to 35 percent. Lastly, it would also provide input to the ABC accounting system that could be used to gain a better picture of the true costs of repairs.

Another relatively recent software development that could aid in cost tracking within the depot system is termed Enterprise Resource Planning (ERP). These programs integrate the logistics, manufacturing, financial, and human resource management functions within an organization, to provide a single, less fragmented reporting information system. The use of ERPs in private industry, like ABC, is also increasing, with an estimate that 70 percent of Fortune 1000 firms have, or will soon have, ERP systems.

The principal reason for this sudden and widespread use of a new business approach is due to the potential benefits that companies perceive in an integrated reporting system, like quicker reaction times to business decisions, more flexible product configurations, reduced inventory, and tightened supply chain links. Consequently, it appears that all employees of a company would have access to the same information almost instantaneously, allowing for significant reengineering of business practices.

"Shaping the Civilian Acquisition Workforce of the Future"

Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition, Technology and Logistics) and Dr. Bernard Rostker, Under Secretary of Defense (Personnel and Readiness) signed the Acquisition Career Management Task Force's final report, "Shaping the Civilian Acquistion Workforce of the Future," Oct. 11. View the entire report on the Defense Acquisition Reform Web site at **www. acq.osd.mil/ar/#2005.**

Considerations for Implementing an ERP System

The complexity of an ERP system, however, requires considerable forethought regarding its implementation, which can possibly take years to accomplish. What questions must you answer before implementing the system?

Who would implement the project? In several firms, this has been left to the Information Technology (IT) division. This doesn't necessarily seem to be the best choice; rather, management should form an integrated team from all the divisions involved, since it will require their coordination and input for the program to be successful.

Should the ERP software be implemented "as is," modified to meet the specific needs of the organization, or should different ERP packages for different divisions be selected and then integrated (since different vendors offer different capabilities within each functional area)? The selection of one of the three approaches just mentioned can considerably influence the subsequent performance of the package, and its time and personnel requirements. For instance, the average ERP implementation time runs about 14 months, and can take as many as 150 consultants for a large organization. However, modifying the software may offer the best fit for the function, but could drive up the cost of the project by 30 percent.

The least expensive (up-front cost) approach would be to implement packages piecemeal, with the thought that, at some point in the future, there would be an integrated system across all functions. However, the total costs for this type of approach would probably be just as high as the software modification approach.

Would one want to use a Warehouse Management System (WMS) in conjunction with the ERP system? Several companies tried it to bring ultimate benefit to a repair/manufacturing facility. However, the integration of these two types of software packages has proven to be a difficult process, since many of these packages do not adhere to a particular standard, and integrating their communications may not be easy.

Is there sufficient room on the main server? The software architecture requires considerable storage room, and the network should probably be expanded to accommodate the extra use that it will receive.

What needs to be done to use the current data information? The organization should standardize the data before implementing an ERP system; for, if one item is called by different names at different locations, or different items are called by the same name, then the full benefits of an ERP will not be achieved.

Do business practices need to be changed? While current business practices do not necessarily have to be changed to implement an ERP, it would make sense to do so in order to fully benefit from the integrated approach.

Recently, the process of acquiring new software, especially financial off-the-shelf software, was made easier with revisions to Office of Management and Budget Circular A-127, allowing agencies to purchase software if it meets federal requirements. The process will now be to notify the Joint Financial Management Improvement Program (JFMIP), which will then post a message on their Web site that will allow interested vendors to begin market research in anticipation of submitting a bid or proposal. The process was up-and-running Oct. 1, 1999, and showed which software products have been tested and certified under the new standards.

Final Thoughts

GAO has recently outlined several problems in the depots with current DoD accounting and reporting procedures. The use of ABC and the implementation of an ERP process in the depots would allow for a significant reengineering of current business practices. The addition of the new accounting and reporting software applications could go a long