

**Remarks by Thomas B. Modly
Under Secretary of the Navy
II MEF Marine Corps Association & Foundation Dinner
Camp Lejeune, NC
April 10, 2018**

Good evening!

Lieutenant General Hedelund, retired Lieutenant General Faulkner, the President of the esteemed Marine Corps Association and Foundation, Brigadier General Watson, Sergeant Major Thresher, Sergeant Major Metzger, ladies and gentlemen:

It's an honor to join you and the "Carolina MAGTF" team.

And it's great to be back in Eastern NC. As a child my family and I used to vacation on Emerald Isle, not too far from here. I remember vividly Marine A-4s and A-6s flying over the beach on their way to the outlying field at Bogue Banks.

We always loved coming here and I remember vividly standing on the beach looking east across the vast ocean with my father, who a couple decades before that escaped from behind the Iron Curtain and made his way across that ocean to start a new life here, free of tyranny, full of opportunity, and blessed with neighbors who welcomed him despite his funny accent and unusual name.

It was a life he knew he would be able to live because of the sacrifices of the United States Armed Forces. Sacrifices that began by our United States Navy in the dark, cold, and treacherous Atlantic Ocean – by our Sailors, Marines, Soldiers, and Airmen on the beaches of Italy and Northern France, across the continent of Europe to the doorstep of his own borders in Hungary.

That supreme effort, that liberation of millions of people, has been the crowning and defining achievement of this nation. When you sit on those Carolina beaches, basked in the serenity they provide, and imagine the horrors our countrymen endured on the other side of that

same ocean so that we in this generation could have such moments of peace and beauty – it is beyond humbling.

I can't overemphasize the importance of events like tonight's dinner for camaraderie and professional development.

So, let's take a moment to thank not just the sponsors, the Marine Corps Association and Foundation, but also all those who toiled behind the scenes to make this event happen.

To the MCAF, thanks also for what you do all year, every year, to serve as the professional association of the Marine Corps. You all do a tremendous amount of good works through your four foundational programs, to include most relevant to me, the Commandant's Professional Library Program.

Part of that professional library exists in my office, as I have asked my staff to assemble a library that I can pass down to all of my successors in this job. Thanks to my Chief of Staff, Bob Love, retired Marine Colonel, expert logistician, and proud member of the Association, I am noticing a heavy preponderance of Marine books being added to the collection since he arrived on the scene.

Since the Marines have relinquished the floor to a Navy guy for the evening, and I know how hard that is to do, and because I am the last speaker, and it's after dinner, I also know the clock is ticking and I have only a short amount of time to get across a few key messages. So allow me to prioritize and address the most important audience first.

To the Spouses and Families of the Carolina MAGTF, thank you so much for your service. You don't always get the medals and the accolades that deserve to come your way. And this past year has been especially tough. Your families have had to endure the devastating effects of

Hurricane Florence, a storm and flood of biblical proportions, and incredible hardship for so many in this area.

Yet, your resilience, dedication, and commitment to moving forward despite these difficult circumstances has been remarkable.

I know my wife Robyn wishes she could be here tonight. Our own active duty career in the Navy was relatively short. In fact, Robyn and I met just a few days after my last flight as a helicopter aircraft commander onboard the USS Nassau.

We never experienced the long absences that many of you have – although I am pretty sure Robyn may have wished for one or two long “deployments” for me on occasion. Maybe even one right now. I don’t mean to drag you into that, but please understand that your sacrifice is noticed and appreciated. We could not have this incredible Marine Corps without you. Of that I have zero doubt.

As you may know I have a special kinship and connection with the Marine Corps. My first helicopter flight instructor was a Marine. My

first senior pilot on the USS NASSAU was also a Marine. He was the one who taught me the most important lesson I learned as a young naval aviator--how to fly with confidence.

As leaders, this is something we should all strive to build in the people who work for us—to develop their confidence so that one day they exceed even their own expectations. Those are the greatest and most rewarding aspects of leadership, and it has become obvious to me that the Marine Corps has understood this throughout its entire history.

My current boss, Secretary Spencer, is a Marine helicopter pilot, who like me, also left active duty service as an O-3. Moral of the story—you better be nice to your junior officers, you never know where they might end up! Also, my current Chief of Staff, and my previous one, are both retired Marine Colonels. So, while some things change—some things stay the same. I am still just a Navy guy being controlled by, and trying to impress, a bunch of Marines. Not sure how that's going, but I am trying.

