



*Ensuring Readiness  
through the Delivery of  
Army Business Services  
from Tactical to  
Strategic Levels*



*LTG Tom Spoehr, HQDA OBT  
Enabling Mission Command Workshop*



**What if there was a large Fortune Top 20 organization with annual revenue of over \$120 billion a year that:**

Walmart 



Exxon



- *was more concerned about its rate of expenditures, than what they were getting for their outlays?*
- *when faced with a shortage of resources, often cut the funding for the core product first?*
- *didn't understand what their end-to-end costs were for their core processes?*
- *had a limited understanding of their internal IT systems and associated shortcomings and overlap with other systems?*
- *was minimally concerned about the security of their data, didn't ensure standardization of their data across the enterprise, and often overlooked their own data to inform business decision-making?*
- *overpaid to host their IT applications and store their data?*

***You might suppose it would eventually go bankrupt...  
What if that organization was the US Army?***



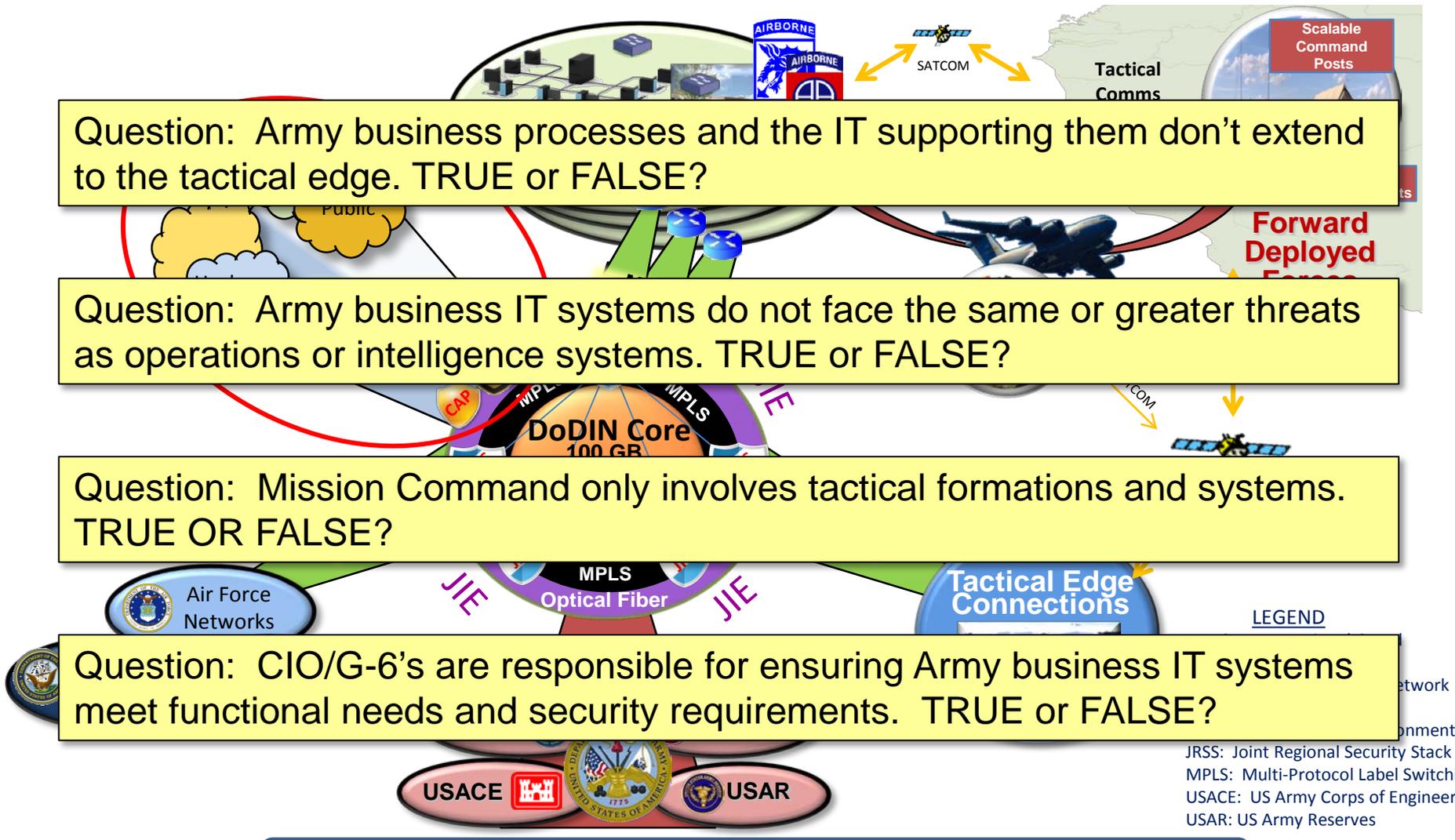
# The Army Network

Question: Army business processes and the IT supporting them don't extend to the tactical edge. TRUE or FALSE?

Question: Army business IT systems do not face the same or greater threats as operations or intelligence systems. TRUE or FALSE?

Question: Mission Command only involves tactical formations and systems. TRUE OR FALSE?

Question: CIO/G-6's are responsible for ensuring Army business IT systems meet functional needs and security requirements. TRUE or FALSE?



**One Network – Strategic/Tactical Integration**

JRSS: Joint Regional Security Stack  
 MPLS: Multi-Protocol Label Switching  
 USACE: US Army Corps of Engineers  
 USAR: US Army Reserves



# What We Want To Accomplish Today

- Appreciation for the systems the Army uses to transact its Title 10 Functions → a.k.a. Army Business Systems
- Understanding of the Army's Enterprise Resource Planning (ERP) Systems
- Understanding of your role in assessing the processes for which you have responsibility and the supporting business IT systems, and when necessary, implementing change
- Appreciation of how Army Business Services are critical to the CSA's priorities of ensuring readiness and building an agile and adaptive Army of the future



