

# BACKGROUND

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## Army Futures Command: A Move in the Right Direction

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### Abstract

*In order to improve modernization outcomes, the U.S. Army has established a new major command—Army Futures Command (AFC)—with the stated purpose to better integrate and execute requirements and acquisition processes. Given the time and attention the Army is devoting to understanding the challenges that made AFC necessary and the resources being applied to this change, it is reasonable to expect it will be successful. In addition to the activation of this new organization, there are other areas that must be carefully managed in order to ensure positive outcomes. Of particular importance, the Army must deliberately create a career path that grows AFC leaders, lest there be a dearth of qualified leaders in the future.*

In November 2017,<sup>1</sup> the Army announced its intent to establish a new major command, since named the Army Futures Command (AFC), with the intent for this command to be the “custodian of Army modernization efforts; linking operational concepts to requirements to acquisition to fielding.”<sup>2</sup> Army leaders have characterized the establishment of this command as the largest reorganization of the Army since 1973 when it founded the Training and Doctrine and the Forces Commands.<sup>3</sup>

Army leaders cite several reasons for the necessity of this new command, including the imperative contained in the new National Defense Strategy to “anticipate the implications of new technologies on the battlefield, rigorously define the military problems anticipated in future conflict, and foster a culture of experimentation and calculated risk-taking.”<sup>4</sup> Leaders also mention a desire to avoid prior problems in Army modernization, which include such famous-

### KEY POINTS

- To further Army efforts to organize Army Futures Command, Congress should support stable modernization funding for the Army to assist with predictable programs and remain interested in the selection and tenure of general officers selected for service in the Army modernization enterprise.
- The Army, in turn, should ensure Cross Functional Team members are directed that their primary responsibility is to the success of the team; examine ways to integrate and matrix the Army Futures Command sub-organizations to improve coordination and collaboration; and maintain current attention and focus on Army modernization.
- Importantly, leaders should be prepared for assignments in Army modernization positions with early developmental assignments and education, including positions that provide an understanding of the institutional Army.
- The Army and the Office of the Secretary of Defense must also take the long view on materiel requirements and resist the temptation to make decisions based on the current operational challenges.

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ly cancelled programs as the Future Combat System, the Crusader howitzer, and the Comanche helicopter. Finally, the length of time between when a requirement is realized and when the formal requirements document is approved has been noted as a distinct area in which improvement is needed.

Seeking to make a distinct break from the past, the Army has chosen to locate this new headquarters not on an existing Army base, but rather in a major city, taking advantage of the proximity of high technology industry, academia, and a culture of entrepreneurship. Under Secretary of the Army Ryan McCarthy, when explaining the reason to forgo a more traditional location, said the necessary “ecosystem cannot be duplicated from behind the walls of traditional posts and forts.” On July 13, 2018, the Army announced that Austin, Texas, had been selected as the location for the new headquarters.<sup>5</sup>

A four-star general will command the new organization, and Lieutenant General John “Mike” Murray, the current Army G-8, has been nominated for the position.<sup>6</sup> The Army has declared that the command has achieved initial operating status, and plans to make the command fully operational within a year—by July 2019. The new headquarters is anticipated to have a staff of around 500 people, including “100 uniformed soldiers and 400 Army civilians.”<sup>7</sup>

In the official order establishing the command, the Army moved the Army Capabilities Integration

Center (ARCIC), the Capability Development and Integration Directorates (CDIDs) and Battle Labs, and the Training and Doctrine Command’s (TRADOC) Analysis Center (TRAC)—all current subordinate elements of TRADOC—under AFC. Additional elements that will constitute AFC are the Army’s Research Development and Engineering Command (RDECOM) and the Army Materiel Systems Analysis Activity from the Army Materiel Command. Finally, the eight Cross Functional Teams (CFTs) established by the Army in October 2017 to manage the Army’s highest modernization priorities are also assigned to AFC.<sup>8</sup> Other Army elements may also be moved as the organization evolves. The Secretary of the Army, Dr. Mark Esper, has stated that flexibility is key for the new organization to succeed and that “we have to be willing to operate in the grey for some period of time until we find out what works best.”<sup>9</sup>

Esper has also stated how important it will be that AFC work like a matrixed organization in order to cut across the vertical stovepipes that characterized the previous environment of Army modernization.<sup>10</sup> In the past, in order for a program to move from a requirement to a solution, it had to transit from TRADOC to the Pentagon and then to the Acquisition community for a solution. The new organization seeks to blur the normally bright line between requirements and acquisition and create greater unity of effort between the communities.

