary resources to support the DCMA Strategic Planning Process.
- c. Communicate Agency priorities to the Component Heads and/or Capability Managers to ensure consistency of approach in support of strategic planning.
- d. Facilitate the development, execution and management of the DCMA Strategic Plan.
- e. Participate in execution and performance reviews and reporting of progress.
- f. Notify Director and SLT of changing higher echelon guidance and governing documents, and incorporate necessary changes into the Strategic Planning Process.
- g. Ensure the DCMA Strategic Plan is published and accessible to all DCMA employees and external sources.

2.6. DCMA COMPONENT HEADS AND CAPABILITY MANAGERS. The DCMA Component Heads and CMs will:

- a. Ensure functional and/or operational efforts support the strategic direction and mission of the Agency.
- b. Collaborate cross-functionally to develop comprehensive strategies in support of the DCMA Strategic Plan.
- c. Communicate Agency goals and priorities to all employees ensuring full understanding of their role in execution and alignment to their Contribution Plan or Individual Performance Plan IAW DCMA-Manual (DCMA MAN) 4201-13, "Performance Management" and DCMA-MAN 4201-25, "Awards."
- d. Identify resource requirements necessary to accomplish Agency identified goals.

SECTION 3: PROCEDURES

3.1. PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION GUIDANCE.

a. Planning and Resourcing activities serve as the annual planning, resource allocation and execution review process for DCMA within a quadrennial planning cycle IAW DoDD 7045.14. This process is pursuant to The DoD's National Defense Strategy, National Defense Business Operations Plan, mission, program, and budget guidance.

b. DCMA will conduct annual reviews of the Defense Strategic Guidance to include but not limited to the National Defense Strategy, National Security Strategy and National Defense Business Operations Plan along with other publications that will impact the Agency. Review of the Director's Focus Areas will be considered as well as information provided by the Components and Capability Boards.

c. Results of reviews and analysis will be used to adjust Strategic Plan Goals, Objectives or Initiatives. This may result in an out of cycle revision or new Strategic Plan depending on timeframe as indicated in Paragraph 3.3.

d. DCMA will perform a gap analysis IAW DCMA-MAN 4502-01 "Corporate Governance Structure and Procedures," environmental scan, initial risk profile assessment, and determine potential Agency impacts based on the new guidance.

e. A draft Strategic Plan will be coordinated prior to the Director's approval and signature IAW the staffing process in DCMA-MAN 4501-02, "Correspondence Program." Component Heads and Capability Boards will have an opportunity to provide input and feedback to ensure the "voice of the field" is captured.

3.2. PLANNING.

a. In the Planning phase, the mission of the military, the defense posture of the United States, the role of the DoD and the Agency in the world environment must be examined. In addition, consideration must be given to enduring national security objectives and the need for efficient management of defense resources. The focus must be on:

(1) Defining the Agency strategy necessary to help maintain national security and support execution of the Agency's missions.

(2) Planning the integrated and balanced capabilities necessary to accomplish strategies that will be used to achieve the Agency's mission, goals and objectives.

(3) Defining the policy framework, needed to manage Agency resources, including:

- Priorities
- Affordability
- Balanced risk

- Suitability
- Feasibility
- Effectiveness

(4) Providing strategic decision options to the Under Secretary of Defense for Acquisition & Sustainment (USD(A&S)) to help in assessing the role, organization and resourcing of DCMA for the development and execution of the mission and related decisions. Those decision options must be:

(a) Informed by the relevant laws, policies, acquisition and industrial base strategies, and sustainment plans.

(b) Based on systematic analysis of current and programmed activities in relation to the demands of Agency missions defined by the USD(A&S).

b. The Planning Process is the foundation of the Agency's planning system because it provides direction for all programmatic and management functions used to execute the strategies necessary to successfully accomplish the mission.

(1) Perform an annual review of the Agency Strategic Plan, incorporating guidance and information from a wide range of sources. Including, but not limited to:

(a) External Sources:

- Defense Planning Guidance
- National Defense Strategy
- National Defense Business Operations Plan

(b) Internal Sources:

- Director's Strategic Guidance
- Portfolio Management and Business Integration Industry and Services Insights
- Strategic Plan Review
- Execution and Performance Reviews
- Capability Gap Analysis

(2) Align resources to prioritized capabilities based on an overarching strategy that requires balancing necessary mission and support capabilities with affordability, risk, feasibility, and effectiveness. Effective strategic planning facilitates the development of clear resource requirements enabling data driven decision making during the programming and budgeting phases of the PPBE process.

(3) Perform of a gap analysis IAW DCMA-MAN 4502-01, environmental scan, and initial risk profile assessment to determine potential Agency impacts based on the new guidance.

(4) Analyze programs by Component Heads and conduct a risk assessment based on the ability of the Component to execute the strategy approved during the Planning Phase.

(5) Conduct Strategic Planning Session to establish and document clear goals for the Agency direction to be included in the Agency Strategic Plan.

(6) Coordinate Draft Agency Strategic Plan IAW the staffing process in DCMA-MAN 4501-02 and implement applicable feedback prior to finalizing.

