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:

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

- 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)

- **High Maturity, High Enterprise Benefit**
  - Federated ERP Environment
  - Business Process Reengineering
  - Master Data Management

- **Low Maturity, High Enterprise Benefit**
  - Cost Effective Hosting Solutions
  - Eliminating Redundant Systems

- **High Maturity, Low Enterprise Benefit**
  - Business Process Costs

- **Low Maturity, Low Enterprise Benefit**
  - Business Process Reengineering

Framework courtesy Weill, Peter and Ross, Jeanne. *IT Savvy, p. 35.*
### Potential Army Business Mission Area IT Models

<table>
<thead>
<tr>
<th>Process Integration</th>
<th>Coordination</th>
<th>Unification</th>
<th>Diversification</th>
<th>Replication</th>
</tr>
</thead>
</table>
| High                | • Unique businesses with a need to know each other’s transactions and relationships  
|                     | • Key platform capability: easy access to shared data for customer service, decision making, and integration | • Single business with global process standards and shared global data  
|                     |             | • Key platform capability: standard business processes and global data access | • Independent businesses with different customers and expertise  
|                     |             |             | • Key platform capability: provide economies of scale through shared services without limiting independence | • Independent but similar business units  
|                     |             |             |             | • Key platform capability: standard business processes and systems for global efficiencies |
| Low                 |             |             |             |             |
|                     |             |             |             |             |

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

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

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

• 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**

---

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 a 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
CG knew he needed help—sought experts
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

**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 Bridging Strategy**
- 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)

**Recommended Timeline**

**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!**
ANC Business Transformation Case Study: the Discovery

Problems possible with nearly 65,000 Arlington graves, report says

By Christian Davenport December 22, 2011. After a year-long effort to account for every grave at Arlington National Cemetery, Army officials said Thursday that there might be problems, some as minor as typographical errors in paper records, with nearly 65,000 sites — or one-quarter of the graves at the nation’s most prominent military burial ground.

Arlington Cemetery scandals prompt dismissals

Probe found some graves where the bodies were misidentified

By Jim Miklaszewski NBC News
updated 6/10/2010 7:46:59 PM
WASHINGTON — A number of scandals at Arlington National Cemetery, including one in which a service member’s body was buried on top of another, cost the top two administrators their jobs, Pentagon officials said Thursday. Army Secretary John McHugh announced that Arlington National's superintendent, John Metzler, would be relieved of his duties.

Problems at Arlington National Cemetery investigated

By Larry Shaughnessy, CNN Pentagon Producer
November 13, 2009 8:12 p.m. EST

Washington (CNN) -- Army Secretary John McHugh ordered a new investigation into poor record keeping and other problems at Arlington National Cemetery, even as a separate investigation ended without an absolute answer to who is buried in a grave marked "Unknown."
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….”*
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
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*

Promote a culture that fosters great Leadership and Management

Communicate a shared Vision and Organizational Strategy
Optimize your Processes and supporting IT Systems
Organize to Achieve your Goals

Routinely Assess and Benchmark your Performance

Track Costs and make Resource & Risk Informed Decisions

Improved Outcomes

*Pending approval in AR 5-1, Army Business Operations
Achieving Best in class performance

Enterprise Level
- Strategy
- Portfolio Management
- Alignment
- Army Business Governance
- End-to-End Process Management

Business Process Level
- Process Architecture Development
- Process Redesign & Improvement
- Six Sigma & Lean Projects
- Documentation Projects

Implementation Level
- Application Development
- ERP Installation
- Database Development
- IT Development

IT Improvement & Rationalization

Rationalization Approaches
- Operational Activity redundancy Analysis
- IT Savvy (Weill & Ross)
- Gartner - TIME

Where you can make a great impact
Army Business Mission Area IT Model
Portfolio Management Consideration (Gartner TIME)

Coordination
- Unique businesses with a need to know each other's transactions and relationships
- Key platform capability: easy access to shared data for customer service, decision making, and integration

Unification
- Single business with global process standards and shared global data
- Key platform capability: standard business processes and global data access

Diversification
- Independent businesses with different customers and expertise
- Key platform capability: provide economies of scale through shared services without limiting independence

Replication
- Independent but similar business units
- Key platform capability: standard business processes and systems for global efficiencies

Low

Business Value

High

Technical Integrity

TOLERATE

INVEST

ELIMINATE

MIGRATE

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