



Department of Defense

INSTRUCTION

NUMBER 1322.23

May 20, 2011

Incorporating Change 1, Effective November 30, 2016

USD(P&R)

SUBJECT: Secretary of Defense Executive Fellows (SDEF)

- References:
- (a) DoD Directive 1322.23, "Secretary of Defense Corporate Fellows Program (SDCFP)," February 22, 2005 (hereby cancelled)
 - (b) Section 2013 of Title 10, United States Code
 - (c) DoD Instruction 1322.06, "Fellowships, Scholarships, Training with Industry (TWI), and Grants for DoD Personnel," November 15, 2007
 - (d) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008
 - (e) DoD Instruction 1300.19, "DoD Joint Officer Management (JOM) Program," March 4, 2014
 - (f) Secretary of Defense Memorandum, "Force of the Future: Maintaining our Competitive Edge in Human Capital," November 18, 2015
 - (g) Memorandum of Agreement (MOA) Between Washington Headquarters Services (WHS) and Office of the Under Secretary of Defense for Personnel & Readiness (OUSD(P&R)) to Realign the Secretary of Defense Corporate Fellows Program (SDCFP) Functions and Resources, June 6, 2016
 - (h) Deputy Chief Management Officer Memorandum, "Proposed Realignment of Authority for the Secretary of Defense Corporate Fellows Program," July 28, 2016

1. **PURPOSE.** This Instruction reissues Reference (a) as a DoD Instruction, in accordance with the authority in References (b), (c), (d), (e), (f), (g), and (h) to establish policy and assign responsibilities for the SDEF.

2. **APPLICABILITY.** This Instruction applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint 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 within the DoD (hereinafter referred to collectively as the "DoD Components").

3. **DEFINITIONS.** See Glossary.

4. POLICY. It is DoD policy that:

a. The SDEF operates under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), with oversight provided by the Assistant Secretary of Defense for Readiness (ASD(R)), through the Deputy Assistant Secretary of Defense for Force Education and Training (DASD(FE&T)).

b. The Director, SDEF, and administrative support personnel comprise a special program within the Office of the USD(P&R). The Director, SDEF, reports to the USD(P&R), or delegated official, on all administrative matters.

5. RESPONSIBILITIES. See Enclosure 1.

6. PROCEDURES. See Enclosure 2.

7. RELEASABILITY. Cleared for public release. This Instruction is available on the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

8. SUMMARY OF CHANGE 1. This change:

a. Implements Reference (f) to expand the Corporate Fellows Program.

b. Establishes policy, assigns responsibilities, and incorporates an orientation-training program that enables DoD military officers and civilian employees to share knowledge of new technologies between the DoD and private industry through training in the commercial sector.

c. In accordance with References (g) and (h), realigns SDEF functions and resources from the DCMO to the USD(P&R).

d. Applies administrative updates to references, organizational titles, and acronyms for accuracy.

9. EFFECTIVE DATE. This Instruction is effective May 20, 2011.



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Enclosures

1. Responsibilities
2. Procedures

Glossary

ENCLOSURE 1

RESPONSIBILITIES

1. ASD(R). Under the authority, direction, and control of the USD(P&R), the ASD(R):

a. Provides all necessary administrative support and funding for facilities, staffing, travel and per-diem, training, information management, and contract services associated with the SDEF program.

b. Provides resource management and administration, information systems, personnel, travel, contracting, logistic, and security support associated with the SDEF program.

2. DIRECTOR,SDEF. The Director-SDEF, under the authority, direction, and control of the USD(P&R), will:

a. Organize, direct, and manage the SDEF program and all assigned resources. This includes establishing and operating an orientation training program fully preparing SDEF military officers and civilian employees to:

(1) Operate and learn in a civilian business environment.

(2) Be fully aware of the challenges to the DoD that may have solutions derived from this environment.

