



# BMMP

*Arming the Warfighter Through Business Improvement*

**BUSINESS MANAGEMENT MODERNIZATION PROGRAM**

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## **Business Managers Conference**

May 11, 2005



**BMMP**

## **Mission Statement**

**“Transform business operations to achieve improved warfighter support while enabling financial accountability across DoD.”**



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## Value Proposition

***“Transform business operations to achieve improved warfighter support.....”***

- Greater business speed, flexibility, agility to match warfighter needs
- Enable costs reductions/efficiencies in the business mission area

***“.....while enabling financial accountability across DoD.”***

- Enhanced credibility via external measures/audiences
- Broad, accurate and timely information visibility for informed decision-making



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## BMMP Realignment

- To date, BMMP has focused on “architecture”:
  - Comprehensive, top down approach to establishing a future business systems architecture.
  - Establishment of multiple, often duplicative, certification processes creating burden to service transformation efforts.
- Internal assessment of program risks and response to GAO criticism led to realignment of BMMP in '05:

<b>Program Risks*</b>	<b>Major DoD Corrective Action as Part of BMMP Realignment</b>
Weak Governance	Established Defense Business Systems Mgt Committee chaired by DepSecDef
System Transition Plan	Interim plan developed, final plan to be delivered in September '05
Poor Investment Control	Review Boards established to review all systems investments >\$1 million
Program Mgt Discipline	Program mgt. moved to AT&L, acquisition program baseline established

**\*Broad weakness categories as identified by GAO and/or by internal DoD review**



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## BMMP Program Realignment

“Transform business operations to achieve improved warfighter support while enabling financial accountability across DoD.”

- *BMMP Mission statement*

### **BMMP Realignment Principles**

- DoD Business Enterprise Clarity
- Tiered Accountability
- Horizontal Business Transformation Focus
- Business Alignment to Warfighter Needs
- Capabilities, not Systems, as Deliverables
- Clean Audit as Affirmation of Clean Processes
- Program Management Discipline



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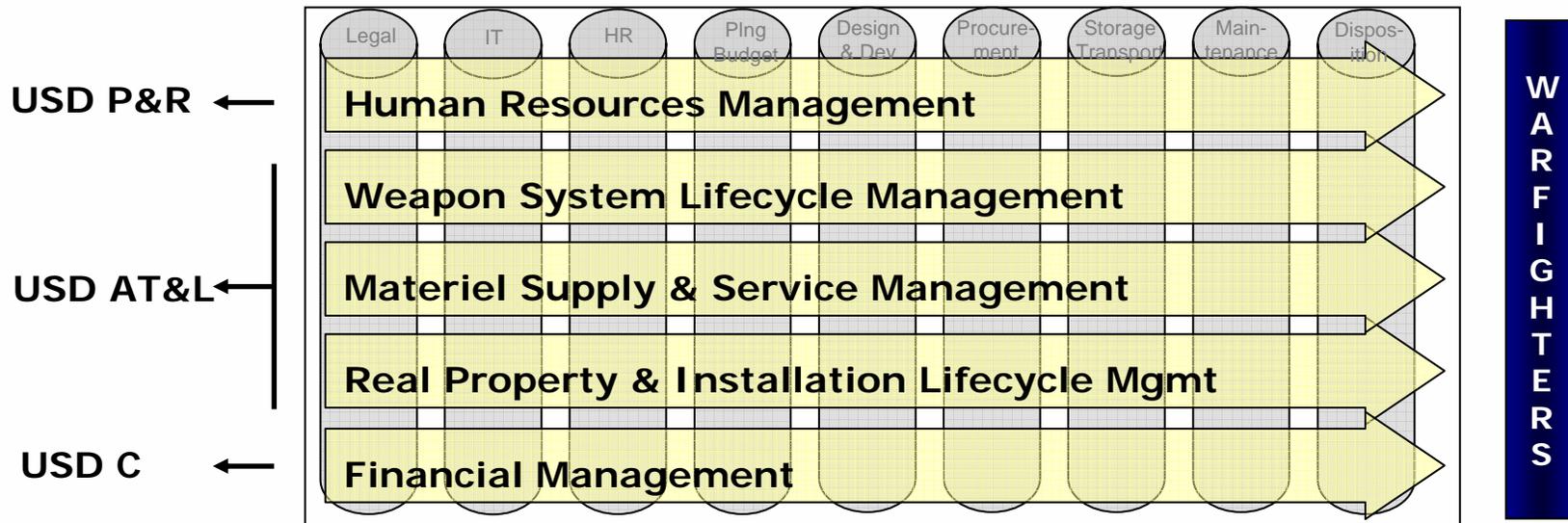
# The DoD Business Enterprise

<b>DOD Business Enterprise</b>	Common Capabilities, Data Standards, Rules and Enterprise-wide Systems					
	<b>Required Integration</b>					
<b>Component Business Enterprises</b>	<b>ARMY</b>	<b>NAVY/MC</b>	<b>Air Force</b>	<b>DLA</b>	<b>TRANSCOM</b>	<b>O t h e r s</b>
	Army Enterprise Architecture	Navy/MC Enterprise Architecture	Air Force Enterprise Architecture	DLA Enterprise Architecture	US TransCom Enterprise Architecture	
	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	
	Portfolio Mgt AT&L, Fin, P&R, NII	Portfolio Mgt AT&L, Fin, P&R, NII	Portfolio Mgt AT&L, Fin, P&R, NII	Portfolio Mgt AT&L, Fin, P&R, NII	Portfolio Mgt AT&L, Fin, P&R, NII	

BMMP is now focused on defining & implementing the DOD Business Enterprise, and facilitating instead of hindering service transformation efforts.