1. Jen Judson, “Army’s Modernization Command Taking Shape Under Freshly Picked Leaders,” *Defense News*, November 6, 2017, <https://www.defensenews.com/land/2017/11/06/armys-modernization-command-taking-shape-under-freshly-picked-leaders/> (accessed July 17, 2018).
2. Army Futures Command Task Force, “Army Futures Command,” March 28, 2018, <https://www.army.mil/standto/2018-03-28> (accessed July 17, 2018).
3. Dan Lamothe, “Army to Unveil Details About New Futures Command in Biggest Reorganization in 45 years,” *The Washington Post*, July 12, 2018, [https://www.washingtonpost.com/news/checkpoint/wp/2018/07/12/army-to-unveil-details-about-new-futures-command-in-biggest-reorganization-in-45-years/?noredirect=on&utm\\_term=.ee38cf353098](https://www.washingtonpost.com/news/checkpoint/wp/2018/07/12/army-to-unveil-details-about-new-futures-command-in-biggest-reorganization-in-45-years/?noredirect=on&utm_term=.ee38cf353098) (accessed July 17, 2018).
4. U.S. Department of Defense, “Summary of the 2018 National Defense Strategy of The United States of America,” January 19, 2018, p. 7, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf> (accessed July 17, 2018).
5. Department of the Army, “Army Announces Austin as the Home of New Army Futures Command,” July 13, 2018, [https://www.army.mil/article/208477/army\\_announces\\_austin\\_as\\_the\\_home\\_of\\_new\\_army\\_futures\\_command](https://www.army.mil/article/208477/army_announces_austin_as_the_home_of_new_army_futures_command) (accessed July 17, 2018).
6. Matthew Cox, “Report: Army 4-Star Selected to Lead New Futures Command,” *Military.com*, July 17, 2018, <https://www.military.com/daily-news/2018/07/17/report-army-4-star-selected-lead-new-futures-command.html> (accessed July 25, 2018).
7. David A. Vergun, “Austin to Be U.S. Army Futures Command Location, Says Army,” July 13, 2018, [https://www.army.mil/article/208197/austin\\_to\\_be\\_us\\_army\\_futures\\_command\\_location\\_says\\_army](https://www.army.mil/article/208197/austin_to_be_us_army_futures_command_location_says_army) (accessed July 17, 2018).
8. United States Army, “Establishment of United States Army Futures Command,” June 4, 2018, [https://armypubs.army.mil/epubs/DR\\_pubs/DR\\_a/pdf/web/ARN11199\\_GO1810\\_FINAL.pdf](https://armypubs.army.mil/epubs/DR_pubs/DR_a/pdf/web/ARN11199_GO1810_FINAL.pdf) (accessed July 17, 2018).
9. Sydney J. Freedberg Jr., “Permanent Evolution: SecArmy Esper on Futures Command,” *Breaking Defense*, May 7, 2018, <https://breakingdefense.com/2018/05/permanent-evolution-secarmy-esper-on-futures-command-exclusive/> (accessed July 17, 2018).
10. *Ibid.*

Closing some gaps inevitably creates new ones. By closing the gap between requirements and acquisition communities, a potential gap is created between AFC and TRADOC School Commandants, upon whom the Army has heretofore relied to propose organizational and equipment changes. A similar gap could be opened between AFC and the traditional acquisition community represented by the Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASA[ALT]). AFC must ensure any new gaps created are closed by close coordination and communication measures. One measure already announced by the Army to help close the latter gap is to designate the Military Deputy to the ASA(ALT), currently Lieutenant General Paul Ostrowski, as a deputy commanding general of Army Futures Command. This reflects the fact that Army is already thinking of ways to stitch together newly created gaps.

