



The Deputy Secretary of Energy
Washington, DC 20585

August 27, 2010

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: DANIEL B. PONEMAN 
SUBJECT: Strategic Business Initiatives

In this era of constrained budgets, we must rethink our business processes and be creative in seeking dramatic results. I have **been** impressed with a number of the strategic business initiatives that have been implemented across the Department, including the National Nuclear Security Administration's (NNSA) Supply Chain Management strategy. This effort has resulted in millions of dollars of cost savings that allowed funds to be redirected towards mission accomplishment. Strategic sourcing is a key element of this approach, which provides a structured process of analyzing spending patterns and uses this information to acquire commodities and services more efficiently.

At a recent meeting of the Operations Management Council, we focused on NNSA's successful implementation of Supply Chain Management strategies and discussed the potential benefits of expanding this initiative, beginning with strategic sourcing, across the Department. Successful implementation will require our programs to adopt a more corporate approach to purchasing and necessitate close collaboration between our programs and contractor community.

I have asked the Department's Office of Procurement and Assistance Management and NNSA's Office of Acquisition and Supply Management to lead this effort. I expect each program fully to support the implementation of strategic sourcing. As we progress, we will identify other areas where collaboration can improve efficiency and thus strengthen program execution.

I look forward to significant cost savings as a result of this initiative. Should you have any questions, please contact Ingrid Kolb, Director, Office of Management, or J. Cavanagh, Chief Operating Officer, NNSA.

