



# Department of Defense

## DIRECTIVE

NUMBER 1322.23  
February 22, 2005

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Director, Net Assessment

SUBJECT: Secretary of Defense Corporate Fellows Program (SDCFP)

- References:
- (a) Sections 113 and 2013 of title 10, United States Code
  - (b) DoD Directive 1322.23, "Secretary of Defense Fellows Program," September 2, 1995 (hereby canceled)
  - (c) Secretary of Defense Memorandum for the Secretaries of the Military Departments, "Secretary of Defense Strategic Studies Group and Secretary of Defense Corporate Fellow Program," October 9, 1998 (hereby canceled)

### 1. REISSUANCE AND PURPOSE

Under the authority vested in the Secretary of Defense by reference (a), this Directive:

1.1. Reissues reference (b) to establish policy and assign responsibilities for the Secretary of Defense Corporate Fellows Program (SDCFP), formerly known as the Secretary of Defense Fellows Program.

1.2. Supersedes reference (c).

### 2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

### 3. DEFINITION

Secretary of Defense Corporate Fellows Program (SDCFP). A program consisting of a rotating group of select officers from each of the Military Services who spend 1 year in training assignments at sponsoring institutions, i.e., corporations, companies, commercial enterprises, etc., who have earned a reputation for insightful long-range planning, organizational and management innovation, and implementation of new information and other technologies.

### 4. POLICY

It is DoD policy that:

4.1. The SDCFP shall operate under the oversight and supervision of the Director, Net Assessment, who reports to the Secretary of Defense. The Director, SDCFP, shall report to the Director, Net Assessment, for matters concerning program management of the SDCFP and associated responsibilities.

4.2. The Director, SDCFP, and administrative support personnel shall comprise a Special Program at the National Defense University (NDU). The Director, SDCFP, shall report to the President, NDU, on administrative matters.

4.3. The SDCFP shall:

4.3.1. Be established to build a cadre of future military leaders who:

4.3.1.1. Have an appreciation for how the revolutionary changes in information and other technologies that are influencing American society and business are manifesting themselves in ways that shall also affect the culture and operation of the Department of Defense over the next decades.

4.3.1.2. Are able, during their assignment to the SDCFP and throughout their careers, to conceive compelling operational and organizational innovations, and options that derive from these revolutionary changes in information and other technologies.

4.3.1.3. Shall motivate and lead their Services toward innovative responses to revolutionary changes in information and other technologies, and to challenge others to address these matters, thereby improving operational and organizational thinking throughout the Department of Defense.

4.3.2. Meet regularly to discuss their experiences and periodically meet with the Secretary or the Deputy Secretary of Defense, other senior OSD and Military Service civilian personnel, and flag and/or general officers to report their observations, and document their observations and recommendations in individual written reports, common findings, and a group briefing.

4.3.3. Select sponsoring institutions that are leading the revolution in business affairs and have a reputation for insightful long-range planning, organizational innovation, and adaptation. The selection of sponsoring institutions shall place special emphasis on corporations and other institutions that:

4.3.3.1. Have successfully managed and exploited the revolution in information and other technologies, reshaping their organizational structures and methods of operation to remain competitive in a dramatically changed global business environment

4.3.3.2. Are characterized by a strong strategic planning capability, constant innovation, and continuous efforts to exploit the principles behind time-based competition and the cultivation of corporate organizational agility.

4.3.3.3. Are able to significantly advance an assigned officer's understanding of how the information revolution is influencing American society and business in ways that shall influence the culture and operation of the Department of Defense and how it might organize, equip, train, and experiment to fight in the future.

4.4. In addition to end of tour reports and briefings, other, longer-range benefits derive from these experiences. Officers who have addressed the types of issues arising from the profound changes in the civilian environment due to organizational and technological change shall be more capable of conceiving innovative responses when called on in the future to serve in senior DoD leadership positions. The Department of Defense, as an institution, shall be more capable of meeting future challenges because the cadre of officers coming from this program shall have become familiar with innovation and transformation issues that personally concern the Secretary of Defense and shall likely confront future DoD senior officers. During their time in this program and later in their careers, SDCFP members are expected to continue to network among themselves, top DoD officials, and contacts made during their tours. This program builds a unique cadre of officers who understand not only the profession of arms, but also the nature of the strategic problems facing the Department of Defense, and the organizational and operational opportunities made possible by revolutionary changes in information and other technologies. These officers shall be at the forefront of transforming defense strategy, military forces, and the supporting infrastructure.

4.5. The SDCFP shall consist of a minimum of two officers, in the grade of O-5 or O-6, from each of the Military Services who have demonstrated high flag or general officer potential. In addition, the Reserve and Guard officers and officers from the United States Coast Guard who meet the same criteria may also participate. These officers shall have distinguished themselves in a variety of operational command and staff positions and clearly be candidates for flag and/or general officer.

4.6. The SDCFP shall neither duplicate existing training and/or education or fellowship programs in the Department of Defense (such as individual Military Service Training and/or Education with Industry programs or the Department of Defense Fellowship Program), nor be used to produce acquisition specialists or technologists.

4.7. The officers selected for the SDCFP shall annually report for duty to the SDCFP office on, or about, July 1st to begin approximately 1 month of in-processing and orientation courses. When completed, SDCFP members shall report to their Sponsoring Institutions to begin their training assignment. Officers shall be available for transfer to their next assignment in June of the following year.

4.8. Military officers who satisfactorily complete a SDCFP assignment shall receive Senior Service School education credit and shall incur the same active duty service obligation their respective Service imposes for this education level. This obligation shall be served concurrently with any outstanding Service obligation.