# Trends for Global Business

- Structural Change:
  - Corporations *fragmenting* allowing more focus and targeted innovation
  - Narrowly focusing on key areas of differentiation; outsourcing everything else
- Narrowing of Profit Margins
  - Intense competition driving narrow profit margins, mandating greater emphasis on “*early adoption*” and *continuous process improvement*
  - Driving entities to employ *sophisticated business intelligence* coupled with big data to decide what to do and customer relationship applications to better target their efforts
- Triumph of Mobile Devices
  - Imperative to cater to “*Bring Your Own Device* (BYOD)”
  - Internet of Things (Tablets, Watches, SmartPhones, “Sensors”, etc.)
- Social
  - Identity Based Eco-System (Single Sign On, Access Management, etc.)
  - Collaboration (Unified Communications, Communities of Practice, etc.)
- Movement to the Cloud (IT as a Service)
  - *Software as a Service*
  - Platform as a Service
  - Infrastructure as a Service
- For the foreseeable future, continued reliance on *Enterprise Resource Planning* (ERP) systems to run internal business operations

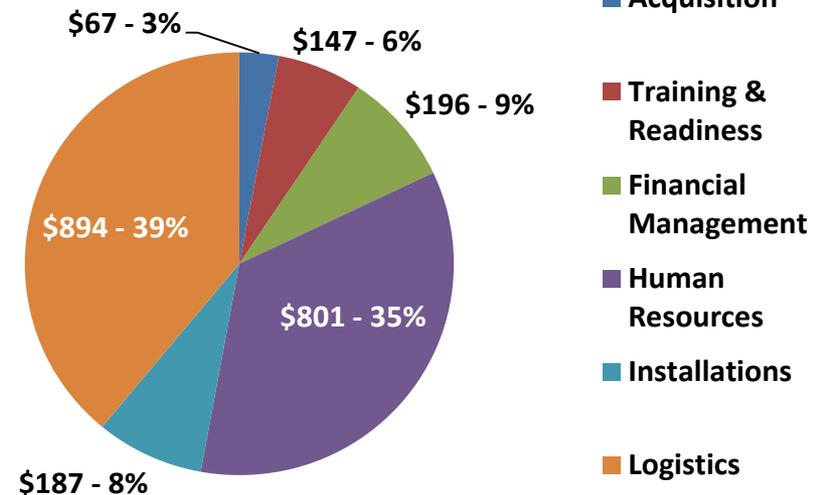
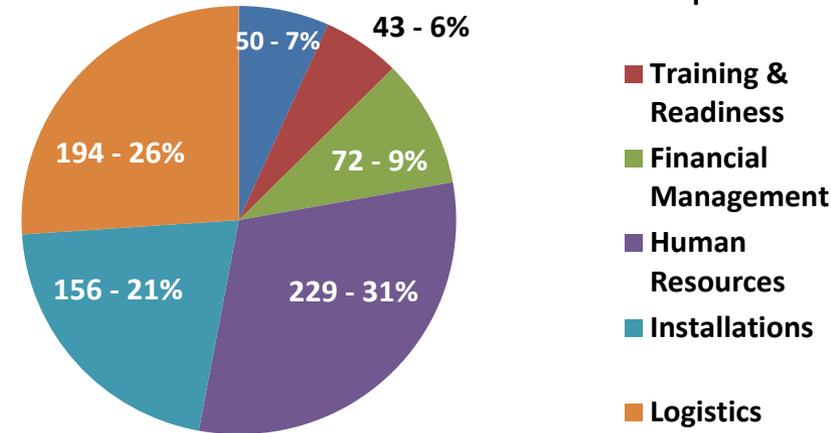


# FY16 Army Business System Portfolio Review

Investment Totals		
	FY15**	FY16**
<b>Business Systems</b> (>\$1M over FYDP)	<b>\$ 1.9B</b> 302 systems	<b>\$ 2.3B</b> 357 systems
<b>Business Systems</b> (<\$1M over FYDP)	<b>\$ 32M</b> 390 systems	<b>\$ 75M</b> 387 systems
<b>Totals</b>	<b>\$ 2.0B</b> 692 systems	<b>\$ 2.4B</b> 744 systems

**The Army owns over 740 business systems on which in FY16 we will spend about \$2.4 Billion to either develop or maintain**

### System Count Distribution

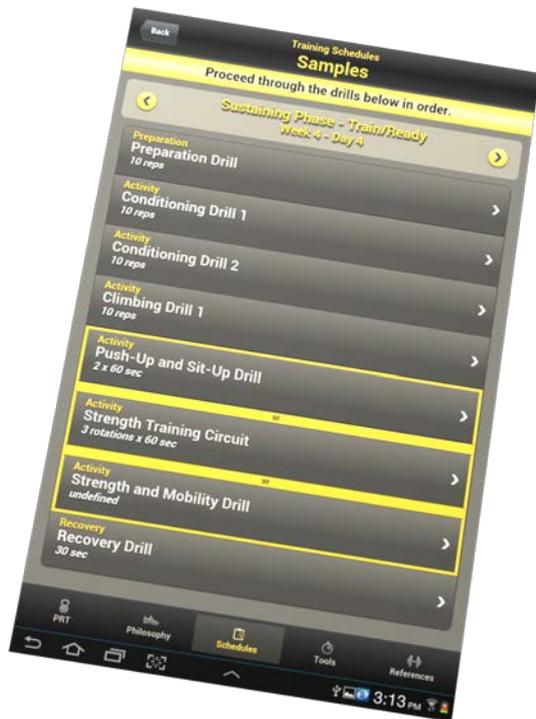


### System Cost Distribution (\$ Mil)



# Army Business Systems

- Scope: Involve how we perform an aspect of our Title 10 functions
- Typically excluded: web sites and SharePoint portals
- Timeframe: Range in currency from applications written in COBOL for IBM mainframe computers in the 1970s/1980s to web-based applications written in HTML or apps written for the Android or iOS operating systems

