

CIO Review

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BROWZ: Ensuring Safe, Qualified, and Socially Responsible Supply Chains

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CXO INSIGHT
IT is Becoming a
Commodity. That is What
We Are Being Told
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CIO REVIEW
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in my
opinion

Re-shored Information Technology (IT) services, outsourcing vs. insourcing, and associated implementation strategies are major discussions affecting Chief Information Officers (CIOs) about how they manage their organizations. What are the costs and organizational benefits? What are the short- and long-term effects of one strategy over another? Which strategy will best keep users happy and deliver a low total cost of ownership? To answer these questions, CIOs must recognize that the best approach is as unique as a social security number and depends on the organization, its needs and culture, the available technology, and the maturity levels of each of those. CIOs must find the right mix of people, process, and strategy to fit an organization's current and emerging needs and cost constraints. And finding the right solution has been no different for the U.S. Army and its approach to managing its Enterprise Resource Planning (ERP) programs.

ERP is business management software made up of integrated applications to collect, store, manage, and interpret data from various business activities, including financial management, product management, inventory management, and manufacturing. The Army has four major ERPs currently managed by different private industry Lead Systems Integrators (LSIs) with a combined lifecycle cost over \$8 Billion: Army

Enterprise System Integration Program (AESIP), Logistics Modernization Program (LMP), Global Combat Support System-Army (GCSS-Army), and General Fund Enterprise Business System (GFEBs). The Army's ERP strategy is "to build and mature an Army insourced system integrator," so as each ERP LSI contract comes to a close, the Army is faced with decisions that will shape what future ERPs will look like, including transitioning certain responsibilities from contractors to the government. These decisions require a carefully choreographed mix of people, processes, and strategy that impact the long-term sustainment and expansion of the ERP systems and direct support to Soldiers.

The Army Shared Services Center (SSC) has been selected to serve the LSI role for several Army ERPs. Under the sponsorship of the Research Development & Engineering Command (RDECOM) and through the Armament Research Development and Engineering Center (ARDEC) Software Engineering Center (SEC), the Army SSC leverages Capability Maturity Model Integration (CMMI) Level-5 processes and is an industry-certified Customer Center of Excellence for ERP technology development and sustainment. Coupled with the RDECOM providing lifecycle engineering support, the Army SSC will serve as a government-based LSI, staffed with a government team

U.S. Army Shared Services Center - Finding The Right Mix of People, Process, and Strategy to Become a "Smart Buyer" of

ERP Services



By George Albinson, Director, U.S. Army Shared Services Center

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George Albinson

augmented with contractor support (mostly small businesses). Specific work areas affected by the transition from big industry to organic support include: insourcing LSI functions, balancing commercial and organic skills, ERP sustainment, data center consolidation, virtualization, knowledge management, business transformation, business process reengineering, and systems engineering.

The Army SSC's 'people strategy' is a combination of insourcing the LSI function, along with some execution support, while outsourcing roles with specific expertise to small business teams for niche support that augments the government team. Additionally, for this organic ERP effort, the Army has made a significant change in its Human Capital Management Plan, recognizing ERP skills as its own competency in position descriptions, rather than categorizing those skills under generalized “systems engineering” or “computer science” descriptions. This is a huge shift in the way the Army is treating ERP support from a staffing perspective, demonstrating its long-term commitment to creating an organic team of ERP experts managed and controlled by government processes and best practices.

To ensure success from an organic organization, the government will gain control of ERP intellectual property and reduce operational lifecycle costs. The 'process strategy' approach, then, includes streamlined governance for faster decision making and government-to-government support agreements that provide cycle time improvements and cost savings. Combined with a business enterprise architecture framework and a rigid investment process, the Army SSC strategy also drives out stove-pipe legacy applications for more enterprise-wide capabilities among the ERPs. The ultimate goal is to leverage the government's LSI role and lifecycle support maturity to manage the ERPs in a continuous change paradigm as needs arise, missions change, and/or technology advances.

The Army SSC strategy is already working for AESIP. In 2010, AESIP transitioned its data hub services from its prime contractor to Army SSC for sustainment and support. One year

later, the Army SSC took over all new development work for AESIP. The LMP is currently undergoing one of the largest transition of services efforts the Army has ever seen for IT capabilities. Being completed in three phases, the infrastructure and hosting has already been moved from the prime contractor to the Acquisition, Logistics and Technology Enterprise System and Services (ALTESS), the Army SSC's preferred government IT hosting provider. The other two phases are underway, with legacy systems moving to the government in December 2015, and sustainment and development work transitioning in December 2016, both of which are being supported by large government hiring and knowledge transfer efforts (from contractors to government staff), as well as awarding small business contracts to hire staff that will augment the government team once it's in place. Moreover, future work includes the transition of GCSS-Army sustainment to Army SSC.

In the end, the Army SSC approach enables the government to become a “smart buyer” – and implementer – of ERP services. Through organic hiring, the government is becoming an ERP expert, and through augmentation by small business contractors, the government can continue to learn from and work with other experts in the field. Additionally, the RDECOM and Army SSC are leveraging decades of lifecycle support experience to manage each ERP's mission, schedule, and budget, providing Army leadership with more flexibility and speed to get work done at a lower cost with significantly less complexity and risk than managing numerous, multi-million dollar contracts with private industry. In addition, as sustainment levels off and new requirements arise, the Army SSC will be responsible for design, development, and deployment of new capabilities to ensure user needs are met and the Army can properly support an ever-changing environment for Soldiers.

Bottom line: the Army SSC is helping change the Army ERP management landscape, finding the right mix of people, process, and strategy to provide successful support today and in the future.