Logistics Enterprise Integration
Advisory Board

Setting the Stage

17 Nov 03
Setting the Stage

Purpose: Set the stage for today’s Army Logistics Enterprise Integration Advisory Board

Topics:

- Why we need Army Logistics Enterprise Integration
- Where we’ve been
- Strategic view of where we are going
- Road Ahead
Army Logistics Enterprise Integration

Today’s Sub-optimized Environment

- Multiple organizations with decentralized business models
- Large set of legacy “stovepiped” systems
- Heavily invested in several logistics systems modernization efforts that have not been formally integrated
- No common measure of performance for automated systems at an enterprise level

Legacy Systems

- Tens of Millions of Lines of Code
- Multiple Vendors (Hardware & Software)
- Variety of Architectures

- No organization structure to support enterprise-wide collaboration
- Decentralized - disparate roles, processes & responsibilities leading to redundancies across the Army
- No “one Army enterprise” culture

Focus of Advisory Board

Decentralized Environment - Stovepipes & Views

Integrated Logistics Enterprise = Common Operating Picture
Observations from Industry

→ ERP is the gold standard for coordination of business processes
  - >70% of world’s Multi-national Corporations’ use SAP R/3

→ Meta Group SAP/ERP Client Study (2003)
  - Enhanced business processes 91%
  - Improved analysis and reporting 79%
  - Improved customer service 76%
  - Reduced personnel costs 74%

◆ Advancing to the forefront of industry practice is not an easy task

◆ ERP paradox:
  1. Implementation is very hard work.
  2. It is a “do it yourself” project.
  3. It is not the #1 priority.

*Dr. Baba—Consultant/Michigan State University—Conducted Study (Managing Human, Organizational and Cultural Factor in AMC’s LMP)

Take-away

point

Right thing to do, but it is hard work and results take some time

Post Go-Live

Productivity Dip Survey
  - 75% experience a moderate to severe productivity dip
  - 24% report no dip in productivity
  - 25% report a dip lasting one year
  - >50% report a dip of less than 6 months

Integrated Logistics Enterprise = Common Operating Picture
Where We’ve Been

Setting the right foundation to address vision, process, organization, and project synchronization

➔ Governance
  ▸ Published Army Knowledge Management (AKM) Memo # 4, Army Logistics Enterprise Integration, 15 Jul 03
  ▸ Conducted ESCs - 31 Mar 03 & 16 Jul 03
  ▸ Stood up Strategies, Architecture and Standards Group on 28 Oct 03

➔ Process
  ▸ Business process construct
  ▸ Portfolio Management

➔ Projects
  ▸ LMP: Deployment phase
  ▸ GCSS Army: Project preparation phase

➔ People
  ▸ Request for qualified SMEs released
## Mission & Vision

**Mission:** Transform Army Logistics to fully support the Current and Future Forces - Unit of Action/Unit of Employment (Future Combat Systems)

**Vision:** “A fully integrated knowledge environment that builds, sustains, and generates Warfighting capability through a fully integrated logistics enterprise based upon collaborative planning, knowledge management, and best business practices.”

## Strategic Objectives

- Implement an Integrated Enterprise Logistics system that:
  - Provides a common operating picture
  - Provides Commanders at all levels significantly improved capabilities to build combat power and manage readiness
  - Instills confidence through accuracy, reliability, connectivity and visibility
  - Supports Army Transformation deployment timelines
  - Accommodates changes driven by OPTEMPO and best business practice innovation

- Enable vertical and horizontal integration at all logistics echelons
- Establish integrated business processes and rules
- Deliver Logistics chain management from the National level through the training/sustaining base to the CSS unit level
- Ensure support of Joint and Multi-national Interoperability requirements
Integrating Army Logistics Automation

**LMP (Logistics Modernization Program)**
- **2003 - 2004**
  - Modernize National Level Logistics Processes:
    - Forecasting
    - Demand Planning
    - Supply Planning
    - Commodity Management
    - Order Fulfillment
    - Provisioning & Cataloguing

**PLM+ (Product Lifecycle Management)**
- **2004 - 2007**
  - Business Intelligence
  - Master Data Control
  - Weapon System Tech Data Management
  - Single Point of Interface

**Installation ERP (Enterprise Resource Planning)**
- **2006 - 2008**
  - Modernize Combat Service Support Processes:
    - Supply
    - Maintenance

**GCSS Army (Global Combat Support System Army)**
- **2006 - 2008**
  - Modernize Combat Service Support Processes:
    - Integrated Materiel Management
    - Supply Support Activity Management
    - Maintenance Management (Ground & Air)
    - Property Book
    - Ammo Management
    - Data Analysis

**Continuous Upgrades**
- Identify “Legacy Capabilities” & Develop Migration Strategies
- Resource the Efforts
- Synchronize Program Schedules
- Eliminate “Stovepipes”
- Legacy Retirement

**End-to-End Integration**

**Ensure Joint Interoperability**

**Supply Chain Optimization**
- Tech & Quality
- Demand Planning
- Supply Planning
- Financial
- Procurement
- Order Fulfillment

**BEA - BEA-LOG - Army Logistics Enterprise Architecture**

Integrated Logistics Enterprise = Common Operating Picture
## Synchronizing ERP Schedules, Processes & Investments

### National Domain
- **LMP**
  - Pilot Version 1
  - Release 1.1
  - Eval & Project Preparation
  - Blueprinting
  - Phase 1 Pilot
  - Alignment with LMP

- **Installation**
  - ERP PLM+
  - Eval & Project Preparation
  - Blueprinting
  - Phase 2 (Management)

- **Tactical Domain**
  - GCSS Army
  - Project Preparation
  - Blueprinting
  - Evaluation & Project Preparation
  - Go-Live

### 2004 will be crucial to program development

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<td>Realization</td>
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### Key Mechanisms
- **SASG**
- **Portfolio Management**
- **Business Process Owners**
- **Advisory Board**
- **ESC**

### Target
- Quarterly
- Semi-annually

### 2004
- SAP Upgrades
- Alignment with GCSS Army & PLM+
- OSD Fielding Decision
Conclusion

► We have the Foundation and Architecture
► We are moving out!!!
► This is a complex process impacting the entire Army and logistics Transformation
► We need your understanding of the fundamentals of ERP and SAP so we can:
  ▶ Standardize the Army’s sustainment processes
  ▶ Identify and mitigate risks
  ▶ Implement an orderly transition
  ▶ Support requisite change management processes (Leadership, Organization Alignment, Participation/Communication)
  ▶ Input and counsel as we execute

Transformation is occurring