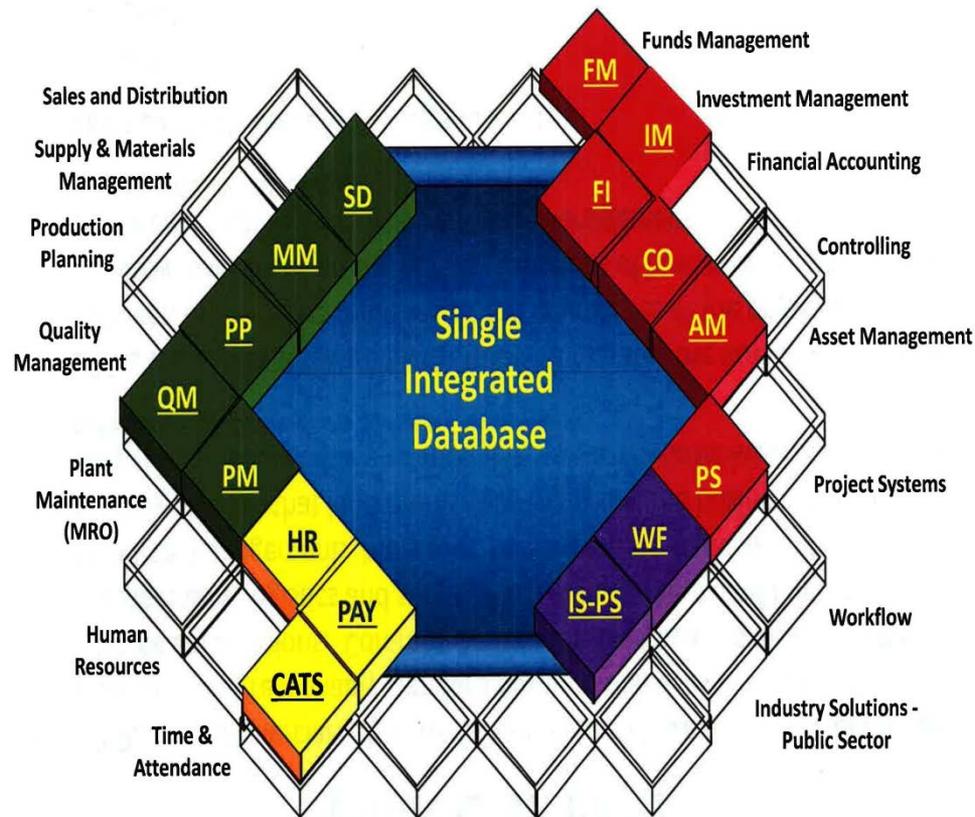


- Systems: Range from Government owned/government designed to completely commercial off-the-shelf (COTS). *Business systems are strongly trending COTS, with customization frowned upon*
- Developing versus Sustaining. In FY2016, the Army will spend 74% of its funding to maintain current systems, and 26% to develop new systems
- Change. *Tends to be “add-ons,” rarely based on effectiveness or efficiency enhancements derived from business process reengineering*
- Special Interest Groups. Most Army business applications have an associated contractor constituency which can often serve to inhibit change and free-thinking



# What's an Enterprise Resource Planning (ERP) system?

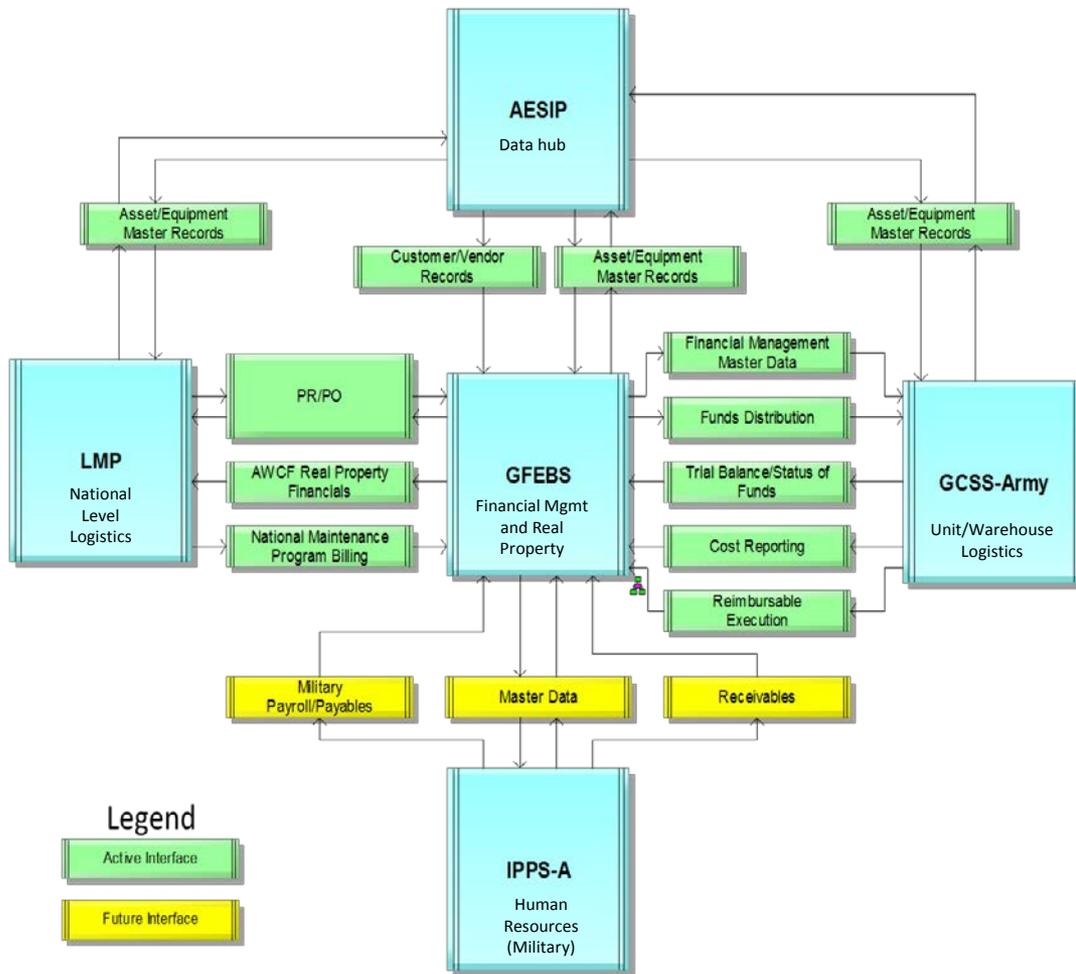
## Typical Components of an ERP



- ERP Fundamentals: Not just another business software system..., ERPs are:
  - Packaged *business solutions* comprised of multiple components, that, when implemented in tandem, automate, integrate and optimize extended business processes across organizational value chains
  - Enable sharing of common data and business practices both within the enterprise and across supply chains
  - The Army has four:
    - General Fund Enterprise Business System (GFEBs) for Financial Management
    - Global Combat Support System-Army (GCSS-A) for Retail Logistics
    - Logistics Modernization Program (LMP) for Wholesale Logistics and Depot Operations
    - Integrated Personnel and Pay System-Army (IPPS-A) for Military Human Resource Management