(7) Collaborate with the Strategic Communications Division to publish the Agency Strategic Plan and/or Annual Performance Plan and make accessible to all employees and external stakeholders.

(8) Develop a formal report detailing the execution progress of each Strategic Goal as a result of the Quarterly Strategic Performance Review.

3.3. STRATEGIC PLAN. The Strategic Plan is the tool the Agency utilizes to identify and guide execution of the mission.

a. Publication. The GPRAMA aligns strategic planning with the beginning of each new term of an Administration, requiring every Federal Agency to produce a new Strategic Plan by the first Monday in February following the year in which the term of the President commences.

(1) The Strategic Plan, therefore, presents the long-term objectives the Agency hopes to accomplish at the beginning of each new term of an Administration by describing general and long-term goals the Agency aims to achieve.

(2) Additionally, the Strategic Plan identifies the actions the Agency will take to realize those goals, and how the Agency will deal with challenges and risks that may hinder achieving results.

b. Revision Cycle. DCMA may make adjustments to the Strategic Plan in advance of the typical 4-year revision cycle prescribed by the GPRAMA, as strategic reviews or external factors may impact changes to long-term decisions, and with Office of Management & Budget review.

(1) In order to ensure the strategic goals and objectives reflect Agency efforts throughout the Administration, agencies are encouraged to consider changes to their strategic goals and objectives as part of strategic reviews. Revisions may occur based on results of strategic reviews, information gained through evaluations, external events, changes in legislation, changes in strategy, or other factors to reflect significant changes in the environment in which DCMA is operating such as new statutory requirements, leadership priorities, or major management initiatives.

(2) DCMA will also apply information and analysis learned from the strategic review assessment processes, in addition to other analyses associated with strategic planning best practices when considering revisions to the Agency's Strategic Plan and strategies for

implementation. While these changes will be encouraged to be part of the Agency strategic review process, interim adjustments will also be considered throughout the year in response to major events. Interim adjustments do not alter the revision cycle for Strategic Plans.

c. Executive Reviews and Performance Assessments. DCMA will conduct reviews when determined necessary by the DCMA Director or SLT but at least quarterly. Executive reviews and performance assessments are conducted per established Agency guidance.

d. Content. The Strategic Plan will include (at a minimum) the following:

(1) Mission Statement. A brief, easy-to-understand narrative, usually no more than a sentence long. It defines the basic purpose of the Agency and is consistent with the Agency's core programs and activities expressed within the broad context of national problems, needs, or challenges. Mission statements enable the employees of an agency to see how their work contributes to the broader mission.

(2) Strategic Goals. General, outcome-oriented, long-term goals for the major functions and operations of the Agency. The strategic goal will address the broader impact that is desired by the organization.

(3) Strategic Goal Overview. Brief description of the opportunity or problem being addressed by the strategic goal and why the goals were selected including relevant background on the underlying reason for choosing each strategic goal, such as the problems necessitating the goal, opportunities being pursued, legislative mandates, and Presidential directives.

(4) Strategic Objectives. Reflect the outcome or management impact the Agency is trying to achieve and generally include the Agency's role. Objectives are tied to a set of performance targets and indicators established to help the Agency monitor, measure and understand progress. Strategic objectives serve as the primary unit of analysis for Agency assessment of how the Agency is achieving its mission. Strategic objectives can support the Agency in managing across goals contributing to common outcomes.

(5) Strategic Objective Overview. Brief description of the opportunity or problem being addressed by the strategic objective and characteristics of the problem or opportunity, such as size and location, as well as why the objective was selected.

(6) Strategies for Objectives. Description of the Agency strategies (initiatives) planned to make progress on strategic objectives, such as analysis of outliers, promising practices, and process improvement reforms. Strategies may include operational processes, human capital, training, skills, technology, information, and other resources that are critical to mission delivery. Identify key external factors, including risks that could significantly affect the achievement of objectives, distinguishing those beyond its control and those it seeks to influence.

e. Supplemental Publications. The Agency Strategic Plan will be supplemented by an Annual Performance Plan that will include the measurable strategies/initiatives necessary to

accomplish established Goals and Objectives. This document will outline previous year accomplishments and current year focus areas.

GLOSSARY

G.1. ACRONYMS.

CM	Capability Manager
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DoDD	DoD Directive
GPRAMA	Government Performance and Results Modernization Act
IAW	In Accordance With
PPBE	Planning, Programming, Budgeting and Execution
SLT	Senior Leadership Team
USD(AS)	Under Secretary of Defense for Acquisition and Sustainment

REFERENCES

DCMA-Manual 4201-13, "Performance Management," TBD
DCMA-MAN 4201-25, Awards," TBD
DCMA Manual 4501-02, "Correspondence Program," May 26, 2019
DCMA Instruction 4502-01, "Corporate Governance Structure and Procedures," January 14, 2019
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
DoD Directive 7045.14, "The Planning, Programming, Budgeting, and Execution (PPBE) Process," January 25, 2013 (as amended)
Government Performance and Results Act Modernization Act of 2010
National Defense Business Operations Plan, current edition
National Defense Strategy, current edition
Office of Management and Budget (OMB) Circular No. A11 (2016), Section 230-11