4.9. When assignment to the SDCFP has been completed, officers not returning to the field for command or other assignments deemed essential by their Military Services for advancement to higher grades, shall be assigned to positions in their Military Services, the OSD, or the Joint Staff involved in strategic management issues of innovation and transformation, e.g. long-range planning, net assessments, and experimentation with respect to force structure, organization, doctrine, or command and control.

## 5. RESPONSIBILITIES

5.1. The Director, Secretary of Defense Corporate Fellows Program, under the Director, Net Assessment, shall:

5.1.1. Organize, direct, and manage the subject programs and all assigned resources. This shall include a training program that shall fully prepare the SDCFP officers to:

5.1.1.1. Operate and learn in a civilian business environment.

5.1.1.2. Be fully aware of the challenges to the Department of Defense that may have solutions derived from this environment.

5.1.1.3. Complete the program at an education level on par with their Military Service Senior Fellowship program contemporaries and fulfill those Service requirements necessary to warrant Senior Service School credit.

5.1.2. Research prospective sponsoring institutions and solicit their participation in the program.

5.1.3. In consultation with the Director, Net Assessment, select, subject to the Secretary of Defense's approval, the sponsoring institutions to which the Corporate Fellows shall be assigned annually and provide a list of these institutions to the Military Services by February 1st.

5.1.4. Determine, in consultation with sponsoring institutions, the work plan for the officers assigned to the SDCFP.

5.1.5. Make visits to the sponsoring institutions to obtain progress reports from them, the SDCFP members, and their mentors.

5.1.6. When a military officer's assignment to the SDCFP has been completed, and after the sponsoring institution has provided an input, submit the officer evaluation and/or fitness report (using appropriate Service directives and forms) on the officer being rated, for the Secretary of Defense's endorsement.

5.1.7. Develop budget requirements for program activities and operations and submit budget requests to the President, NDU.

5.1.8. Ensure the SDCFP Members shall:

5.1.8.1. Throughout the year, meet periodically with the Secretary or the Deputy Secretary of Defense to provide insights gained while at their Sponsoring Institutions and receive guidance on management topics of personal interest for further observation.

5.1.8.2. As their final action, provide individual written reports and compose a collective statement as to where information and other technologies are going, how corporations are exploiting these technologies to change organizationally and operationally, and how these and other insights might be exploited to change the culture and operations of the Department of Defense and the Military Services. The SDCFP members shall brief these insights, as a group, to the Secretary or the Deputy Secretary of Defense; the Chairman or the Vice Chairman of the Joint Chiefs of Staff; the Secretaries of the Military Departments; the Service Chiefs; the President, NDU; and other appropriate senior OSD and Military Service civilian personnel and flag and/or general officers.

5.2. The General Counsel of the Department of Defense shall:

5.2.1. Provide legal and ethics advice, including development of appropriate memorandums of agreement with SDCFP sponsoring institutions.

5.2.2. Provide appropriate materials highlighting ethical and other restrictions for use during orientation training.

5.3. The President, National Defense University, under the authority and direction of the Chairman of the Joint Chiefs of Staff, shall:

5.3.1. Provide all necessary administrative support funding for facilities, staffing, travel/per-diem, training, information management, and contract services.

5.3.2. Provide resource management and administrative, information systems, personnel, travel, contracting, logistic, and security support.

5.3.3. Make available the University's library, and on-line and research resources, for use by the administrative staff assigned officers.

5.4. The Secretaries of the Military Departments shall:

5.4.1. Personally recommend and nominate to the Secretary of Defense a minimum of two active duty military and additional Reserve or Guard officers as desired, in the grade of O-5 or O-6, to participate in the SDCFP. Officers nominated for assignment to the program must have demonstrated high flag or general officer potential. Nominations shall be made annually, not later than the latest date on which one of the following events occurs:

5.4.1.1. April 15th.

5.4.1.2. The latest date that any of the Military Service's formal selection process for SDCFP nominees reports out.

5.4.1.3. 2½ months after the final list of Sponsoring Institutions and their geographic locations has been provided to the Military Services.

5.4.2. Provide administrative, personnel management, and appropriate funding for military officers assigned from their respective Military Departments to include the following:

5.4.2.1. Funded Service fellowship and/or training billets for SDCFP officers.

5.4.2.2. Funding required for permanent change of station travel to and/or from their assignment at a Sponsoring Institution and temporary duty per-diem and travel expenses en route to attend the SDCFP in-processing, orientation, and training (in the National Capital Region) while en route.

5.4.2.3. Awarding Senior Service School credit to SDCFP participants on satisfactory completion of their assignment and completion of their Service's requirements for Senior Service School credit.

5.4.2.4. Transfer of security clearances as follows:

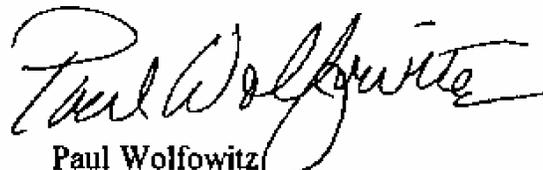
5.4.2.4.1. Top Secret clearances, permanently certified with passing authority, to the Director, Security Division, NDU.

5.4.2.4.2. Sensitive Compartmented Information clearances, transferred in status, if required by their assigned Sponsoring Institution, to the appropriate Washington area Military Service Special Security Office (SSO) and permanently certified with passing authority to the Defense Intelligence Agency SSO.

5.4.2.4.3. Designate and identify a single point of contact within each Military Service for all matters concerning the SDCFP.

6. EFFECTIVE DATE

This Directive is effective immediately.



Paul Wolfowitz  
Deputy Secretary of Defense