# Army Federated ERP Strategy

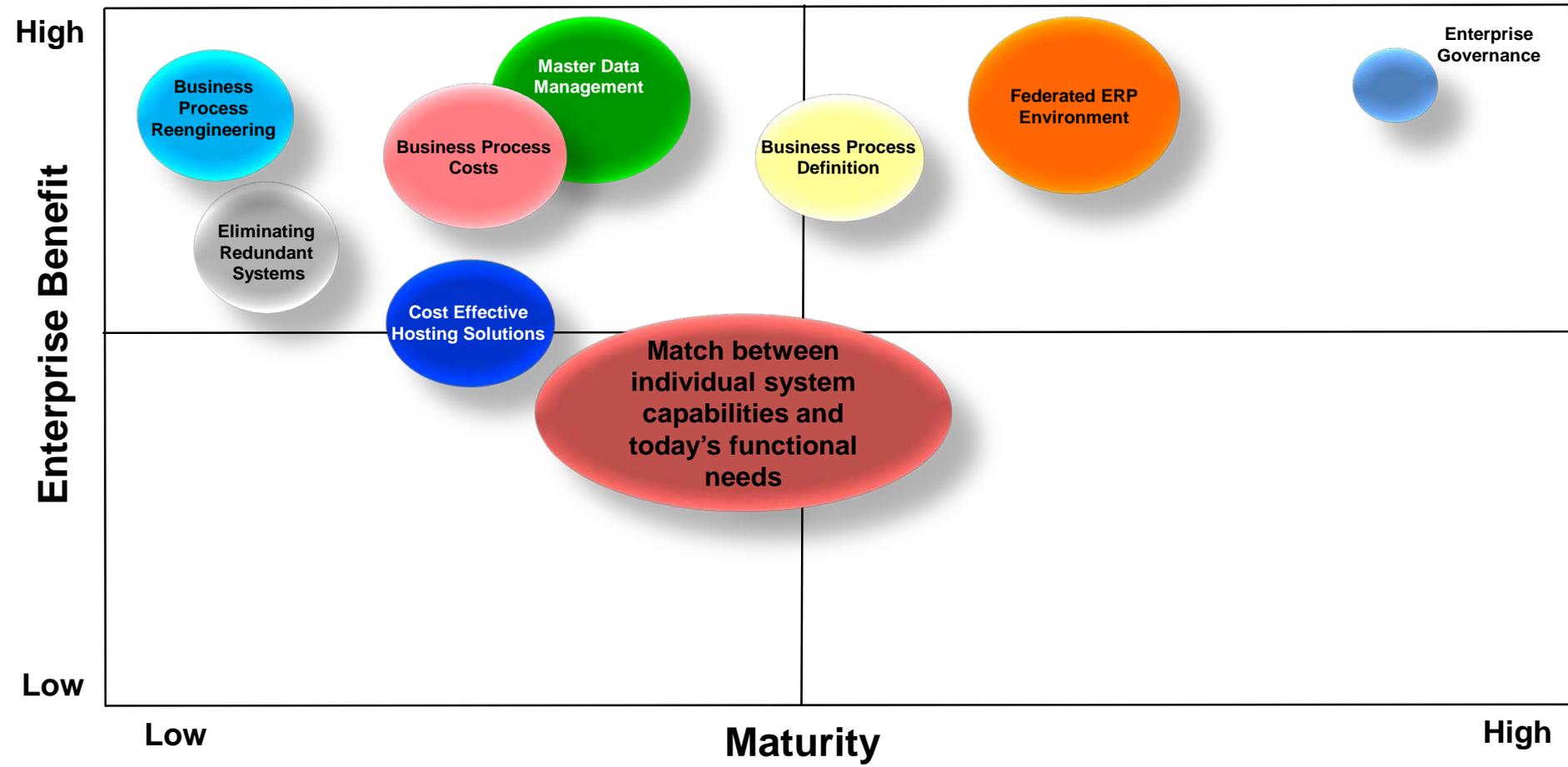


- Army Strategic Objective: Establishment of a federated environment within which each ERP system supports specific lines of business while enhancing overall enterprise performance, assessment, and accountability.
- Three major connectors:
  - Business Processes
  - Data and Data Standards
  - Force Structure (Static & Dynamic)
- Provides business-related functionalities supporting fielded forces to the tactical edge—on the Army Tactical Network
- Serves as anchor point for the Army's **“To Be” business system environment, providing the opportunity to reduce total Army business systems through process reengineering and migration of existing capabilities into ERPs and other enduring target systems**

**Vast improvement over legacy systems; when fully mature, will enable orders of magnitude increases in transparency, accessibility, transaction speed and analysis!**