And thanks to these many Marine mentors, as well as my experiences in the private sector and in government service, for the last several years I have been thinking about “agility”.

It has become a very popular term in describing organizational behavior and what many believe, including me, is the key determinant of success in the highly competitive world in which we are currently engaged.

I think it is going to have to be the characteristic that differentiates our Armed Forces from our competitors, and most importantly, it must be what defines the Naval Forces of the Future.

But, agility as a term on its own has never been very satisfying to me. It is difficult to define it, and to measure it, and it is hard to say with certainty what it looks like.

I think there are lots of organizational characteristics that could give us clues. I have come up with eight myself, and I am quite certain there could be more, and you could probably think of your own list, but these eight qualities are pretty good ones to strive for—and frankly they are

the only ones I am prepared to discuss tonight in the time allotted, so here goes.

The first is velocity or speed. In a time of rapid change, organizations have to learn to do things faster. Every major enterprise that has emerged as a leader in their respective industry over the last 20 years has improved in this area—and often by quantum leaps.

For many of us old-timers in the audience, those who came of age in the last century, when you started your careers, think about how long it took to shop for something in a catalog, or to book an airline ticket, or to have a package delivered. Think about how long it took to transfer money, or just get cash for spending.

More significantly, think about how long it took for well-established institutions to lose their competitive advantages.

Think about Kodak, or General Motors, or Sears and Roebuck, or even a more current example of the Internet age, America Online. Once the

tide and pace of change begins accelerating, it is impossible to stop it. Speed is critical to survival in such an environment.

For the Navy and Marine Corps, this speaks not only to how fast our weapons can fly, or how quickly we can move forces from place to place, it has much more importance with respect to how it characterizes our processes and decision-making.

When we look at our acquisition programs, for example, I think we can all agree that our lack of speed when compared to commercial industry is clearly costing us money and stifling our ability to incorporate technologies at the velocity of change.

When compared to some of our geostrategic competitors who have discovered ways to shortcut innovation through nefarious means (also known as cheating and stealing), or who can more quickly leverage commercially available technology, our lack of speed is quickly becoming a competitive disadvantage.

In the end, if we don't correct this trajectory, it WILL end up costing us much more than just money.

The second is adaptability. Agile organizations adapt quickly to changing conditions. They do not allow themselves to stagnate or be overcome by changes in their environment. Boston Consulting Group has studied the concept of corporate "adaptiveness" and discovered that there are in fact concrete ways to measure a company's capabilities in this regard.

Not surprisingly, when examined within competitive environments that are defined as particularly "turbulent" the most adaptive companies on the BCG index far outperformed those who were lower on the scale.

This does not happen by accident. Rather, those companies who successfully built adaptive organizations did so intentionally and invested in it commensurately.

For us, this means we must consider and invest in adaptability across the entire Navy enterprise. We must foster flexibility in our people,

design and construct both adaptable platforms and force deployment models and ensure that both people and platforms are enabled by flexible business and operational processes – just as our people must be able to adapt to the multiple potential environments in which they may be asked to operate—and fight.

They cannot afford to be ignorant of them. Neither can we.

The third is innovation. Agile organizations are adept and comfortable with trying new things--with experimenting, failing, measuring, trying again--all with a view towards finding new solutions to current and anticipated problems.

For those of you who have not read it, and have an interest in understanding how the breakthrough innovation of manned flight happened in the last century, I commend to you the Wright Brothers biography written by David McCullough. The Wright Brothers' story is remarkable. It is great history, but it is also a pure innovation case study.

Even though this occurred over 100 years ago, Orville and Wilbur Wright demonstrated that innovation is driven by constant trial and error, meticulous documentation, and the deliberate construction of a culture of learning. We need a “learning culture” like this in the Navy and Marine Corps. We must embrace this as a core value, as young authors wrote in the latest issue of the Gazette magazine. And as we think about innovation and its role in the future of our Navy and Marine Corps, no words seem more relevant than these.

Rapid technological advances are driving the raw technical requirements for this mandate, but knowledge is not purely defined by technical competence. It’s created through leadership that encourages innovation and risk taking, and inspires Sailors and Marines who thirst to learn and excel in circumstances that are characterized by uncertainty, and by adversaries who are unpredictable.

