



2014

# CONGRESSIONAL REPORT on Defense Business Operations



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This report is submitted in accordance with title 10 United States Code § 2222, which requires that the Secretary of Defense submit to the congressional defense committees an annual report on the Department of Defense compliance with the requirements of section 2222. As required, this report addresses actions taken to meet the requirements for obligation of funds for covered defense business systems and improvements in business operations and cost savings. The accompanying supplement identifies actions taken on the defense business systems submitted for certification; the number of defense business systems certified; and covered defense business systems which were not certified, along with the reason for lack of approval.

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# Office of the Deputy Chief Management Officer

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On behalf of the Secretary and Deputy Secretary (Chief Management Officer) of the Department of Defense, I am pleased to provide the 2014 Congressional Report on Defense Business Operations. This report highlights the Department's ongoing efforts to improve its management of its complex, global enterprise at a time when national security threats and fiscal constraints challenge the nation.



In 2013, the Department of Defense made significant progress improving its business operations. We identified 1,180 business systems with an annual cost of about \$6.7 billion that support financial management, acquisition, logistics, security, installations and environment and human resources management. Our analysis of the business operations of the Department has resulted in fewer redundant systems, reductions of 60 legacy business systems and decisions not to certify obligation requests totaling \$617 million for Fiscal Year 2014. We continue to carefully evaluate requirements for new business systems when the Military Services and Defense Agencies identify problems that they believe require investment. The evaluation of requirements reduces duplicative systems and helps in finding enterprise-wide solutions to the Department's business system challenges. We continue to strengthen our tools for managing the business environment such as robust functional strategies, automated business enterprise architecture and a disciplined Investment Review Board.

Our efforts during this past year have strengthened the Defense business environment, but there is much more work ahead. On December 4, 2013 the Secretary tasked a variety of steps to strengthen management in the Department. In particular, the Office of the Deputy Chief Management Officer will be bolstered to provide the Secretary and Deputy Secretary with "full spectrum oversight" of the management activities of the Office of the Secretary of Defense, the Defense Agencies and Activities and the larger Department.

The leadership of the Secretary, the Chief Management Officer, the Military Service Chief Management Officers and the efforts of this Office seek to achieve the same outcome: a leaner, more efficient business environment for the Department that delivers greater capability at lower cost to the American taxpayer.

A handwritten signature in blue ink that reads "Kevin J. Scheid". The signature is fluid and cursive.

**Kevin J. Scheid**  
**Acting Deputy Chief Management Officer**

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# I. Introduction

The Department of Defense (DoD) is emerging from more than a decade of sustained conflict while confronting new strategic challenges that must be addressed with significantly fewer resources. In 2013, the Secretary of Defense launched the Strategic Choices and Management Review to ensure the Department is prepared to confront these challenges. “Reforming and reshaping [the] entire defense enterprise” is one of the Secretary’s goals – not an easy task considering the size, scope and complexity of the DoD business space.

Congress expects greater efficiencies in DoD business operations and provided statutory language in order to align DoD business strategies with planned information technology (IT) spending. Section 901 of the Fiscal Year (FY) 2012 National Defense Authorization Act (NDAA), codified at title 10 United States Code (U.S.C.) § 2222, established the Department’s single Investment Review Board (IRB), known as the Defense Business Council (DBC). The Department’s business activities are vast and complex. The DBC bolsters DoD mission performance by improving the alignment of strategies with technology in order to improve the efficiency and effectiveness of DoD’s operations. As the Department continues to implement institutional reform, the DBC will lead efforts to reduce costs and optimize business operations.

In 2012, the Department utilized the DBC to align business strategy with IT spending, creating an initial baseline of defense business system (DBS) spending. In 2013, the Department continued to evolve and align business strategies with planned IT spending using authoritative data. The DBC also implemented specific criteria to select and control investments in business systems while maturing the business enterprise architecture (BEA). These efforts fulfill commitments the Council made in the 2013 Congressional Report on Defense Business Operations and address recommendations from the Government Accountability Office (GAO). The Department continues to implement improvements to address those recommendations.