# Business Mission Alignment



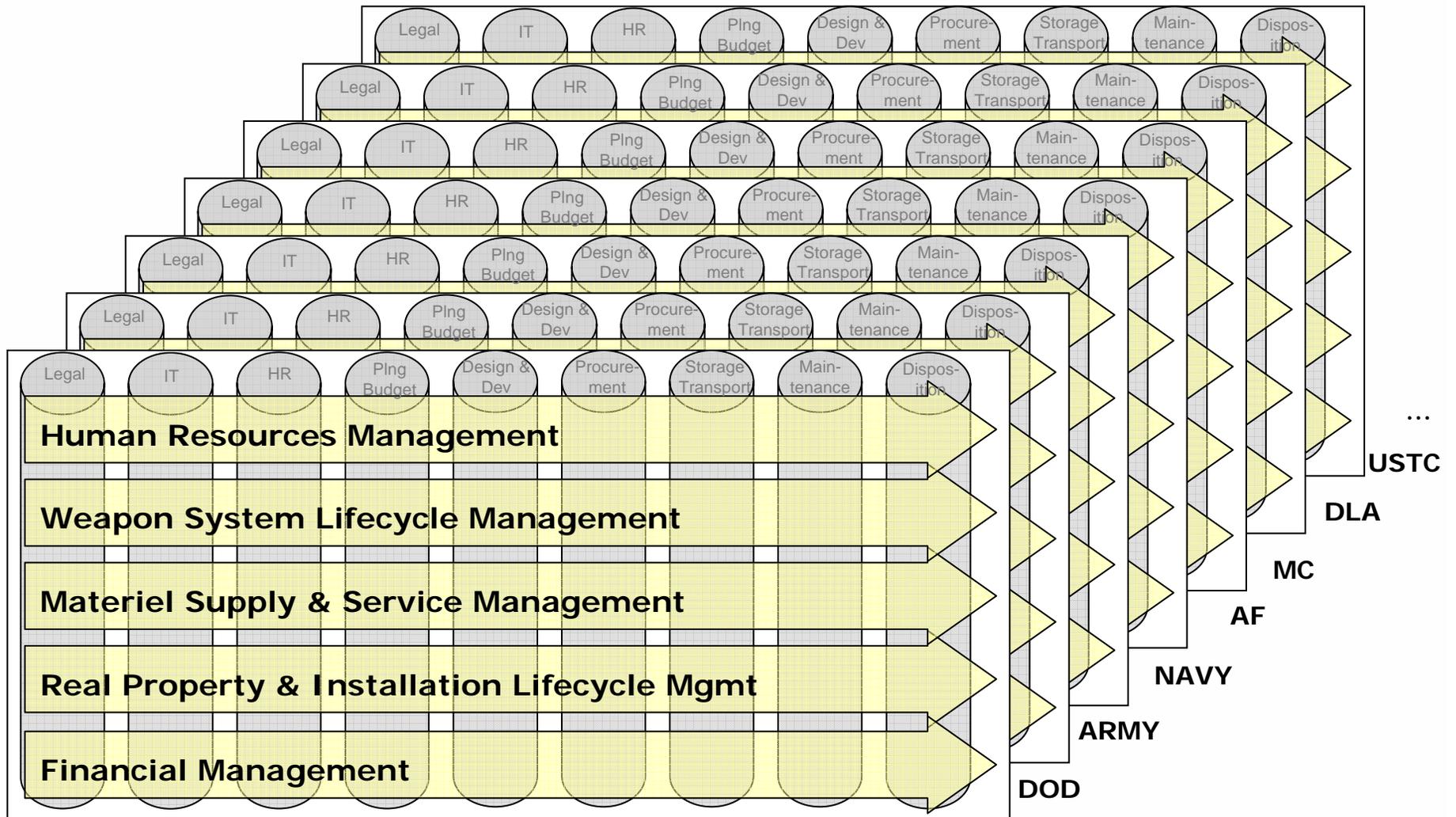
- Five core business missions defined crossing all functional silos. Priority will be placed on delivering end-to-end business mission capability/functionality.
- Each business mission area will be led by the appropriate USD, and will ensure senior warfighter perspective/leadership in development of transformation priorities.
- Business mission owners will ensure alignment of transformation investments to the improvement of end-to-end mission capability for warfighters. These owners may delegate this authority to appropriate leaders as needed.