The fourth is collaboration. Collaborative cultures may appear to be on the opposite end of the spectrum from bureaucratic ones. I have often

observed that the Department of Defense, like most great bureaucracies, is the great “self-siloing” organization.

It tends to have an aversion to working across organizational boundaries, and organizations and suborganizations have a bias toward protecting themselves, along with their domains, their budgets, their identities, and their hierarchies fiercely.

Let me also say, that most of this behavior is actually very well-intentioned. I experienced this myself during my last tour in the Department. I call it the “Purple Squishy Ball” syndrome. When I took over the program I found that the program office had spent some not insignificant amount of dollars on BMMP branded lanyards, BMMP branded pens, BMMP branded notepads, and other items including purple squishy balls with the BMMP logo on them.

The entire program had organized itself around “domains” that mirrored the organizational silos that already existed in the Department at the OSD level—and they collaborated just about as well.

We must demonstrate zero tolerance for organizational silos and an aversion to the accumulation of power, while building broad coalitions that align resources and momentum in a common direction.

The fifth is visibility. This is a key supporting element of the previous four threads as it exists in all organizations that move quickly, adapt, innovate, and share information freely. These organizations allow for the best authoritative data available to drive decisions.

For us in the Navy and Marine Corps this has as much applicability to a theatre of maritime operations as it does in the back office. The proliferation of platforms with sensors, and our ability to integrate and understand all of the data they produce, will be critical to the success of the future warfighting mission.

But all this data has to make sense, and we must figure out how best to exploit visibility to the right level and at the right time so that we increase lethality and our ability to defend ourselves.

The same organizational value of visibility holds true for our business environment—and in this regard I will put it quite simply: we need to know where all our stuff is, and we need to know how much it costs, and we need to know how long it is going to take to get it where it needs to be.

Today, I don't think everyone in our organization can answer any of those questions with a high degree of confidence. In the future, however, lots of people in our organization will be required to do so.

This is why the financial audit effort is such a high priority for me, and why it is so critical to the entire enterprise. The financial audit, despite its name, should never be viewed as solely a finance-driven effort.

Rather, it is an enterprise imperative, because the corrections in visibility, accountability, and overall enterprise behavior, will accrue to our warfighting mission directly.

This is OUR audit—not the Comptroller’s. We will not be successful in achieving any benefits from it, unless we all embrace its ultimate value to our operating forces.

The sixth is humility. We have to become honest with ourselves about our deficiencies. We know that as of this moment we are the most lethal and powerful naval force in the world. There is no Marine Corps like ours. No Navy that compares. But let me caution you. Kodak thought the same thing in their markets. So did GE. So did Blockbuster video. So did AOL. So did any number of other companies who were leaders in their fields within the past 20 years, and who not only lost market share, but no longer exist. It is the byproduct of rapid and disruptive change ---- and it doesn’t just happen to businesses. We need to think like our competitors and look at our own weaknesses with clear and humble hearts.

The seventh is skepticism. And when I say skepticism, I don't mean cynicism. Skepticism means not accepting all things at face value, challenging conventional thinking and rejecting incrementalism when more dramatic change is needed. I recently saw a great definition of this and it truly captures this characteristic as a virtue:

“The true meaning of the word ‘skepticism’ has nothing to do with doubt, disbelief, or negativity. Skepticism is the process of applying reason and critical thinking to determine validity. It’s the process of finding a supported conclusion, not the justification of a preconceived conclusion.”

Finally, the eighth is trust. Fortunately, this is a characteristic we have done a fairly good job embedding in our Navy-Marine Corps culture over time. We ask our junior personnel to trust and obey the orders of their superior enlisted and officers. It is well understood, but can never be taken for granted, and it must also flow both ways up and down the chain of command. For what we can say with certainty about the

predictability of the future is that it will most likely be defined by the unpredictable. In such an environment a high degree of trust in the competence and professionalism of even the smallest of our fighting units will be absolutely critical for success.

We're going to need all eight of these characteristics of agility, because changes are coming at us fast—so we must to be prepared to break free of the organizational paradigms, and behaviors, and biases that suited us in the last century. They are not well-suited for today, and certainly not for the future.

Today, I truly believe we are approaching another historical inflection point of technological and social change, while at the same time within a security environment characterized by competitors who are more credibly challenging our military capabilities.

This is a very dangerous confluence of events, and one we cannot spend our way out of. Rather, we have to “think” our way out of it.