# The State of Army Business IT (Enterprise View)





# Potential Army Business Mission Area IT Models

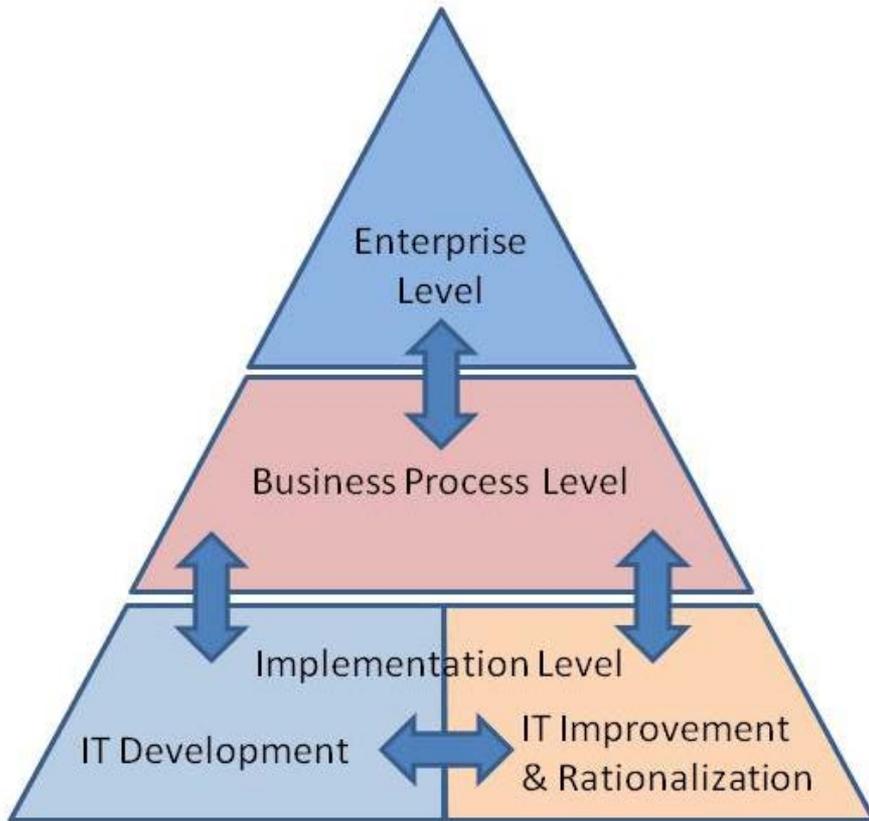
High	<p style="text-align: center;"><u>Coordination</u></p> <ul style="list-style-type: none"><li>• Unique businesses with a need to know each other's transactions and relationships</li><li>• Key platform capability: easy access to shared data for customer service, decision making, and integration</li></ul>	<p style="text-align: center;"><u>Unification</u></p> <ul style="list-style-type: none"><li>• Single business with global process standards and shared global data</li><li>• Key platform capability: standard business processes and global data access</li></ul>
	<p style="text-align: center;"><u>Diversification</u></p> <ul style="list-style-type: none"><li>• Independent businesses with different customers and expertise</li><li>• Key platform capability: provide economies of scale through shared services without limiting independence</li></ul>	<p style="text-align: center;"><u>Replication</u></p> <ul style="list-style-type: none"><li>• Independent but similar business units</li><li>• Key platform capability: standard business processes and systems for global efficiencies</li></ul>
Low	Low	High

**Process Standardization**

**What operating model should the Army aspire to?**



# Leader Responsibilities



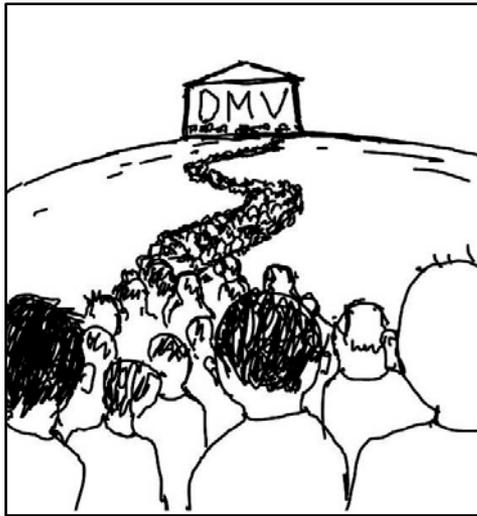
**Bottom Line:** *Portfolio management is leader business and not the responsibility of the CIO/G6, although they can help. Each step of the model requires engaged leaders asking the right questions and demanding the right outcomes*

To successfully lead their organization, leaders must:

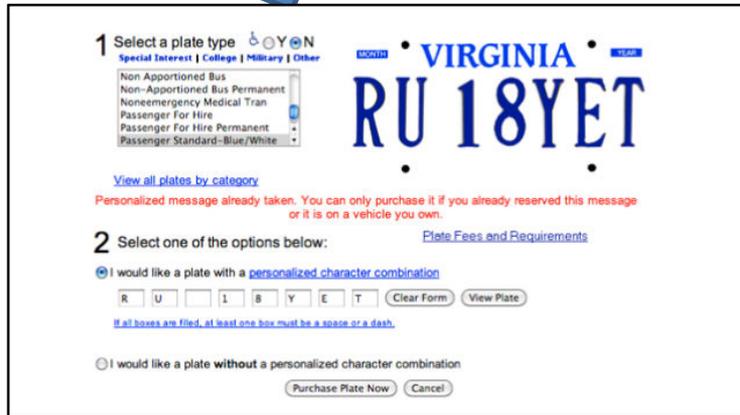
- Understand their core processes and costs
- *Demand* continuous process improvement to create efficiency gains (who are your Black Belts or SME?)
- *Drive* innovation efforts to improve process performance
- If the process isn't meeting demands, drive reengineering efforts until it does
- Learn about the IT supporting your process execution. Is it improving or hindering? If the latter, fix it!
- Ruthlessly eliminate redundant IT capabilities
- Don't generate new IT requirements without first checking to see what is already out there—someone will be more than happy to sell you something new



# Continuous Process Improvement (CPI) and Business Process Reengineering (BPR)



Virginia DMV Pre-1999



Virginia DMV today  
(Only “rookies” actually “go” to the DMV)