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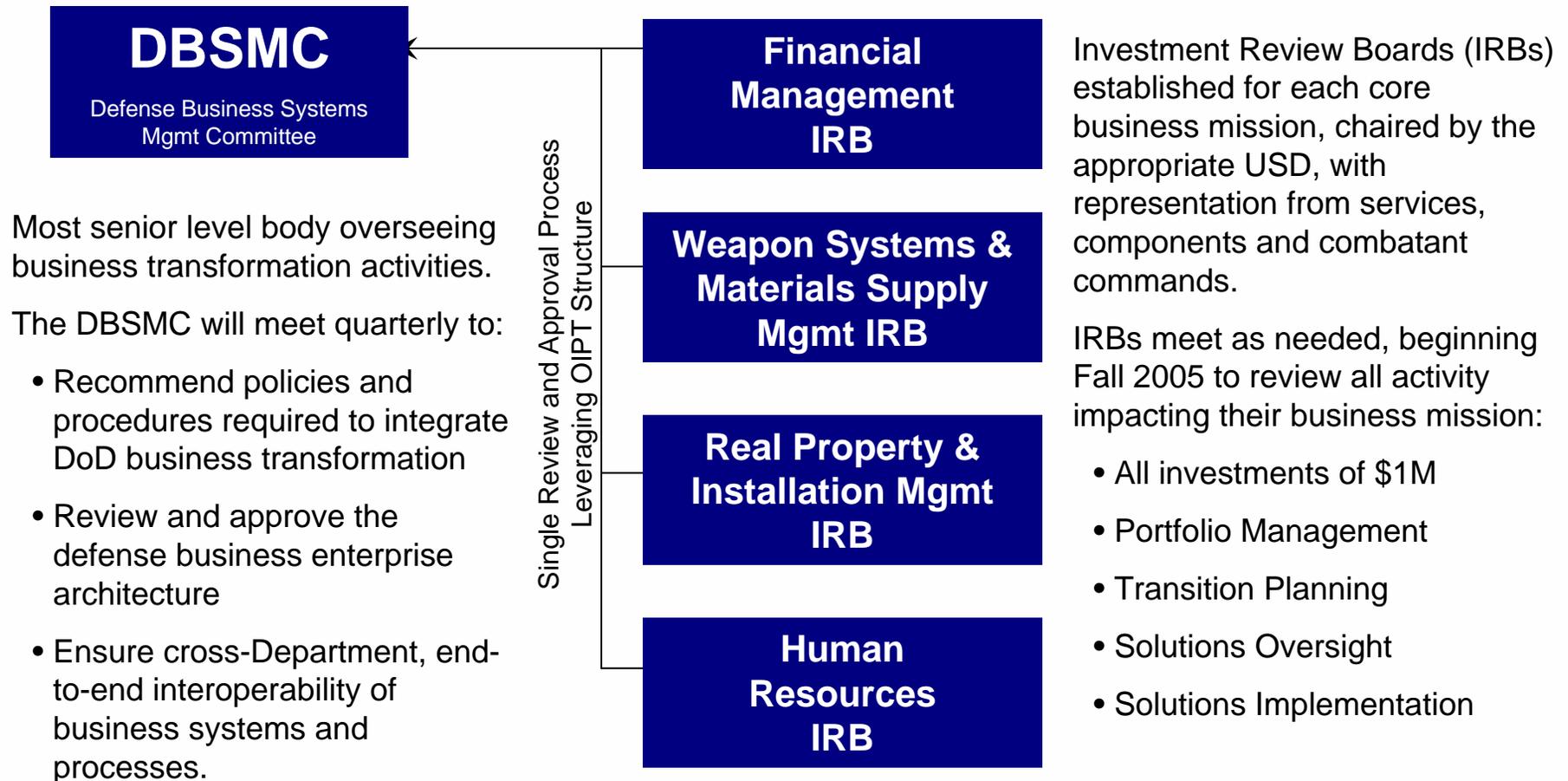
## Business Transformation – Tiered Accountability

DOD, each component and some COCOM's will have a set of required capabilities within this framework, and initiatives and transition plans to achieve these capabilities.



