Achieving Business Transformation
The Road to a “Clean Financial” Opinion

The Department of the Navy Approach

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Today’s Systems Environment

- Too many systems
  - Redundant, stove-piped
  - Poor integration, interoperability
  - No standard data structures
- Limited visibility in budget
  - Discrete elements of spending lacking
- Difficult to support technologically
- Difficult to audit
Framework for DON Business Transformation

- DoD Business Enterprise Architecture… **Blueprint**
  - Standardize business processes & provide data standards
  - Requires systems portfolio management

- Navy ERP… **Cornerstone**
  - Implement a modern, integrated COTS software product
  - Reengineer business processes

- Functional Area Manager Process… **Transition Tool**
  - Rationalize FM and Business systems… portfolio management
  - Standardize business processes

- DoD Financial Improvement Initiative… **Integrating Plan**
  - Considers/integrates elements of Systems, Processes and Human Capital
  - Documents Business Processes for Audit

**Successful Business Transformation Will Support Auditable Financial Statements**
DoD Business Enterprise Layer

Data Standards, Common Capabilities, Transformation “Catalysts”

- Enterprise Financial Visibility
- Acquisition Program Visibility
- Material Transaction Visibility
- Military Personnel Visibility
- Real Property Inventory Visibility
- Common Asset Valuation
- Common Supplier Engagement

• DDRS
• DCD/DCW
• SFIS
• IGTS
• DCAS
• PB Framework
• Global Edit Table
• Funds Control
• Commitment Acctg
• Cost Acctg Methodology

Critical Enabling Initiatives/Programs (preliminary view)
All DoD Enterprise Capabilities contribute to downward pressure on audit costs (auditability) in varying degrees.
Defining the DoD Business Enterprise

DOD Enterprise

Data Standards, Common Capabilities, Transformation “Catalysts”

Component Enterprises

ARMY
Army Enterprise Architecture
Alignment to OSD Enterprise
Portfolio Mgt
AT&L, Fin, P&R, NII IRB Participants

NAVY
Navy Enterprise Architecture
Alignment to OSD Enterprise
Portfolio Mgt
AT&L, Fin, P&R, NII IRB Participants

MC
Marine Corps Enterprise Architecture
Alignment to OSD Enterprise
Portfolio Mgt
AT&L, Fin, P&R, NII IRB Participants

DLA
DLA Enterprise Architecture
Alignment to OSD Enterprise
Portfolio Mgt
AT&L, Fin, P&R, NII IRB Participants

AF
Air Force Enterprise Architecture
Alignment to OSD Enterprise
Portfolio Mgt
AT&L, Fin, P&R, NII IRB Participants

Federated Business Enterprise Architecture

OSD Required Integration to DOD Enterprise
Future Environment Supported by Net-Centric Principles
Challenges

- Understanding/Applying BMMP Principles
- Instituting clear DON Leadership over business process transformation
- Change Management and Communication
- Coordination/Cooperation between Technical (CIOs) – Business Managers (COOs) – Resource Managers (CFOs)

_DoD Organization and Culture Make These Even More Challenging_