This report is divided into five sections: Section I summarizes continuing efforts to streamline business operations; create a cost culture that will yield a simplified, more integrated business environment; and address GAO findings and recommendations. Section II describes accomplishments the DBC achieved to improve DoD business operations using the integrated business framework (IBF), which was introduced in the 2013 Congressional Report on Defense Business Operations. Section III provides a sampling of continuous improvements to DoD business operations. Section IV highlights planned improvements, aligned to the Secretary of Defense’s institutional reform mandates. Section V summarizes the results of the DBC funds certification process in accordance with title 10 U.S.C. § 2222. All of these efforts support and enable the Secretary’s mandate to reduce the cost of DoD business operations while efficiently executing critical and complex business processes seamlessly across the DoD enterprise.

“Coming out of more than a decade of war and budget growth, there is a clear opportunity and need to reform and reshape our entire defense enterprise”

*-U.S. Secretary of Defense Chuck Hagel<sup>1</sup>*



Secretary of Defense Chuck Hagel speaks at the Center for Strategic and International Studies Global Security Forum in Washington, D.C., Nov. 5, 2013. (DoD photo by Erin A. Kirk-Cuomo/Released)

<sup>1</sup>Remarks delivered by Secretary of Defense Chuck Hagel, Washington, DC, November 5, 2013. Available at <http://www.defense.gov/speeches/speech.aspx?speechid=1814>

## II. Managing Defense Business Operations

### A. Guiding Improved Business Operations through Integrated Governance

Department of Defense mission performance requires efficient, effective and agile business operations. These business operations provide support functions to the Department and include financial management, human resources management, logistics, healthcare and more. Effectively governing these activities is critical to aligning the Department's vision and goals for improved business operations to achieve the desired outcomes sought across the business enterprise.

Established in October 2012, the Defense Business Council, composed of the Department's senior business leaders, reports to the Deputy's Management Action Group as the principal governing body to oversee defense business operations.<sup>2</sup> In this capacity, the DBC empowers cross-functional, collaborative actions to optimize DoD business management and promote transparency among the Department's functional areas and Components, which are comprised of Military Departments, Defense Agencies and Field Activities. The DBC oversees and manages the execution of the Strategic Management Plan (SMP)<sup>3</sup>, which is the Department's overarching strategy for delivering effective business operations to support and enable the warfighter. Through the SMP, the Council unifies direction and leadership to synchronize actions across business areas and end-to-end processes. The Council manages the Department's BEA, in accordance with the DBC Charter<sup>4</sup>, by approving both its strategic direction and new content as gaps are discovered during the investment review and certification process.

### B. Integrated Business Framework

The DBC manages the business framework illustrated in **Figure 1**; it provides the Department with a context by which to examine and improve business processes. The Department leverages the framework to rationalize system investments, as business enablers, by aligning strategy with planned spending.

The IBF is aligned with the guiding principles established in the SMP and enables DoD business leaders to: instill a cost culture; institutionalize end-to-end business processes; align business operations; and modernize and rationalize business systems. The framework offers a critical and comprehensive structure for the DBC to establish the Department's strategic business priorities, select and align resources to priorities and make outcome-driven IT investment decisions that support the Department's business goals. In the coming year, the DBC will advance its employment of the IBF in order to focus more broadly on business operations and their cost.

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<sup>2</sup>The statutory governing body of the Deputy's Management Action Group (DMAG) is the Defense Business Systems Management Committee (DBSMC). On October 6, 2011, the Deputy Secretary of Defense established the DMAG to be his mechanism for executing a common management approach across the Department. In doing so, the Secretary effectively merged a number of senior leadership entities, including the DBSMC, with the DMAG to create a single entity.

<sup>3</sup>U.S. Department of Defense, "Strategic Management Plan: The Business of Defense FY 2014-FY 2015," July 1, 2013. Available at [http://dcmo.defense.gov/publications/documents/FY14-15\\_SMP.pdf](http://dcmo.defense.gov/publications/documents/FY14-15_SMP.pdf)

<sup>4</sup>"Defense Business Council," October 18, 2012. Available at <http://dcmo.defense.gov/governance/Defense%20Business%20Council%20Charter%20-%202018%20October%202012.pdf>