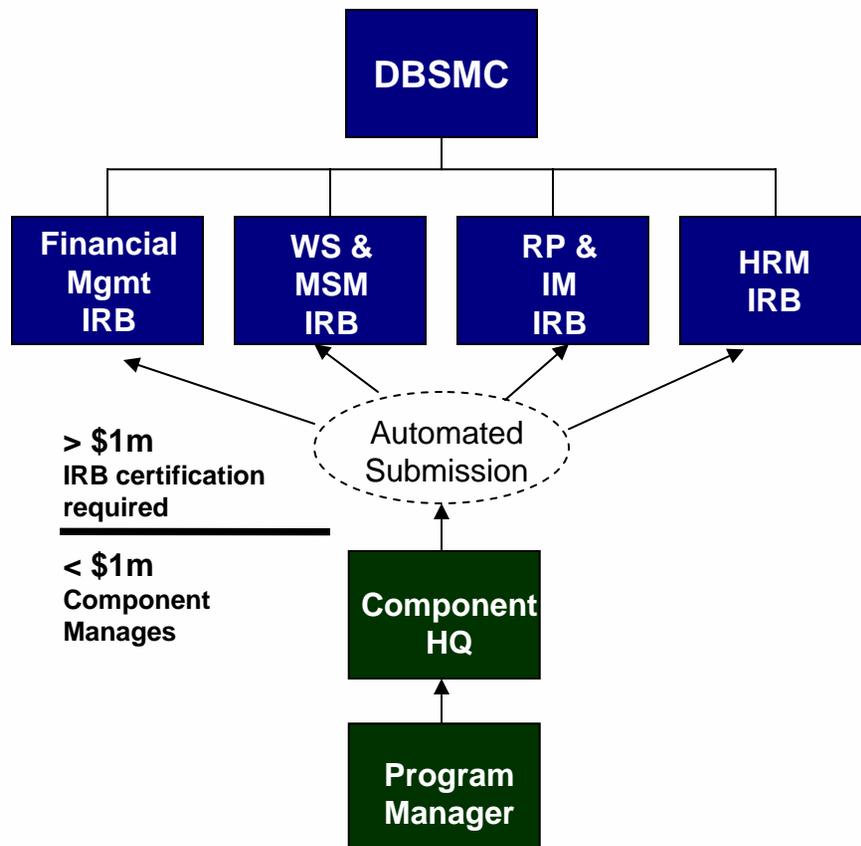


# New Governance Structure





# IRB Certification Process

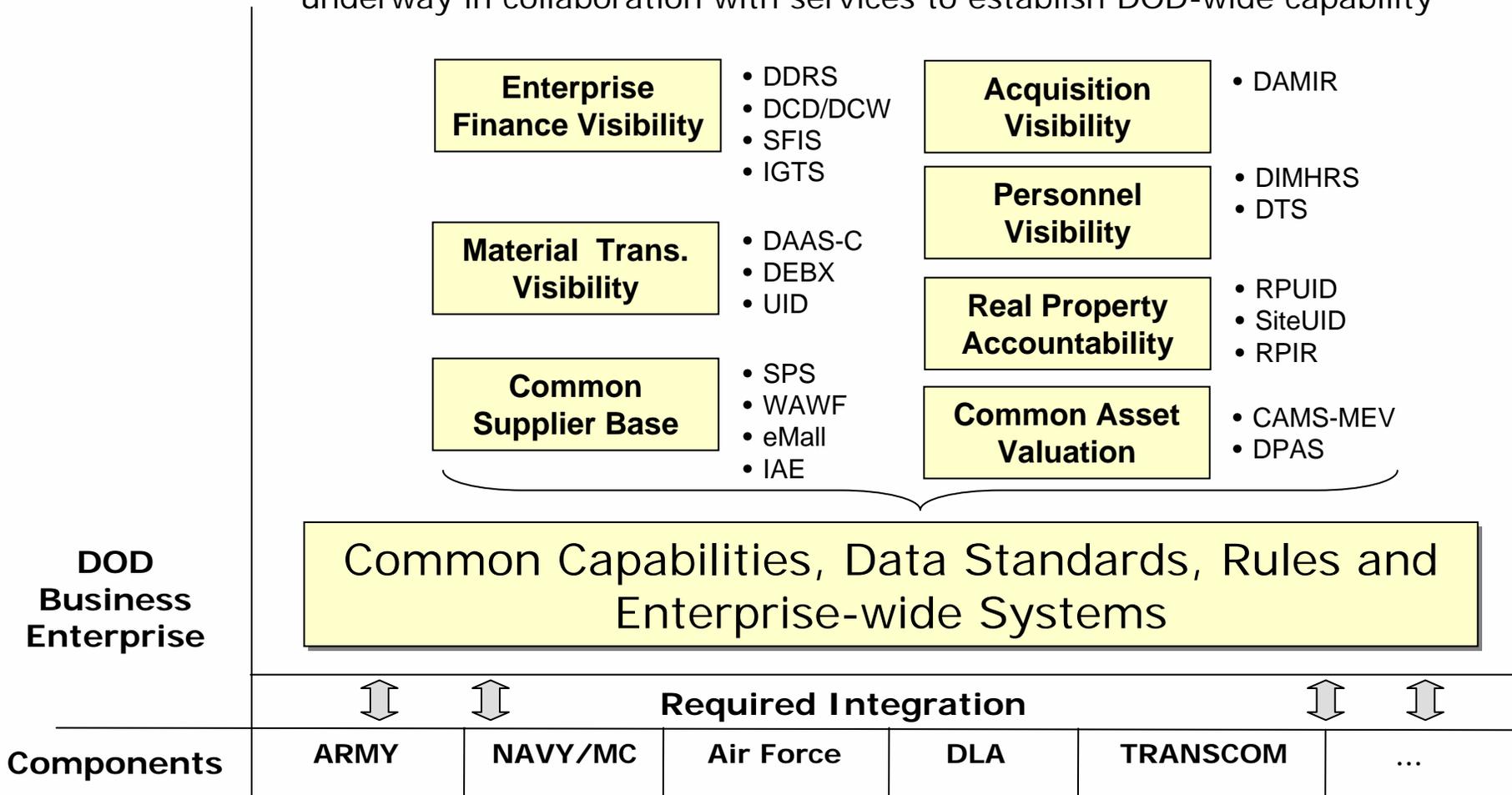


- Investment Review Boards focus on business mission impacts of investments – impacts that support warfighting mission and improve financial accountability.
- Component organizations pre-assert compliance to all other criteria – including net-centric, DOD BEA requirements.
- Single, streamlined certification process replaces seven unique processes in place under prior structure.



# The DoD Business Enterprise Today

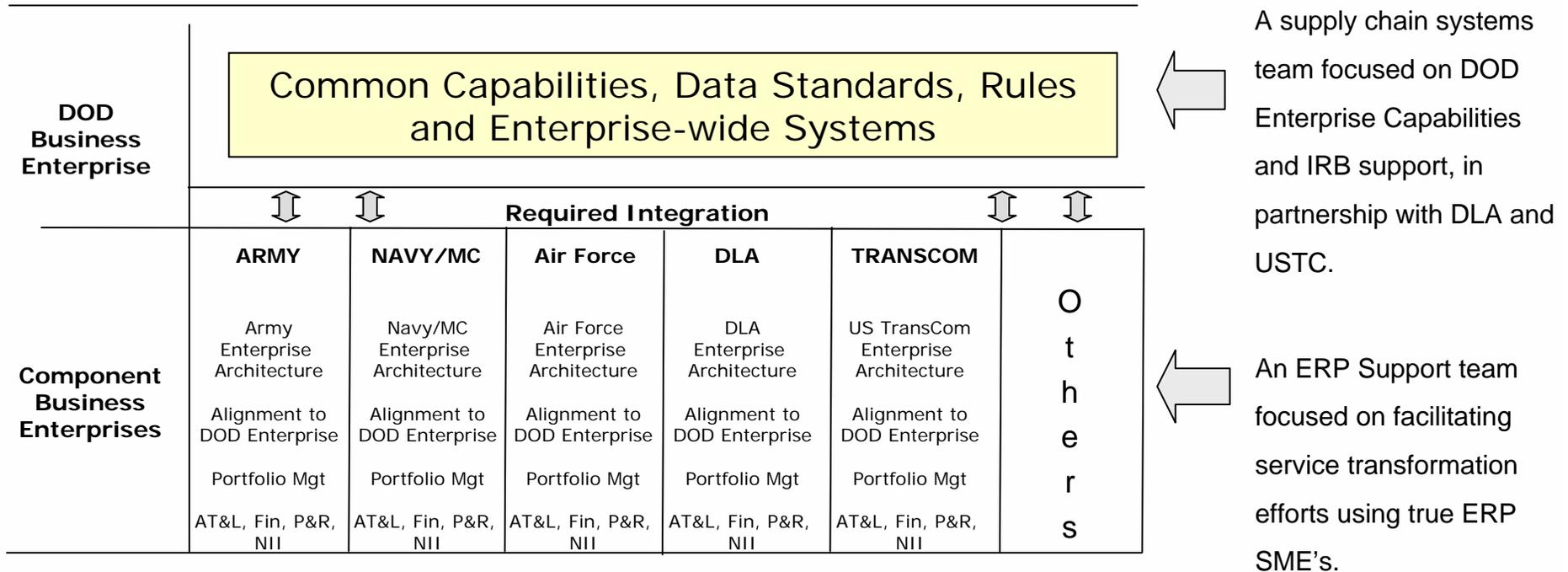
The following programs and initiatives grouped by capability represent activity underway in collaboration with services to establish DOD-wide capability