(3) Complete the program at an education level on par with Military Service Senior Fellowship Program contemporaries and fulfill any Military Service requirements necessary to warrant Senior Service School credit.

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

c. Annually select, subject to the Secretary of Defense's approval, sponsoring institutions to which SDEF members will be assigned and provide a list of these institutions to the Military Services by February 1.

d. Determine, in consultation with sponsoring institutions, the work plan for military officers and civilian employees assigned to the SDEF.

e. As necessary, visit sponsoring institutions during pre- and post-assignment of SDEF members to finalize all aspects of the SDEF member's assignments and receive feedback for future assignments.

f. Annually, during the academic year, visit sponsoring institutions to get progress reports from the SDEF members and their mentors and supervisors. Annual visits will be conducted to measure the effectiveness and efficiency of the program, as well as relevant training needs,

together with the ability to make assessments of any additional resource needs for planning purposes.

g. Submit program and performance evaluations as follows:

(1) For military officers, prepare, sign, and submit the evaluation or fitness report, with the sponsor's letter of evaluation as an attachment, using appropriate Military Service directives and forms.

(2) For civilian employees, endorse and forward performance evaluations through the employee's administrative office.

h. Develop budget requirements for program activities and operations and submit budget requests to the servicing budget officer in the office of the DASD(FE&T).

i. Ensure that SDEF members:

(1) Meet periodically during the academic year with the Secretary or Deputy Secretary of Defense and senior DoD officials to provide insights gained while at their sponsoring institutions and receive guidance on management topics of personal interest for further observation.

(2) 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 DoD and Military Service culture and operations. SDEF members will brief these insights, as a group, to the Secretary or Deputy Secretary of Defense; the Chairman or Vice Chairman of the Joint Chiefs of Staff; the Secretaries or Under Secretaries of the Military Departments; the Service Chiefs or Vice Chiefs; and other appropriate senior OSD and Military Department civilian personnel; and general and flag officers.

j. Track SDEF member's post-assignment careers and help the DoD Component heads and OSD Principal Staff Assistants (PSAs) in matching member's follow-on and sequential career assignments to areas utilizing the special skills gained in their SDEF assignments.

23. GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE. The General Counsel of the Department of Defense shall:

a. Provide legal, including ethics, counsel to include preparation of appropriate memorandums of agreement with SDEF sponsoring institutions.

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

c. Respond, as necessary, to questions from SDEF members regarding conduct and event participation with their respective sponsoring institutions.

4. DoD COMPONENT HEADS AND OSD PSAs. The DoD Component heads and OSD PSAs:

a. Identify potential assignments within OSD for former SDEF or Secretary of Defense Corporate Fellows Program (SDCFP) members utilizing the special skills gained in their SDEF or SDCFP assignments (e.g., long-range planning, force structure, organization, acquisition of weapons and services, supply chain management, information technology, networks, cyberspace, command and control, and personnel).

b. Establish any SDEF or SDCFP assignment experience or career Military Occupational Specialty (or civilian equivalent) requirements for former SDEF or SDCFP member's utilization assignments.

c. Recommend and nominate to the Secretary of Defense, civilian employees for SDEF participation. Nominees must be in grades GS-14 or GS-15 and have demonstrated high Senior Executive Service potential.

5. SECRETARIES OF THE MILITARY DEPARTMENTS. In addition to the responsibilities in section 4 of this enclosure, the Secretaries of the Military Departments:

a. Recommend and nominate to the Secretary of Defense, from each of the Military Services within their respective Department, the following for SDEF participation:

(1) Active duty Military Service members. Nominees must be in grades O-5 or O-6 and have demonstrated high general or flag officer potential.

(2) Civilian employees. Nominees must be in grades GS-14 or GS-15 and have demonstrated high Senior Executive Service potential.

(3) Additional Reserve or Guard officers in grades O-5 or O-6 with demonstrated high general or flag officer potential, as desired.

b. Submit the nominations called for by paragraph 5a, annually, not later than the last of the following events to occur:

(1) April 15.