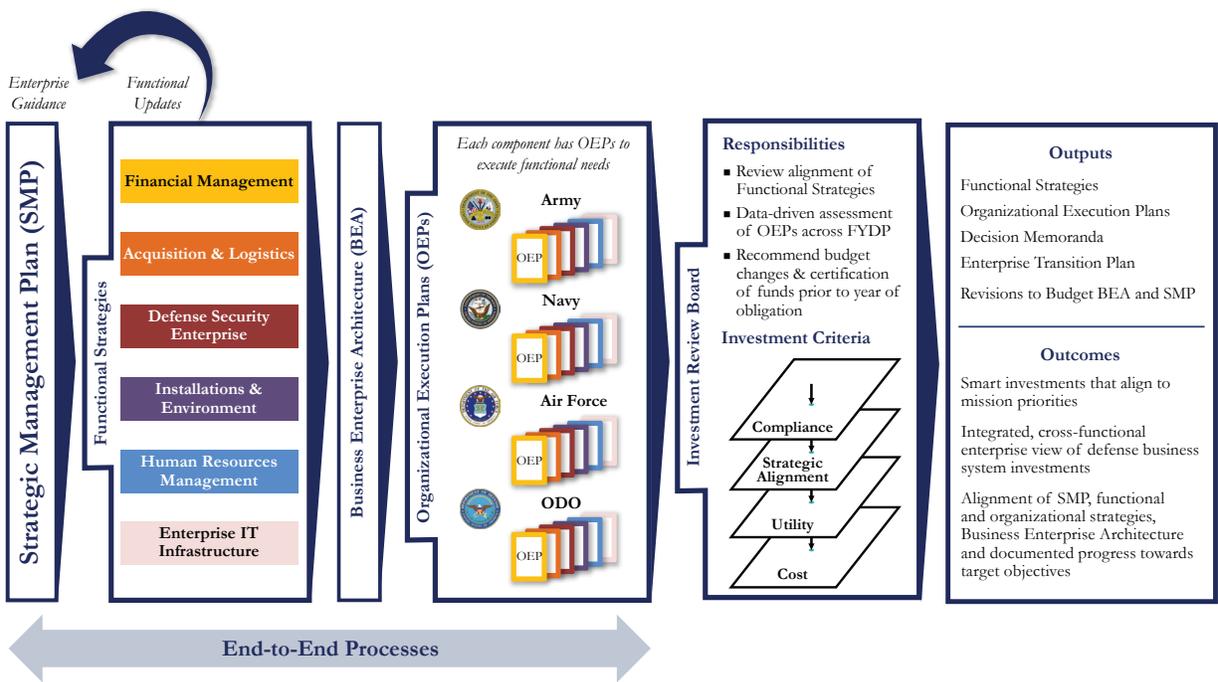


Figure 1 – Integrated Business Framework

## 1. Functional Strategies

The Secretary’s Principal Staff Assistants act as business line owners. In this role, they develop functional strategies that lay the foundation for the investment management process and establish the context for portfolio management. Functional strategies align with the SMP and address its goals, initiatives and performance measures. Functional strategies provide guidance to the Pre-Certification Authorities (PCAs) of the Components, who manage and request certification for their portfolios. They also provide key pieces of tactical direction to influence the development and management of the business systems that comprise a portfolio. Required elements include, but are not limited to: key initiatives; performance measures; and targets and projected outcomes achieved to date, presented as a percentage of target completeness.

The strategies presented to the DBC in 2013 continue to evolve and more clearly articulate the Department’s strategic vision, providing better direction to PCAs. The functional strategies include demonstrated linkages to the Department’s business goals identified in the SMP and improved alignment of performance measures to assess progress against expected outcomes for each functional area. One example of a performance measure from the Acquisition, Technology and Logistics functional strategy is the percentage of contract obligations that are competitively awarded. Over the next year, the Department will continue to mature functional strategies as part of continuing efforts to align strategy and spending using the IBF.

## 2. Business Enterprise Architecture

As required by title 10 U.S.C. § 2222, the business enterprise architecture is an information resource comprised of the following elements: functional business requirements; DoD-compliant architecture products; data requirements; standards; and policies and system alignment data. These elements are necessary to achieve the Department’s business transformation priorities. Within the context of the business framework, the BEA integrates business objectives, such as direct Treasury disbursing, and compliance requirements, such as the Procurement Data Standard, identified

in individual functional strategies. The BEA continues to develop as a tool that will drive the Department toward integrated business operations and a rationalized business systems environment. Together functional strategies and the BEA form much of the basis for funds certification, a key component of the IBF.