By September 30, our goal is to unify, accelerate, and clearly articulate program benefits to business missions, and establish authoritative "PEO" structure driving DOD level priorities to completion.



# OSD AT&L Systems Restructuring



AT&L systems support teams for supply chain management (acquisition & logistics) are being integrated to drive end-to-end supply chain thinking and break down stovepipes.

New ERP support team – a small team of true ERP SME's who facilitate compliance to DOD requirements instead of dictating compliance.



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## Statutory Requirements

- By statute, on or before September 30, services & agencies must obtain IRB & DBSMC approval of business system modernization investments in excess of \$1M.
- Services are collaborating with OSD to ensure this certification process is in place to support the 9/30 requirement.
- By 9/30, a transition plan and revised architecture (BEA 3.0) must be submitted reflecting departmental efforts at systems modernization. The first iteration of the plan (working document) is available for review, and will be refined over the next four months in preparation for submission 9/30.



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## Activities Underway

- Formally establishing Business Mission leadership and Investment Review Boards.
- Delivered initial BMMP Program Baseline and Transition Plan.
- Completing SFIS – for issuance in May.
- Streamlining certification processes to align with NDAA while establishing tiered accountability for transformation.
- Finalizing CONOPS for new business mission structure and IRB's.
- Prioritizing DOD Business Enterprise investments to accelerate capability delivery.
- Reorganizing architecture effort to focus on high quality, clearly defined, DOD level requirements by September 30.
- Reorganizing existing domain support teams to align to new business mission structure.



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## Challenges

Culture Challenges – to create a DOD Business Enterprise we must shift:

- From a culture of regulation to a culture of managerial execution.
- From a culture of silo-oriented thinking to a culture of collaboration and enterprise oriented thinking.
- From a culture of policy creation and delegated to execution to a culture of direct accountability for execution.

Resource Challenges – leadership is a major developmental need.

- Over dependence on contractors for decision making and thought leadership.
- Lack of resultant customer-orientation among contractors.
- Lack of managerial confidence in decision making.



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## Challenges

Technical Challenges – DOD Business Enterprise creation depends on:

- Scope Management. OSD must walk before it runs – achieving basic improvements is the initial focus.
- Architecture as a means to an end – not the end. Requires major re-education of all engaged participants.
- Data Centric thinking instead of system-centric thinking. Could enable DOD to leapfrog industry if we think differently.



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## Why We Will Succeed

Acknowledgement of tiered accountability and resultant impact on scope management – a private industry-style approach.

Continuity – ability to leverage learning from past three years and quickly redirect, with visible opportunity for success during next four years.

Senior leadership engagement – DBSMC establishes a level of engagement not present prior to this effort.

Joint warfighting imperatives create opportunities for collective decisions that have not existed before.

Team members who have done this before in private sector.



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## Backup Material

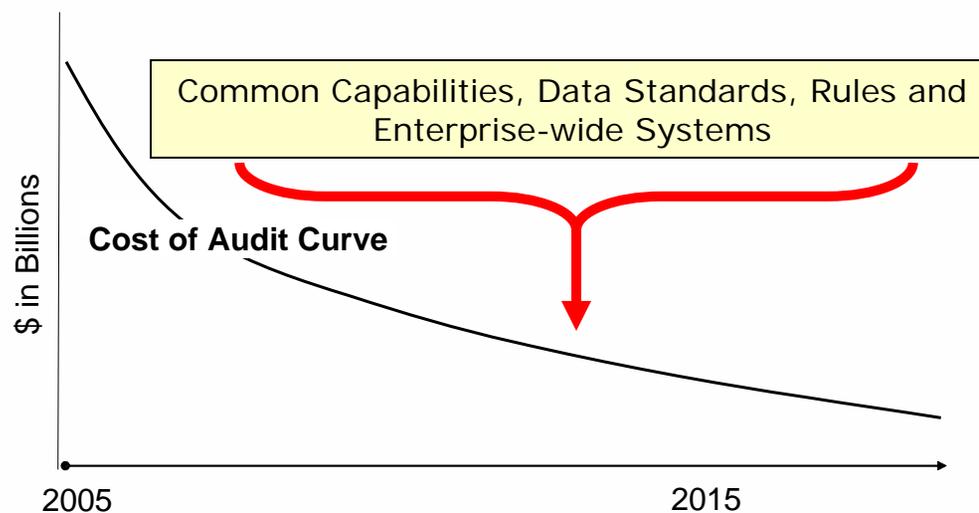


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## BMMP and the Audit

Critical audit supporting products developed since 2001:

- Standard financial structure (SFIS)—a common financial language
- Standard DoD general ledger—a common financial ledger
- Interim Systems Transition Plan—a detailed roadmap for phasing out of legacy financial systems (delivered in March '05)



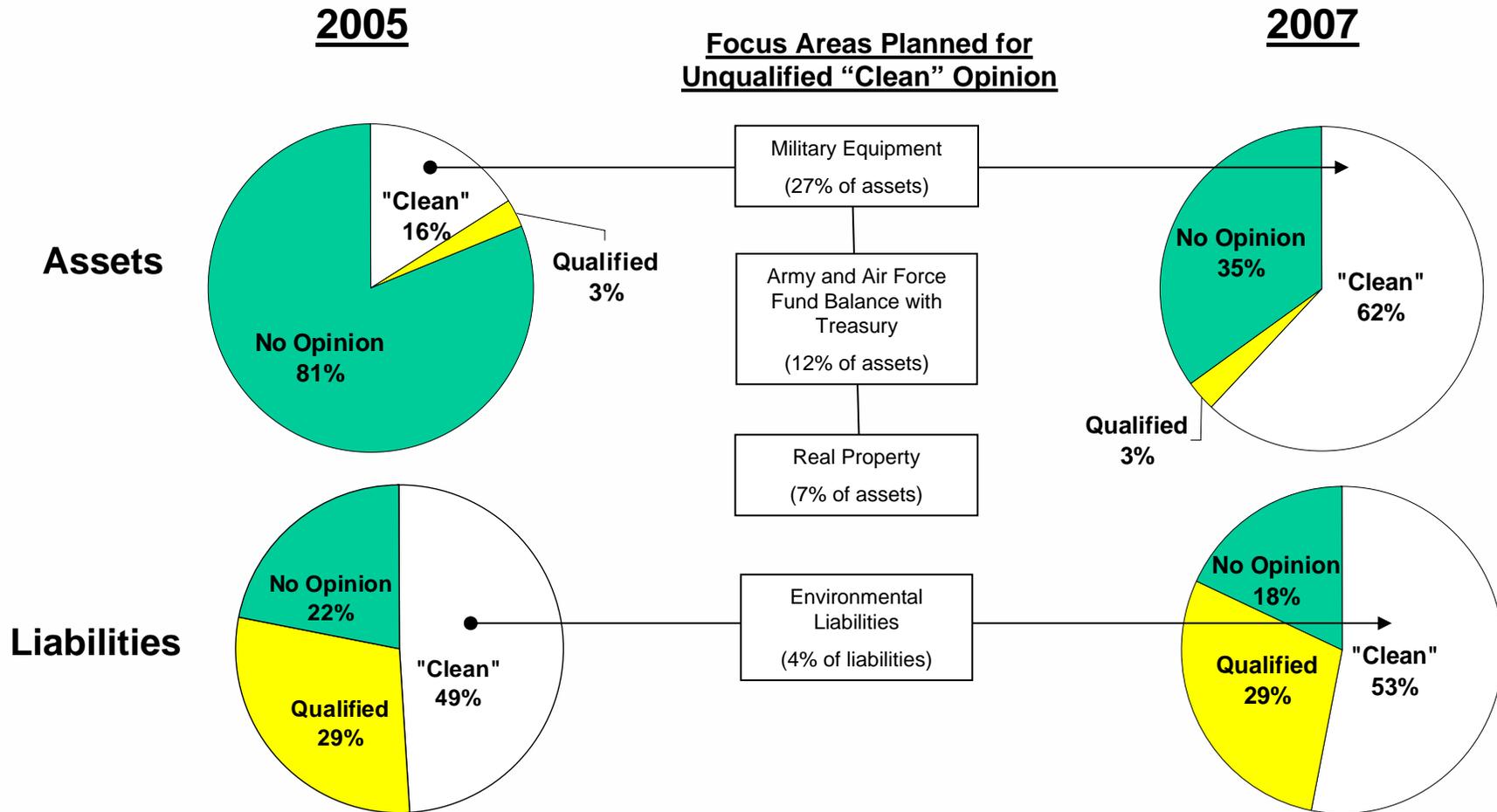
**BMMP's priorities are focused on enabling enhanced business operations.**

**Clean business processes will drive down the "Cost of Audit" by facilitating clean, traceable transaction-level financial information.**