(2) The latest date any of the Military Service's formal selection process for SDEF nominees reports out.

(3) Two and a half months after the final list of sponsoring institutions and their geographic locations is provided to the Military Services.

c. Ensure nominated military officers have completed Joint Professional Education Phase II (JPME II) or, for Guard and Reserve officers, Advanced Joint Professional Military Education (AJPME) before reporting for duty to the SDEF office for in-processing and orientation training

courses. This education is necessary for Service members to be assigned to follow-on or subsequent utilization assignments requiring JPME II. This requirement is waived for eligible military officers who have a scientific, technical, or professional military occupational specialty or equivalency, as described in Enclosure 11 to DoD Instruction 1300.19 (Reference (d)). In-residence education components of JPME and AJPME can be completed:

(1) Before Senior Service School or Fellowship Board selection; or

(2) En-route to the SDEF assignment. The distance learning portion of AJPME training may be completed while in the SDEF assignment.

d. Provide administrative, personnel management, and appropriate funding for military officers and civilian employees assigned to the SDEF from their respective Military Departments, to include:

(1) Funded fellowship and/or training billets.

(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 SDEF in-processing, orientation, and training (in the National Capital Region) or other designated training locations.

(3) Awarding Senior Service School credit to SDEF military officers, as applicable, upon satisfactory completion of their assignment and completion of their Military Service's requirements for Senior Service School credit.

(4) Transfer of security clearances as follows:

(a) Top Secret clearances, permanently certified with passing authority, to the Director, Human Capital Management Office, Office of the USD(P&R).

(b) 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) Designating a single point of contact within each Military Service for all matters concerning the SDEF.

e. To the greatest extent practicable, ensure that SDEF military officers and civilian employees are placed in follow-on assignments or sequential tours that utilize the special skills gained in their SDEF assignments (e.g., long-range planning, force structure, organization, acquisition of weapons and services, supply chain management, information technology, networks, cyberspace, command and control, and personnel). SDEF military officers may be exempted from such assignments if they are slated for a follow-on command billet or a priority that the Military Department deems essential for career advancement.

ENCLOSURE 2

PROCEDURES

1. The DoD, as an institution, will be more capable of meeting future challenges because the military officers and civilian employees coming from this program are uniquely familiar with current corporate innovation and transformational ideas and practices. The best practices gleaned from the corporate world may be applicable to the challenges of personal concern to the Secretary of Defense and are challenges that will likely confront future DoD senior leaders as well. During their time in this program and later in their careers, SDEF members are expected to continue to network among themselves, top DoD officials, and contacts made during their fellowship tours. This program builds a unique cadre of military officers and civilian employees who understand not only the profession of arms, but also the nature of the strategic problems facing the DoD, and the organizational and operational opportunities made possible by visionary and sometimes revolutionary changes in information and other technologies. These military officers and civilian employees will be at the forefront of transforming defense strategy, military forces, and the supporting infrastructure. Specifically, the SDEF shall establish a cadre of military and civilian leaders who:

a. Have an appreciation for how revolutionary changes in corporate long range planning, organizational and management innovation, and information and other technologies influence American society and business and how they may manifest themselves in ways affecting the culture and operation of the DoD over the next decades.

b. Are able, during their assignment to the SDEF and throughout their careers, to conceive compelling operational and organizational innovations, and options derived from these revolutionary changes in information and other technologies.

c. Motivate and lead their Military Services toward innovative responses to revolutionary changes in information and other technologies, and challenge others to address these matters, thereby improving operational and organizational thinking throughout the DoD.