### Previous Organizational Challenges in Army Modernization

Lack of unity of effort in Army modernization efforts has indeed caused challenges. The development of materiel requirements documents often took years due to the ability of every organization in TRADOC and the Army to submit comments and non-concurrences—all of which require lengthy and tedious adjudication and response. An entire cottage industry existed within TRADOC to comment on requirements documents. Army Secretary Esper has noted that the Army often took “five to seven years to develop a set of requirements.”<sup>11</sup> Measures of effectiveness that closely tracked the amount of time necessary for a requirement to move through the system typically did not exist, and progress often defaulted to the tenacity of the individual program advocates to make any progress whatsoever.

Additionally, proponents for a requirement within TRADOC often operated without knowledge or

full consideration of the costs necessary to satisfy the full parameters of a requirement. For example, a TRADOC school could specify that a radio test kit must fit within a cargo pocket on a uniform without understanding the additional cost such a requirement would convey.<sup>12</sup>

In general, when a requirement was finally approved and passed to the Army acquisition community, a completely different scheme of metrics entered into force. Once the formal acquisition strategy was approved, program managers, who are ruthlessly measured by how closely their programs adhere to cost, schedule, and performance, were discouraged from making changes to the requirement—even when real-world environments intervened. While at first blush that may seem reasonable, it often led to situations in which programs that had succeeded in achieving all metrics of cost, schedule, and performance were ultimately rejected by the warfighter for a failure to meet their needs.<sup>13</sup>

Additionally, even though in 2007 the Department of Defense introduced Configuration Steering Boards (CSB) to review and potentially de-scope unnecessary materiel requirements, Army—in a tendency shared among all services, although they routinely conduct CSBs—rarely exercises the option to modify requirements, preferring instead to proceed with the original requirements.<sup>14</sup> Closer integration between requirements and acquisition communities could be expected to increase the use of CSBs to reduce or modify requirements.

Thus, the Army’s embrace of cross-functional teams and a closer integration of modernization organizations is appropriate. American industry has long found that when normally separate departments such as engineering, marketing, sustainment, finance, and science and technology are integrated in matrixed teams, better results are normally the outcome.<sup>15</sup> But

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11. TACOM Public Affairs, “Esper: New Teams to Reduce Acquisition Timeline, Help Army Maintain Battlefield Advantage,” May 8, 2018, [https://www.army.mil/article/204894/esper\\_new\\_teams\\_to\\_reduce\\_acquisition\\_timeline\\_help\\_army\\_maintain\\_battlefield\\_advantage](https://www.army.mil/article/204894/esper_new_teams_to_reduce_acquisition_timeline_help_army_maintain_battlefield_advantage) (accessed July 17, 2018).

12. Example from author’s experience. The Army Signal Center wanted a SINCGARS RF test kit that would fit in a soldier’s uniform cargo pocket. The program manager found a commercial test kit that was two inches too large. Neither would compromise. When faced, however, with the threat of the program’s cancellation, the Signal Center agreed the test kit could be carried in a cargo pouch.

13. See, for example, the Army’s experience with the Ground Mobile Radio. Sean Gallagher, “How to Blow \$6 Billion on a Tech Project,” *Ars Technica*, June 18, 2012, <https://arstechnica.com/information-technology/2012/06/how-to-blow-6-billion-on-a-tech-project/> (accessed July 17, 2018).

14. Letter from Michael J. Sullivan, Director, Acquisition and Sourcing Management, U.S. General Accounting Office, to Senator Carl Levin and Senator James M. Inhofe, “Defense Acquisitions: Military Services Consistently Held Required Configuration Steering Boards That Actively Reviewed Requirements Changes,” May 5, 2014, <https://www.gao.gov/assets/670/663005.pdf> (accessed July 25, 2018).

research has also found that if the individual representatives on the cross-functional teams cannot fully immerse themselves in the group effort and instead continue to act as representatives from their parent organizations, the results are much less successful.<sup>16</sup> AFC must thus be watchful to ensure CFT representatives understand that their first loyalty must be to the CFT's success, not their parent organizations.