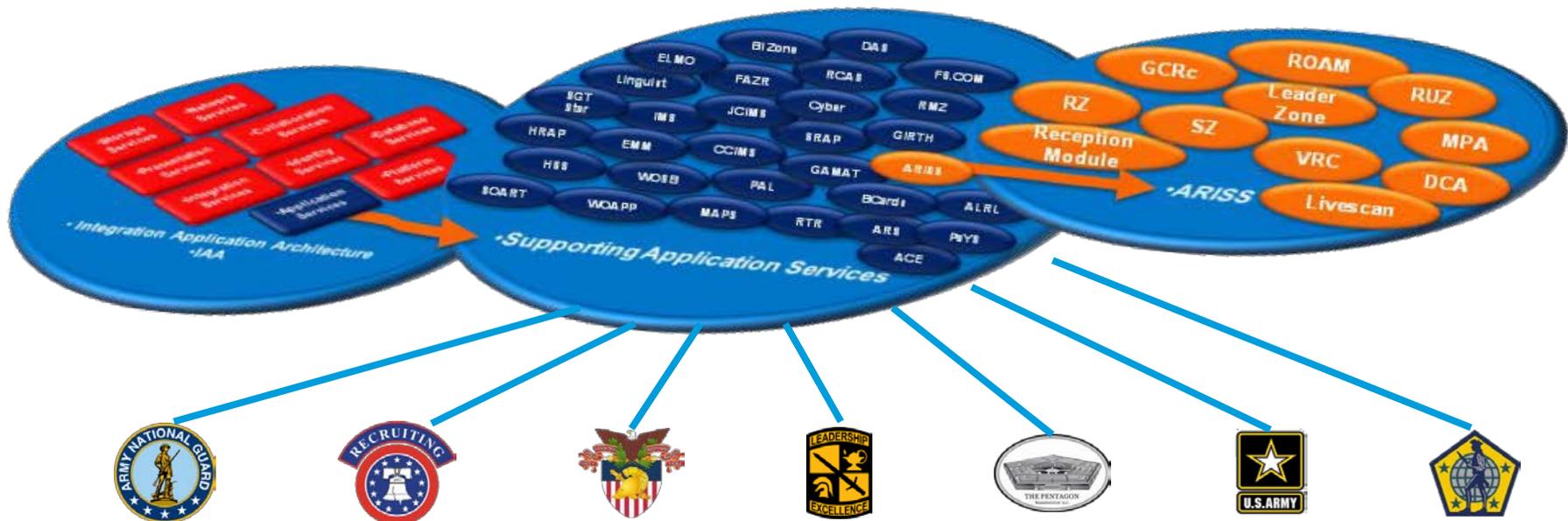
- What
  - CPI improves existing processes resulting in increased efficiencies by taking non-value added work out
  - BPR is the thorough rethinking of all business processes, job definitions, management systems, organizational structure, work flow, and underlying assumptions and beliefs\*
- Why
  - Improve process outputs while reducing resources (manpower, money, time)
  - Help organizations fundamentally rethink how they do their work:
  - To dramatically improve customer service,
  - Cut operational costs, and
  - Become world-class competitors\*\*

\* BusinessDictionary.Com, 2015

\*\* Business Process Re-engineering Assessment Guide, United States General Accounting Office, May 1997.



# USAREC Recruiting IT Current State (As Is)



**IAA: Integration Application Architecture:** Term used to reference the collection of services that provide automation within, USAREC, USACC, ARNG, and integration with its business partners. All applications are custom, stove-piped for the user and lack integration. The current applications are not considered a Customer Relationship Management (CRM) system.

**Remuneration Process Based System:** ARISS currently does not allow for system updates or a realistic timeframe for adjustments. This inability creates a pay per change environment and eliminates the ability for the Army and the field Recruiter's system to keep up with doctrine based changes implemented from the highest levels.

**Technology of the Time:** Built in 2000 for a process and society that was far less connected on the internet (361 Million users total). In comparison, in 2013 Facebook alone had 1.19 Billion users. Society changed in 2007 when the iPhone was released. Without the forfeiture of tens of millions of current and future dollars, our antiquated system cannot allow for integration with social media analytics and further advancements as society innovates.

**Identity Management:** The legacy identity management system provides zero flexibility; users are restricted to data availability by design. Prevents access to the right data, to the right person, at the right time. Modifications to provide greater data accessibility requires significant financial investment.

**ARISS: Army Recruiting Information Support System.** A loose suite of multi-platform based non-integrated set of software modules that are housed on the Recruiting Support Network (RSN). The system lacks mobility, knowledge management, and a common operational picture for those operating outside of the RSN. Primary users are USAREC and ARNG for all Recruiting Operations.

**Workstation:** Currently Recruiters have to use 43 separate applications, nine separate application services which lack interoperability, ease of use, accessibility outside of the RSN, or optimized use on mobile devices/tablets.

**USAREC CG's Assessment: IT Woefully Inadequate**



# USAREC Future State (To Be)

## Accessions Operations



## Accessions Oversight & Support



### Rapidly Build Enterprise Applications

Policy Management	Operational Planning	Training	Inspections
Recruiting Operations	Geographic Information System (GIS)	Eligibility & Enrollment	Workforce Readiness

### CRM Applications Suite



- Improved Customer Experience
- Reliable Mobile Access
- Integrated Leads Mgmt

### Configurable Applications



### Government Success Platform

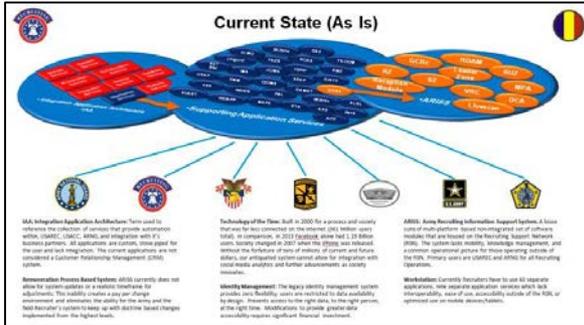
#### Core Services Across the Platform



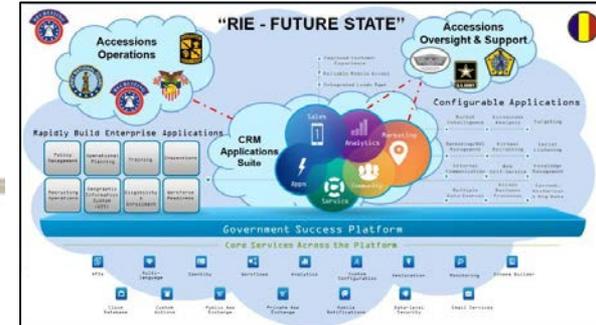
**CG knew he needed help—sought experts**



# USAREC Bridging Strategy



## USAREC Bridging Strategy



### Challenges

- Significantly lacks connectivity/mobility
- Applications not integrated (not a CRM)
- Knowledge Mgmt challenges users
- Lacks Common Operating Picture for Army
- "Custom" too costly for Army to maintain
- Focuses on lagging indicators vs. leading
- Cannot get us to the mobile space