In this time, in this age, we have no choice but to strive for greater agility, to take risks, to apply America’s most precious resource, our God-given talents, educated and groomed in the service of our Nation, in order to assure a competitive advantage.

And the key to that advantage lies in the mind and spirit of every single person in this room. So we must demand more of ourselves, and one another.

We should ask at every turn when developing the Naval Force of the Future:

How flexible and adaptable are our people, platforms, and systems?

How well do they collaborate and interoperate with allies, and with unmanned assets, or smaller combatants that don’t fit in neatly-defined categories?

How fast are they---not just on the ground, or over and under the water, but in the information space, or in how quickly they can be reconfigured to address different threats?

How transparent are they within the network of systems and platforms in which they operate, and how nontransparent and unpredictable are they for our adversaries?

And a question which former Commandant Al Gray might have well asked: “How innovative are the tactics they employ—and the people who man the ships and devise those tactics?”

Let me conclude by giving you all a simple formula to think about as you contemplate what you, yourself, can do to build the Agile Naval Forces of the future.

I was recently debating with my Military Aide about the value of some of the engineering courses we had to take at the Naval Academy. She is an engineer, and a tough as nails Destroyer commander, but her argument was that certain formulas and theorems that we learned at the Academy were very valuable in helping to understand how things

work—and in her case to understanding the physics of what made her ship able to fight.

Well, I was a political science major, and I wasn't exactly a fan of all the engineering and science classes we had to take. Still, I appreciated all that I learned in this regard---and to this day there are still a few fundamental formulas that I remember. The most relevant of these to me in the context of my remarks this evening is: $F=MA$, or Force equals Mass times Acceleration.

So when I think about what the Naval Force of the Future should be, I think this formula is highly relevant—with one significant modification.

Suspend the laws of physics for a minute and substitute the “A” that we traditionally assign to “Acceleration” with the “A” I just described, “Agility”.

That means Naval Force equals Mass times Agility. I think this is the formula we need to embrace fully in order to compete and win in this era of uncertainty and rapid change—an era in which we will continue to be challenged to retain our supremacy on the seas.

So if Agility is comprised of all those factors I described earlier, how are we to define the “M” in that formula? Should this “M” stand for “Mass”? And if so, is this mass to be measured by the size of our force when we face adversaries whose populations will likely far exceed our own?

Or is mass to be measured by the strength of our weapons when information about the lethality of rockets, and munitions, and guidance systems, and satellite systems, and sensors, and seekers, are becoming more and more ubiquitous?

I would argue that using traditional definitions of the “M” for Mass will probably not do the trick either. Our mass will only contribute to our competitive advantage as a naval force as it always has for our Navy Marine Corps team; through the strength of our minds and the magnitude of our hearts. That is why we must invest in our minds, foster education and transform ourselves into a true learning organization.

Our recent Education for Seapower Study emphasizes this point and has led to a complete reorganization and prioritization of education across the Naval Service.

In the final report of this study there is a prescient quote from Commandant Gray on the inside front cover:

“...An officer’s principal weapon is his mind.”

Thus it will be so for all of forces. It is one of our remaining competitive advantages that we must not allow to erode.

Finally, our Mass is to be measured by the magnitude of our hearts—and that, Marines, is to be found in the love you have for our Country, our Constitution, and the men and women who serve with you in the Armed Forces.

Love the people you have the privilege to lead. Care about their families as much as yours. Positively address thoughts of suicide or addiction. Be vigilant to prevent sexual assault and harassment against

them—as vigilant as we are for our own daughters and sons. Make sure they get the housing they deserve. Care about their careers more than your own.

Teach them, just as my Marine senior pilot on the USS NASSAU did for me, how to be confident in their abilities and to exceed their own expectations.

If we do these things—if we commit ourselves to building an educated team, a team that is committed to each other and to the country with deep and abiding love for each other and each other’s families, a team that acts with all the elements of agility we can define, I am entirely convinced that we will know that force when we see it---and so will our enemies.

And there is no possible way, we will ever be defeated, and neither will the enduring principles of liberty for which this country was built.

Thank you for inviting me here this evening and for what you do every day to give hope to people like my father, who live far from our shores

but who long for the liberty, prosperity, and peace that only strength like ours can produce.

Go Navy, Semper Fi, and of course, as always, beat Army.

Good night.