Below the level of AFC headquarters, the Army has provided insights on the sub-organizations to compose the command. AFC will include three sub-organizations: Futures and Concepts, which will identify needs and opportunities; Combat Development, which will conceptualize and develop solutions; and Combat Systems, which will engineer and produce solutions.<sup>17</sup> Clear lineages between these new organizations and the legacy elements moved under AFC can be seen: ARCIC and CDIDs currently perform the tasks of Futures and Concepts and Combat Development, while RDECOM and ASA(ALT) perform the tasks envisaged for Combat Systems. As AFC matures it will be important that these sub-organizations are matrixed and re-imagined to ensure collaboration flows freely well below the level of AFC headquarters. It is significant but insufficient to just combine these modernization activities under a new four-star command. AFC's "secret sauce" will be the improved integration and collaboration processes developed within the command between the new sub-elements.

### **Past Army Modernization Efforts Not Just Challenged by Organizational Structure**

Challenges in past Army modernization efforts cannot be solely traced to defective organizational design. Other elements have contributed to failed or delayed modernization programs, including significant cuts in Research, Development, and Acquisition funding; lack of Army leader attention; inexperienced leaders with short tenures; and an inability to

think long-term. While implementing needed organizational change by the creation of AFC, the Army must simultaneously pay attention to these other areas to achieve consistent success.

### **Modernization Funding Must Be Stable**

Pharaoh is said to have told the Israelites to make bricks without straw. Similarly, starting in 2011, the Army was required to conduct a modernization program while simultaneously undergoing massive budget cuts. In 2016, the Vice Chief of Staff of the Army General Dan Allyn testified that "between 2011 and 2015, Research and Development and Acquisition accounts plunged 35 percent. Procurement alone dropped from \$21.3 billion to \$13.9 billion." He further noted that the Army since 2011 had "ended 20 programs, delayed 125 and restructured 124."<sup>18</sup>

Clearly, no matter how well-managed and integrated Army modernization efforts are, no program can sustain cuts of that magnitude without massive cancellations and restructuring. Thus, some of what are popularly perceived by the press and others as Army modernization "failures" were instead fact-of-life changes brought about as a direct result of massive budget cuts imposed by the Budget Control Act and the actions of the previous Administration.

### **Army Leaders Must Remain Committed**

Lack of attention by Army senior leaders can also adversely affect Army modernization. Programs that ultimately succeed are usually those that benefit from strong oversight and management. The current Chief of Staff, General Mark Milley, has reinvigorated the Army Requirements Oversight Council (AROC), which reviews and approves all Army materiel requirements. General Milley often personally chairs the weekly Council, and meetings are attended by the most senior Army commanders, including four-star generals from Forces and Training and Doctrine Commands. In comparison, previous AROCs rarely met in person,

15. Paul Leinwand, Cesare Mainardi, and Art Kleiner, "Develop Your Company's Cross-Functional Capabilities," *Harvard Business Review*, February 2, 2016, <https://hbr.org/2016/02/develop-your-companys-cross-functional-capabilities> (accessed July 17, 2018).

16. Behnam Tabrizi, "75 Percent of Cross-Functional Teams Are Dysfunctional," *Harvard Business Review*, June 23, 2015, <https://hbr.org/2015/06/75-of-cross-functional-teams-are-dysfunctional> (accessed July 17, 2018).

17. U.S. Army, "Army Futures Command Location Announcement," July 13, 2018, <https://www.army.mil/standto/2018-07-13> (accessed July 25, 2018).

18. General Daniel Allyn, Vice Chief of Staff, United States Army, statement on "The Department of the Army 2017 Budget Request and Readiness," before the Subcommittee on Readiness, Armed Services Committee, U.S. House of Representatives, 114th Cong., 2nd Sess., February 26, 2016, p. 5, <https://docs.house.gov/meetings/AS/AS03/20160226/104348/HHRG-114-AS03-Wstate-AllynD-20160226.pdf> (accessed July 17, 2018).

and when they did, the attendees were typically more junior than the current instantiation. Normally, even major equipment requirements were approved by a “paper” AROC, meaning paper documents were passed around for required approval signatures with little or no discussion.<sup>19</sup> The lack of discussion and consideration by senior Army leaders resulted in less attention and scrutiny, typically leading to imprecise and poorly constituted programs at all-important program inception. General Milley is due to depart his position in 2019; successors must maintain this similar level of interest for Army modernization to succeed.