- Issue Smartphone to Recruiters (USAREC) ✓
- Move to Google Apps for Govt environment (CIO G6) ✓
- Issue Tablet PCs (USAREC) ✓
- Conduct Tablet Pilot (CIO G6) ✓
- Device Management & Helpdesk Support (USAREC) ✓
- Increase Juniper Connections to RSN (HRC Working)
- Leverage OBIEE Dashboard Capabilities (DA G3/5/7)
- Turn-in legacy laptop computers (USAREC Working)
- Move USAREC Applications off RSN (CIO G6 Working)
- Consolidate USAREC wireless connectivity (M&RA Working)
- Conduct Bn level CRM Pilot (CIO G6 CRM working)
- Transition from ENSQ to eQIP (OPM & USAREC working)

### Benefits

- Supports all AA/IAA stakeholders
- Allows .COM connectivity/mobility
- All applications are integrated
- Provides Knowledge Mgmt for all users
- Creates Common Operating Picture for Army
- Only requires configuring, not development
- Shifts focus to leading indicators not lagging
- Seamlessly operates in the mobile space

USAREC with ARISS



MAY 2015

JUN 2015

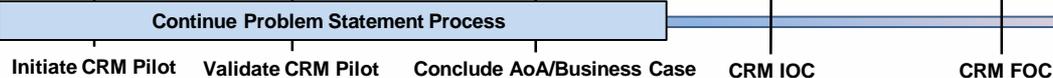
NOV 2015

JAN 2016

JUN 2016

JAN 2017

### Recommended Timeline



USAREC with CRM



**USAREC now has a vision and a plan**



**Army organizations and leaders have demonstrated that they can make a difference!**

Continuing to **transform our processes** and **applying best business practices** is absolutely essential to ensure we retain the trust of the American people and maintain readiness across the force today and tomorrow—so we can stay.....  
***Army Strong!***

- Know your processes and work to improve them. Don't keep good ideas for process improvement or reengineering to yourselves
- Understand your supporting IT and its relationships to your processes--embrace enterprise solutions
- Ensure your data is secure, and your systems meet network requirements



**OBT is here to help!**



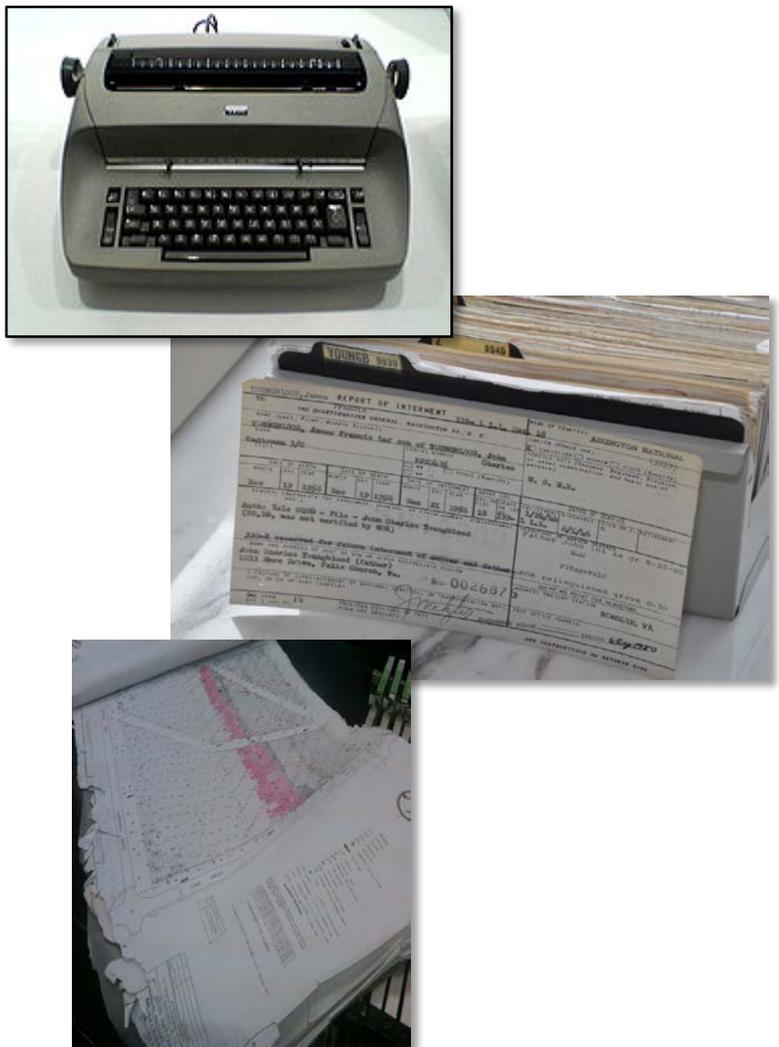
# Back-up

---





# Business Transformation Case Study: the Problem



## The diagnosis:

*“The main contributors to the state of ANC at that time were a lack of standards, a reliance on a number of ineffective business and operational practices, and ineffective implementation of business solutions.”*

*The organization still used typewriters to record critical information about veterans’ interment services, and index cards held the record of burial for those laid to rest at ANC....”\**



# Business Transformation Case Study: the Solution

**What Was Needed? Business Transformation:** a thorough or dramatic change in the business processes and technologies an organization employs to reach important business goals.

## Solution:

- Develop an ANC Campaign Plan with strategic goals and objectives
- Communicate the plan
- Assign responsibility down to the individual level
- Optimize the business processes and then design the IT to support them
- Constantly monitor and adjust

Campaign Plan

The collage illustrates the components of the ANC IT system. It includes:

- A document titled "DEPARTMENT OF THE ARMY" dated 1 January 2012, with the subject "Army National Cemeteries Program Campaign Plan 2012".
- A 3D aerial view of Arlington National Cemetery with various structures and green spaces.
- A calendar showing dates from April 2 to April 9, 2015, with a "Gravesites" count of 20.
- A "Spatial Overview" map showing a geographic area with various markers and a legend for "Grave Availability" (Available: 49436, Cremation Only: 77).