# BMMP

## The Current Audit Plan: Two-Year View

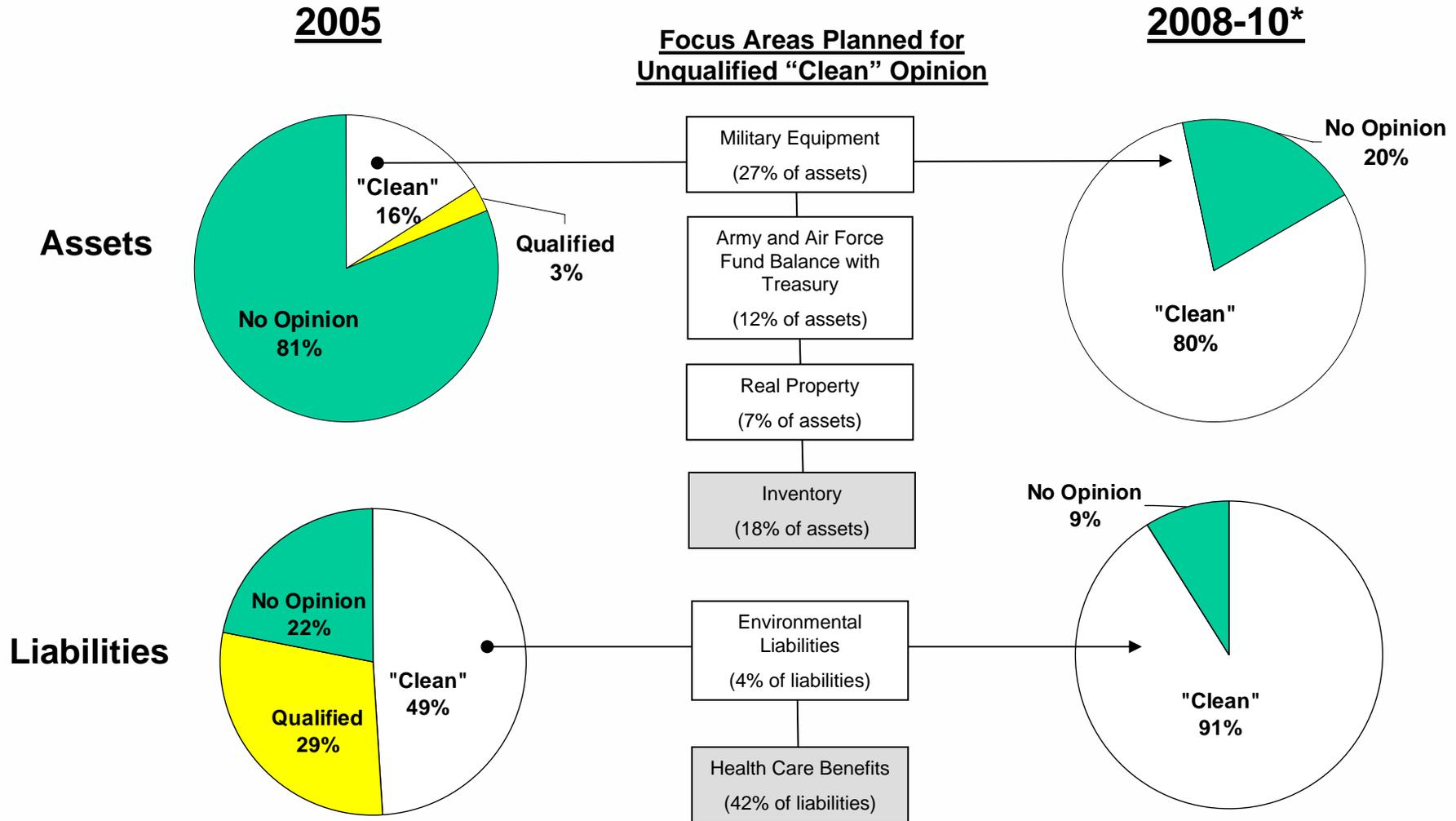




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## The Current Audit Plan: 2008-2010\*

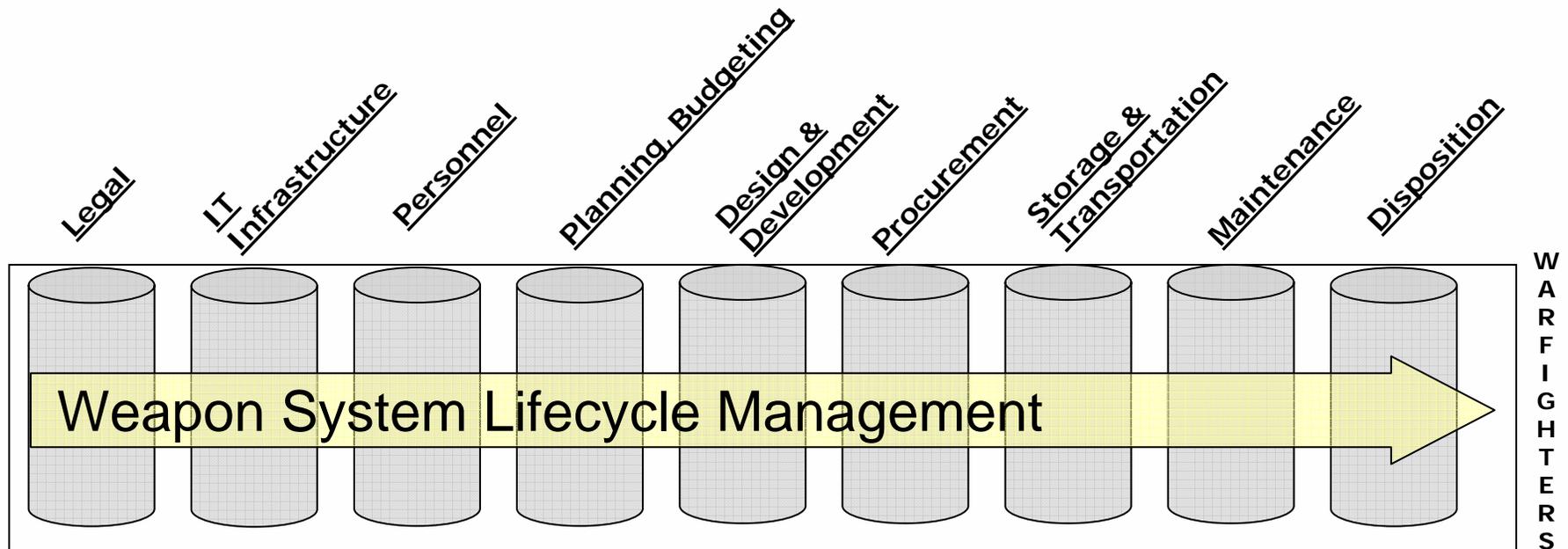
(\*Dependent on Resolution of Healthcare and Inventory Categories)





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## Business Mission: Weapon System Lifecycle Management



Led by Director ARA, J8

Process Leadership Areas:

“Big A” Acquisition Process

Design Cycle Process – (PLM systems, BOM management, etc.)