### 3. Organizational Execution Plans

Organizational execution plans (OEPs) summarize a Component's business strategy. They show how that Component selects its portfolio of IT investments to align to goals and objectives captured in the SMP, functional strategies and the BEA. OEPs also include certification requests presented to the DBC as portfolios of systems. Aligning business systems to the BEA allows the DBC to evaluate each Component's portfolio from a multi-dimensional perspective e.g., by Component, functional area or end-to-end process. The DBC reviews investments by OEP in a systematic manner through a four-filtered analysis of utility, strategic alignment, cost and compliance with legislation and regulations prior to certification.

## C. Business Mission Area Accomplishments

During the review of FY 2014 business system certification requests, the Department made progress against each goal outlined in the 2013 Report on Defense Business Operations:

- **Improved Strategic Alignment:** Updated functional strategies to more clearly articulate the Department's strategic vision.
- **Cost Management:** Collected rough estimates to begin to baseline overall costs to operate DoD business functions, as well as cost drivers. Additionally, implemented a goal of a 10% reduction for FY 2014 Current Services spending.
- **Portfolio Rationalization:** Established Component transition roadmaps to highlight alignment with strategy and identify conflicting perspectives.
- **Business Enterprise Architecture:** Strengthened the BEA by employing a single web-based tool to validate BEA compliance and identify potential duplication.
- **Business Process Reengineering (BPR):** Applied lessons learned to conduct BPR assessments during the certification process, instead of after. As a result, the DBC validated an established sampling of BPR assessments submitted with FY 2013 OEPs as well as BPR assessments concurrent with the review of FY 2014 certification requests.

### 1. Instilling a Cost Culture for the Business Mission Area

The DBC continues to support the Secretary's direction to reduce costs by establishing a cost culture within the Department to maximize investments and deliver value to the warfighter with taxpayer dollars. Creating a cost culture requires a thought shift from measuring performance with budget data alone to developing a true understanding of operational business expenditures based on cost data. In 2013, the DBC established the Cost Management Team in order to develop a cost management framework that defines standard cost data elements and definitions that can be utilized to capture costs in a reliable, clearly defined, repeatable and consistent manner. The team has made progress with determining common "cost" capabilities across the Department in order to improve cost identification and fidelity across the DoD enterprise. The cost management framework will enable the enterprise to do the following: make more informed decisions; determine the true cost of operations; better account for the cost of activities; link budget planning and budget allocations to expenditures; and respond to both external and internal cost-related inquiries.

While reviewing FY 2014 certification requests, the DBC took initial steps to establish a Department-wide cost culture by collecting a baseline of rough estimates regarding the overall cost of business operations across the functional areas. When submitting OEPs, the Deputy CMO required Components to identify their cost drivers and to introduce their portfolios from a business operations perspective rather than a systems perspective. Components were required to link their certification requests by system with funding in their budgets through existing authoritative data sources. Strengthening the connection between investment certification and associated budget information fosters a more robust cost culture. These preliminary steps helped the Department begin to understand the costs that drive operations and their impact on performance, with the goal of measuring return on investment. The effort also provided insight into the challenges the Department would face to gather cost, capability and benefit performance measures for each business process and the IT that enables those processes.

Prior to the Office of Management and Budget (OMB)'s directive to the DoD to aggressively reduce high IT Operation and Maintenance costs in 2014, the Department set its own goal for reducing IT sustainment cost for each portfolio in order to drive Components to make strategic investment decisions in FY 2014. Several Components achieved a greater than 10% savings and all Components participated in the cost culture discussion.

## **2. Data Transparency and Data-Driven Analysis**

The Department made significant progress toward its goal to improve and aggregate data from authoritative sources and tools used by both the Planning, Programming, Budgeting, and Execution process and the funds certification process. This data is used to track and manage overall portfolio performance. Data improvements were facilitated by the following actions: implementation of the Department of Defense Information Technology Investment Portal (DITIP); the use of business intelligence analytic tools; and compulsory data clean-up actions. The powerful tools detailed in this section transformed the FY 2014 certification process by enabling data-driven investment review.