In addition to the AROC, the four most senior leaders of the Army—Secretary, Under Secretary, Chief of Staff, and Vice Chief of Staff—have been dedicating an extraordinary amount of time to supervising the efforts of the Cross Functional Teams. Such attention is extraordinarily beneficial and should be sustained even when the AFC reaches full operational status. There is an adage in the Army that “those things that the boss checks, get done.”

### Leader Tenure and Preparation Are Key

As the saying goes, “personnel is policy.” The best of new organizations, such as AFC, will be hamstrung if they are not staffed with the right leaders who remain in place for a sufficient amount of time. Army modernization efforts have been challenged in the past by key leaders whose short tenures frustrated the ability to develop the deep understanding necessary to make experienced judgments in a complex area. Army modernization leaders are often moved just as they begin to understand their responsibilities. Key leaders, such as general officers in Army G-8 and G-3, Program Executive Offices, and School Commandants were moved at intervals often as short as one year, an inadequate amount of time to learn a position, which leads to less effective decision making. Over half of the first iteration of CFT leaders, announced only in October 2017, have already begun to rotate to new positions.<sup>20</sup>

Often, senior Army leaders cite the need to develop brigadier generals with multiple developmental assignments, but such desires often conflict with the need to obtain desirable outcomes. In cases of conflict between goals, the needs of the organization should outweigh the desire to create a population of general officers able to advance to the next rank. The Navy, recognizing the value of continuity, keeps the Director of their Naval Reactors program in position for eight years.<sup>21</sup>

Because of the value of accumulated expertise in an area in which most Army officers lack experience, key individuals, such as the leaders of CFTs and AFC, should remain in their positions for no less than two to three years—and optimally longer. Complicating matters, leaders often arrive in these key positions without ever having served in any previous role in the institutional Army, thus lacking the fundamental knowledge of how to effect change within the organization. Similarly, Army program managers should receive sequential assignments in a specific functional area (such as helicopters, missiles, or software development) in order to develop a deep base of expertise. As it stands now, Army program managers can manage a radio program and the following year, move to managing tracked vehicles or helicopters.

The Army has nominated Lieutenant General John “Mike” Murray to be the first commander of AFC. To arrive at Murray, Secretary McCarthy said they looked at striking a balance among candidates that have both operational experiences to understand how formations fight; “a really astute understanding of the doctrinal way the Army does business”; and unique experiences on the Army staff, including an understanding of Congress and the Office of the Secretary of Defense. McCarthy noted that the ideal commander should also have a level of understanding in business and the industry. “You can really narrow that list pretty quickly because that’s an all-around athlete,” McCarthy said.<sup>22</sup> Mike Murray is the perfect nominee for the position, but the

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19. Jared Serbu, “Army Puts Its Chief of Staff ‘At the Center’ of Acquisition Decisions,” Federal News Radio, March 11, 2016, <https://federalnewsradio.com/army/2016/03/army-puts-chief-staff-center-acquisition-decisions/> (accessed July 17, 2018).

20. Courtney McBride, “Leadership Changes Planned for Army Modernization Cross-functional Teams,” *Inside Defense*, April 4, 2018, <https://insidedefense.com/insider/leadership-changes-planned-army-modernization-cross-functional-teams> (accessed July 30, 2018).

21. Colin Clark, “Worries Surface As Carter Picks Submariner as CNO: It’s All About Nuclear Reactors,” *Breaking Defense*, May 13, 2015, <https://breakingdefense.com/2015/05/worries-surface-as-carter-picks-submariner-as-cno-its-all-about-nuclear-reactors/> (accessed July 17, 2018).

22. Jen Judson, “Army Futures Command Taking Charge of Conjuring Up New Capability,” *Defense News*, March 26, 2018, <https://www.defensenews.com/digital-show-dailies/global-force-symposium/2018/03/24/army-futures-command-taking-charge-of-conjuring-up-new-capability/> (accessed July 17, 2018).

challenge McCarthy describes finding the first AFC commander is instructive: The Army must deliberately create a career path that grows AFC leaders, or they will find themselves in the future with a dearth of qualified leaders to lead this organization.