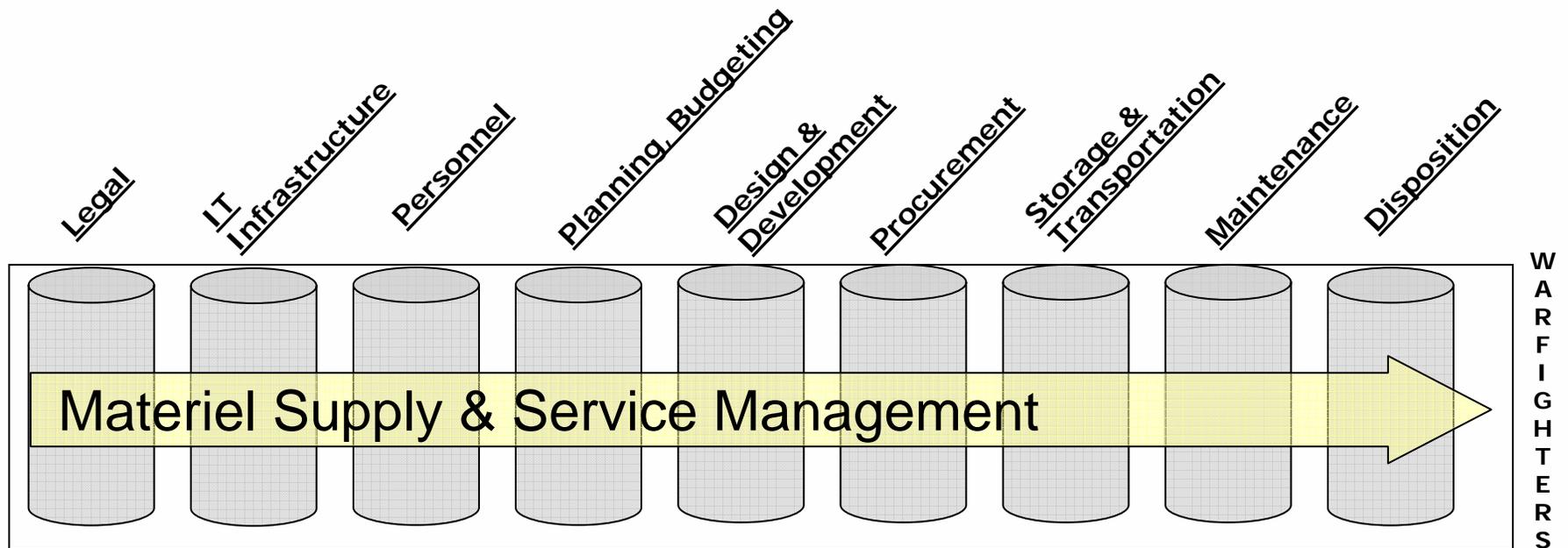
Performance Based Logistics & Supply Chain Impact

Platform Sustainment Processes & Supporting Systems



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## Business Mission: Materiel Supply Chain Management



Led by DUSD-L&MR, USTC

Process Leadership Areas:

Commodity Procurement Process

Storage & Transportation (Inventory Mgt, Distribution Process)

Spares Inventory Management

Commodity Materiel Disposal



## Two Missions: One IRB

### Weapon Systems & Materials Supply Mgmt IRB

Matériel Supply Chain Mgt: DUSD-L&MR, USTC

Weapon Systems Lifecycle Mgt: Director- ARA, J8

These leaders will establish the first iteration of criteria for certification of business systems – business mission impact criteria. The goal is to identify these first criteria by end of June.

### Investment Review Board

1-2 star level and SES civilian representation from services & agencies  
representing acquisition & logistics communities  
Review submitted system modernization investments  
from service headquarters against criteria defined by mission leaders  
using tiered review process.

Focus of review is business mission impact and return on  
investment, potential for DOD wide application of proposal.



## IRB Certification Process

	Component (PCA)	IRB/CA/PSA	DBSMC*	Days for OSD to process
<b>Tier 1</b> ACAT 1AM and 1D	<ul style="list-style-type: none"> <li>Participates in acquisition management process</li> </ul>	Leverages DAS and JCIDS process <ul style="list-style-type: none"> <li>IRB members participate in pre-milestone and milestone reviews</li> <li>CA certifies</li> </ul>	Approves	Varies by program
<b>Tier 2</b> \$10M to less than MAIS or AA Interest or Enterprise System	<ul style="list-style-type: none"> <li>Reviews and <u>Pre-certifies</u></li> </ul>	IRB recommends to the CA(PSA) who certifies compliancy based on: <ul style="list-style-type: none"> <li>Component pre-certification</li> <li>Analysis of the business case</li> <li>Impacts to enterprise systems</li> </ul>	Approves	4-6 weeks
<b>Tier 3</b> Greater than \$1M and less than \$10M	<ul style="list-style-type: none"> <li>Reviews and <u>Pre-certifies</u></li> </ul>	IRB recommends to the CA(PSA) who certifies compliancy based on: <ul style="list-style-type: none"> <li>Component pre-certification</li> <li>Review of the business case</li> </ul>	Approves	2-3 weeks

*\*DBSMC is not required to meet to sign approvals.*