2. The SDEF consists of a minimum of four active duty military officers or civilian employees from each of the Military Services. Two of these four will be active duty officers in the grade of O-5 or O-6. The remaining two may be either, individually, an active duty officer in the grade of O-5 or O-6, or a civilian employee in the grade of GS-14 or GS-15. All must have ~~who~~ demonstrated high general or flag officer or Senior Executive Service potential. Additional Reserve and Guard officers and officers from the United States Coast Guard who meet the same criteria may also participate each year. Military officers and civilian employees must have distinguished themselves in a variety of operational command, supervisory, or staff positions.

3. If any of the Military Services are unable to provide a minimum of four participants each year, that Service will provide written notification, through the appropriate chain of command, to the USD(P&R). As standard protocol, a Service will submit its written justification at least 90 days before the beginning of the annual program start date of July 1. This process will allow the

SDEF administrative office to plan to meet the appropriate resourcing needs and to modify training, to safeguard the full intent and integrity of the SDEF.

4. The SDEF members shall meet regularly to discuss their experiences and periodically meet with the Secretary or Deputy Secretary of Defense, other senior OSD and Military Department civilian personnel, and general and/or flag officers to report their observations and document their observations and recommendations in individual written reports, common findings, and group briefings.

5. The SDEF shall select sponsoring institutions leading the innovation, and often a revolution, in business affairs and information technologies, with a reputation for insightful long-range planning, organizational and technological innovation, and adaptation. The selection of sponsoring institutions will place special emphasis on corporations and other institutions that:

a. Successfully manage and exploit 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.

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

c. Are able to significantly advance an understanding of how the information revolution is influencing American society and business in ways that may influence the culture and operation of the DoD and how it might organize, equip, train, and experiment to fight in the future.

6. The SDEF does not duplicate existing training and/or education or fellowship programs in the DoD (such as individual Military Service training and/or training with industry (TWI) programs or other DoD Fellowship Programs) and will not be used solely to produce acquisition specialists or technologists.

7. Military officers and civilian employees selected for the SDEF report for duty to the SDEF office in late June, to begin approximately one month of in-processing, orientation, and training courses. When this one month period is completed, SDEF members report to their sponsoring institutions to begin their training assignments. In June of the following year, military officers are available for transfer to their next assignment and civilian employees may return to their former positions or apply for open positions.

8. Military officers and civilian employees who satisfactorily complete a SDEF assignment may receive Senior Service School education credit and incur the same active duty service or continued service agreement obligation their respective Military Service, or other DoD Component, imposes for this education level. This obligation is served concurrently with any outstanding Service or civilian employment obligation.

9. When assignment to the SDEF is complete, military officers not returning to the field for command or other assignments deemed essential by their Military Services for advancement to higher grades will be assigned to follow-on utilization positions in DoD Components involved in

issues of innovation and transformation (e.g., long-range planning, force structure, organization, acquisition of weapons and services, supply chain management, information technology, networks, cyberspace, command and control, and personnel).

10. Similarly, DoD Components will assign SDEF civilian employee members to similar follow-on assignments for a tour utilizing special skills gained in SDEF assignments.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

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| AJPME | Advanced Joint Professional Military Education |
| ASD(R) | Assistant Secretary of Defense for Readiness |
| DCMO | Deputy Chief Management Officer |
| FE&T | Force Education and Training |
| JPME | Joint Professional Military Training |
| PSA | Principal Staff Assistant |
| SDCFP | Secretary of Defense Corporate Fellows Program |
| SDEF | Secretary of Defense Executive Fellows |
| SSO | Special Security Office |
| TWI | Training with Industry |
| USD(P&R) | Under Secretary of Defense for Personnel and Readiness |

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Instruction.

Military Services. The Army, the Navy, the Marine Corps, and the Air Force.

SDEF. A program, authorized under Reference (b), consisting of a rotating group of select military officers and civilian employees from each of the Military Services, OSD, and DoD Components who spend a year in training assignments at sponsoring institutions, e.g., corporations, companies, and commercial enterprises that have earned a reputation for insightful long-range planning, organizational and management innovation, and implementation of new information and other technologies.