### Take the Long View

A defining moment for Army modernization came in 2009 when Defense Secretary Robert Gates cancelled the Army's Future Combat System (FCS), after having spent nearly \$20 billion on the program.<sup>23</sup> There were other problems, including a large and growing cost, but one of the reasons Gates cited for cancelling FCS was that the system "did not reflect the anti-insurgency lessons learned in Iraq and Afghanistan."<sup>24</sup> This assessment came at a time when every system was being measured for efficacy against the counter-insurgency fights in those places. Fast forward nine short years to 2018. Now, the new National Defense Strategy has completely shifted the Department's focus, placing preeminence on great power competition with China and Russia—fights much closer to what was anticipated when FCS was conceived.

Similarly, in 2011 the Army cancelled its surface launched advanced medium-range air-to-air missile program primarily based on its intelligence assessments that the Army would not face an air-breathing threat in the foreseeable future.<sup>25</sup> Fast forward to 2018. The Army now faces air threats from revanchist Russia and, to a lesser extent, China, which have now catapulted air defense systems to near the top of the list of Army modernization priorities.

The lesson to be learned is that key modernization decisions must be based on a view of the long-term strategic challenges, extending decades into the future, encompassing multiple options, and resisting the temptation to make decisions based on current operational challenges, no matter how pressing.

### Recommendations

The Army is taking action to create the conditions for successful modernization. Many current initiatives reflect a clear-eyed assessment of the

challenges ahead. Congress can assist in this effort. Congress should:

- **Support the Army's efforts** to organize Army Futures Command as a logical reaction to current organizational challenges;
- **Support stable modernization funding** for the Army to assist with predictable programs; and
- **Remain interested in the selection and tenure** of general officers selected for service in the Army modernization enterprise.

The Army is addressing many of the shortcomings that have plagued previous modernization efforts. These organizational changes are well-conceived. To complement already announced actions and achieve success over a sustained period, the Army should:

- **Ensure Cross Functional Team members** are directed that their primary responsibility is to the success of the team, versus a loyalty to their parent organization.
- **Pay careful attention** to the organization of AFC below the headquarters level, examining ways to integrate and matrix the sub-organizations to improve coordination and collaboration.
- **Maintain current attention and focus** on Army modernization—even after AFC has reached Full Operational Capability.
- **Prepare leaders** for assignments in Army modernization positions with early developmental assignments and education, including positions that provide an understanding of the institutional Army. Assuming they are successful, once assigned, the Army should then retain these leaders in these positions for a minimum of two to three years—optimally longer—to get the best outcomes.

23. Sydney Freedberg Jr., "Total Cost to Close Out Cancelled Army FCS Could Top \$1 Billion," *Breaking Defense*, June 19, 2012, <https://breakingdefense.com/2012/06/total-cost-to-close-out-cancelled-army-fcs-could-top-1-billion/> (accessed July 27, 2018).

24. Brian Robinson, "FCS Cancellation Confirmed, Army Modernization Changes Course," *FCW: The Business of Federal Technology*, June 24, 2009, <https://fcw.com/articles/2009/06/24/army-future-after-fcs.aspx> (accessed July 17, 2018).

25. Loren B. Thompson, "Army Move to Kill Air Defense System Leaves Other Services and Allies in the Lurch," *Lexington Institute*, September 30, 2010, <http://www.lexingtoninstitute.org/army-move-to-kill-air-defense-system-leaves-other-services-and-allies-in-the-lurch/> (accessed July 17, 2018).

- **Take the long view** on equipment requirements and resist the temptation to make decisions based on the current operational challenges.

To its credit, the Army has recognized its challenges in modernization, and its new leaders have taken quick action to activate a new organization, placing the Army on an improved trajectory. Success is likely. If the Army and Congress cooperate to stabilize modernization funding and tend to other key areas such as personnel policy and leader focus and attention—as well as maintaining a focus on the future—the chances for success will be even greater.

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