ERP in the Future Logistics Enterprise

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Our Business: DoD Logistics Enterprise

Major Functions:
- Supply
- Maintenance
- Transportation

- $82B annual costs and growing
- Over 600 Critical Logistics IT systems
- Annual IT Investment ~$3B
- Essential mission – Support to the War Fighter

DoD Logistics

Over 900,000 People!
QDR Direction

- Project and sustain the force with minimal footprint
- Implement performance-based logistics to compress the supply chains and improve readiness for major weapon systems and commodities
- Reduce cycle times to industry standards
DUSD(L&MR) Vision

Meeting warfighter requirements around the clock, and around the globe...

...through enterprise integration and end-to-end customer service
Enterprise Integration (EI)

• **EI: Enables the Future Logistics Enterprise!**
  – By linking people, processes and information to achieve business objectives (i.e., the warfighting capability)

• **But it is NOT:**
  – One Big System
  – Just ERP
  – One Size Fits All

• **Enterprise Integration End State**
  Highly trained and skilled people within the DoD Logistics Enterprise have access to near real time, actionable information
  ...provided by modern, commercially-based software products
  …that have been rapidly implemented to enable reengineered logistics processes and business rules

Meeting **Warfighter Requirements Around the Clock, Around the Globe.**
Strategy for Success—Enterprise Convergence

> Logistics Enterprise Architecture that allows interoperability with DoD elements
> Portfolio Management
> Change Management
> Focus on BPR – vs. changing COTS Software
> Phased Implementation
> “80/20 Rule”
> Leverage Commercial Knowledge Base
> COO/CFO/CIO Collaboration
Enterprise Integrated Data Environment

Data Warehouse, BI, APS, Decision Support

Business Constructs

EIDE

Portals
Suppliers
Partners
Exchanges (Future)

Middleware

Business Process
Standards
Workflow
Example: Weapons System Enterprise & DOD Logistics
**Logistics Enterprise Governance Structure**

**DUSD(L&MR) “Guided” Groups focused on Successful Enterprise Integration and Transformation**

**Commercial Industry Team:**
One Rep (CIO, Exec Sponsor, VP Logistics, CEO etc) from selected companies that provide input/advice to each of the groups on varying topics.

**Program Implementation**
Task to: “Do it Right and Fast”
Focus on:
- Best Implementation Practices
- Scope
- Lessons Learned
- Infrastructure
- Integrated Schedule
- Tools
- Architecture
- Repositories
- Security

**Change Management**
Task to: “Make it Stick”
Focus on:
- Change Management
- Performance Measurement/Improvement
- Communications/Public Relations, Messaging
- Education
- Organizational Readiness

**Best Business Practices**
Task to: “Reengineer for Success”
Focus on:
- KPI/Metrics to support processes
- COTS Product Exploitation
- Business Process Reengineering
- End-to-End Processes
- Roles/Org Model to deliver
- Repositories/Tools

JLB
# ERP Implementations

<table>
<thead>
<tr>
<th>Project</th>
<th>Organization</th>
<th>Focus</th>
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<tbody>
<tr>
<td>eNOVA → Operational Apr 01</td>
<td>Army/ARDEC</td>
<td>ARDEC Business Processes (indirect procurement, asset management; other ARDEC business processes - Oct 02 go-live)</td>
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<tr>
<td>CABRILLO → Operational Jul 01</td>
<td>Navy/SPAWAR/SSC</td>
<td>Working Capital Fund Financial Management and Business Processes</td>
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<tr>
<td>NEMAIS → Operational May 02</td>
<td>Navy/NAVSEA &amp; CLF</td>
<td>Regional Maintenance</td>
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<tr>
<td>URL → Operational May 02</td>
<td>Army/MRMC/USAMMA</td>
<td>Medical Kit Assembly Management, Inventory Management, Financial Management, and Material Requisition</td>
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<td>BSM → Operational Jul 02</td>
<td>DLA</td>
<td>Supply Chain Management</td>
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<td>SIGMA → Operational Oct 02</td>
<td>Navy/NAVAIR</td>
<td>Program Management Process to include linkage between contracting and financials</td>
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<td>SMART → Scheduled go-live Dec 02</td>
<td>Navy/NAVSUP &amp; NAVAIR</td>
<td>Maintenance Planning and Material Ordering Processes  (O, I, D level and NAVICP)</td>
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<tr>
<td>LMP → Scheduled go-live Feb 03</td>
<td>Army/AMC</td>
<td>Wholesale Logistics</td>
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