New ANC IT System



# What OBT Does

## OBT Vision

Driving best-in-class management techniques and processes

## OBT Mission

OBT develops strategy and policy, enables objective governance, champions best business practices and facilitates solutions across the Army in order to provide ready forces in the most efficient and fiscally responsible way to the Nation

Significant Functions:

- **Leadership and Governance**: Support the USA in his role as Chief Management Officer and with leadership and management of the Army Business Mission Area
- **Strategy and Policy**: Develop the Army Business Strategy and policies necessary for the efficient execution of Army business processes and effective integration across all core mission areas
- **Business Information Technology Management**: Manage the Army business IT portfolio to exploit opportunities, eliminate redundancies, and ensure efficient support to business processes and effective integration across all core mission areas
- **Advocate Best Practices**: Be the Army enterprise advocate for best practices in strategic planning, performance assessment, continuous process improvement, and business-related training and education

**Bottom Line: OBT a unique enterprise asset to leverage and assist in the sustained delivery of Army readiness at best value to the Nation**

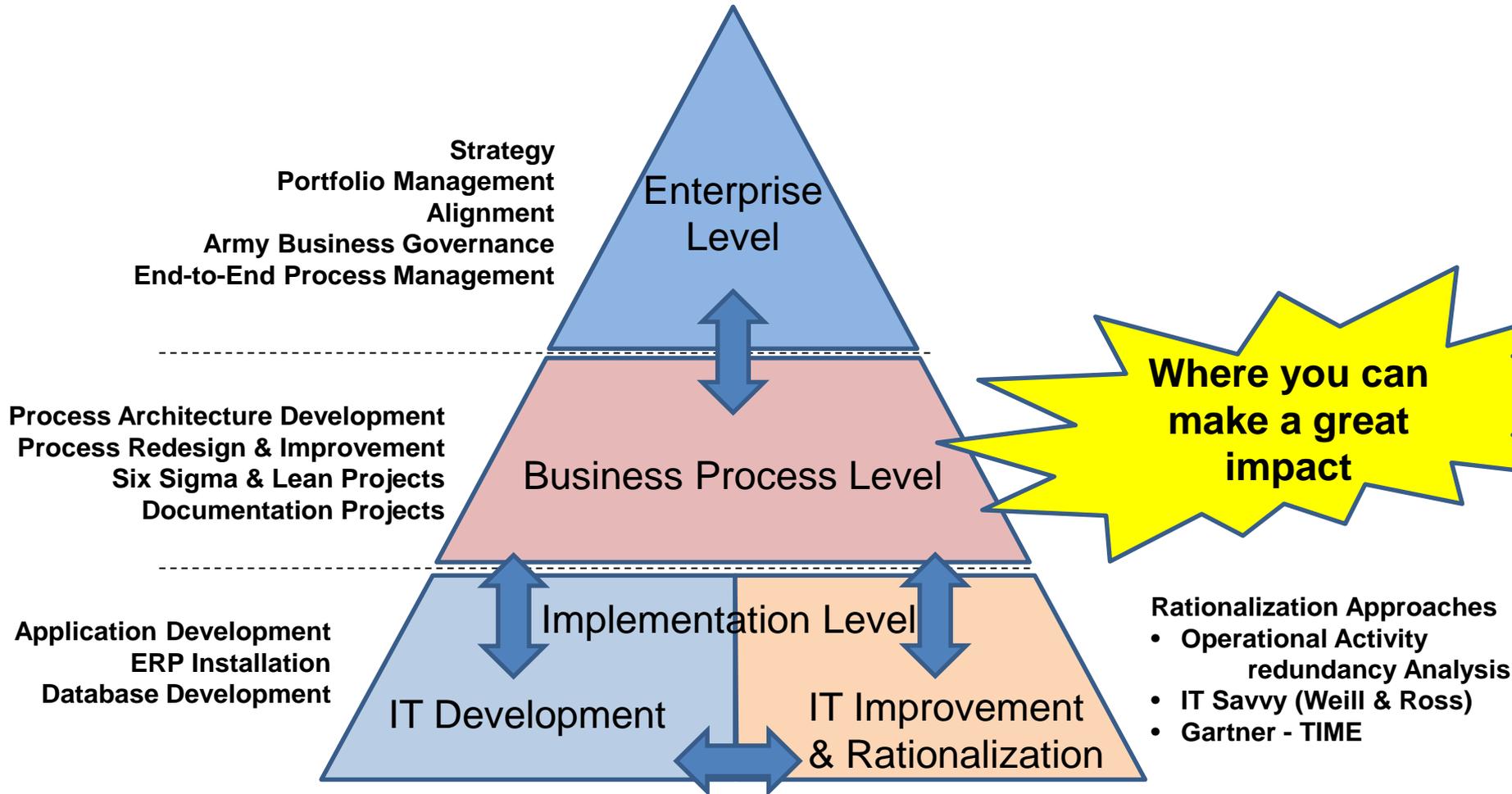


# The Army Management Framework\*





# Achieving Best in class performance





# Army Business Mission Area IT Model Portfolio Management Consideration (Gartner TIME)

Technical Integrity	High	<p><u>Coordination</u></p> <ul style="list-style-type: none"> <li>• Unique businesses with a need to know</li> <li>• Key processes and data are shared for customer service, decision making, and integration</li> </ul> <p><b>TOLERATE</b></p>	<p><u>Unification</u></p> <ul style="list-style-type: none"> <li>• Single business with global process standards and data access</li> <li>• Key processes and data are shared for customer service, decision making, and integration</li> </ul> <p><b>INVEST</b></p>	
	Low	<p><u>Diversification</u></p> <ul style="list-style-type: none"> <li>• Independent businesses with different processes and data</li> <li>• Key processes and data are shared for customer service, decision making, and integration</li> </ul> <p><b>ELIMINATE</b></p>	<p><u>Replication</u></p> <ul style="list-style-type: none"> <li>• Independent but similar business units</li> <li>• Key processes and data are shared for customer service, decision making, and integration</li> </ul> <p><b>MIGRATE</b></p>	
		Low	Business Value	High

Weill, Peter and Ross, Jeanne. *IT Savvy*, p. 35.