### **a. Transforming the Investment Review Process Using Data**

The Department implemented DITIP in 2013 to centralize IT investment portfolio data. DITIP aligns system information from the DoD IT Portfolio Repository (DITPR) with budget information in the Select and Native Programming Data Input Systems for Information Technology (SNaP-IT). DITPR is the authoritative inventory of IT systems that is used to meet Congressional and information assurance reporting requirements. SNaP-IT is the Department's authoritative database used to publish the DoD IT Budget Estimates to Congress and send budget exhibits to OMB. Creating a tighter linkage between investment certification and associated budget information further enables the Department's cost culture. DITIP is now the authoritative data source for business system certification requests and approvals, including conditions placed on certifications. Additionally, DITIP now supports out-of-cycle investment review procedures by tracking changes in portfolio totals and enforcing key business rules, such as portfolio management thresholds and requiring problem statements<sup>5</sup> to document new requirements.

### **b. Data-Driven Analysis using Cutting-Edge Business Intelligence Tool**

Leveraging data quality improvements, the Department deployed a business intelligence analytics broker to unify data from disparate authoritative sources and answer critical questions about business systems and processes. The analytics broker enabled users across the enterprise to summarize or access detailed views of the 1,180 DBS with \$6,996M in total certification requests during the review of FY 2014 certification requests. The views included: comprehensive budget details; budget alignment to certification request; system overviews; BEA compliance; legacy-to-core transition plans; and multi-level views of operational activities.

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<sup>5</sup> A problem statement, generated by the responsible Component, documents the results of an analysis of a perceived business problem, capability gap or opportunity.

### c. Data Quality Improvements

The Department continues to improve data quality in authoritative sources to support the investment management process. In 2013, data elements in DITPR were assessed to validate the completeness and reliability of system information. Reports of findings were submitted to Components with deficiencies identified by categories, including: inconsistencies with system lifecycle information; outdated legacy system sunset dates; system funding planned beyond the legacy system sunset date; and budget alignment and unique investment identifiers. Data quality improvements were noted in multiple areas between 2012 and 2013. These data quality improvements will strengthen roadmaps that show the transition from the current system environment to the target environment, thus enabling a strategic plan for migration.

## 3. Select and Control Activities

The DBC continues to advance its oversight of the Department's implementation of Capital Planning and Investment Control (CPIC) to select and control DBS investments.<sup>6</sup> CPIC is a decision-making process for ensuring IT investments integrate strategic planning, budgeting, procurement and management to support mission and business needs.<sup>7</sup> In 2013, Pre-Certification Authorities implemented structured, repeatable selection criteria set by the DBC when managing their business system portfolios. The control and evaluation of investments is performed on a system-by-system basis as part of the Defense Acquisition System.

Discussed in further detail below, the enhanced select and control criteria implemented for FY 2014 certification requests included: business system requirements validation; structured compliance assessment validation; and integration of DoD Chief Information Officer (CIO) initiatives. These criteria resulted in the DBC not certifying requests totaling \$617M, or nearly 10% of the total requested amount for FY 2014. During the two investment certification cycles since the FY 2012 NDAA was enacted, the DBC did not certify over \$1B in requests and retired over 60 systems, although not all legacy system retirements occurred as planned. Moving forward, the DBC continues to retire duplicative systems where possible in pursuit of reaching the target business environment.<sup>8</sup>

### a. Requirements Validation

As the Department's requirements validation authority for business systems, the Deputy CMO instituted new procedures to enforce the discipline of understanding and documenting the requirements of the perceived business problem, capability gap or opportunity to be solved prior to investing funds in a solution. The DBC must approve a problem statement prior to certifying business systems requesting Development and Modernization (Dev/Mod) funds. As an exception during FY 2014 certification cycle, the DBC approved certification for systems with prior Dev/Mod certification in FY 2013. However, a condition was placed on the certification, requiring the Component to submit a problem statement that had been re-validated within the last three years. As illustrated in **Figure 2**, the DBC did not certify \$188.40M in Dev/Mod requests, pending DBC review and approval of problem statements; and conditionally certified \$562.66M in Dev/Mod requests.

By strengthening the requirements validation process, the DBC is able to validate new business system spending requests from an enterprise perspective, reduce Service-unique requirements and more effectively drive the DoD toward enterprise solutions, such as common strategies, standards, processes or IT systems.

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<sup>6</sup>DoD Financial Management Regulation, Volume 2B states "the purpose of the [CPIC] process is to ensure that all IT investments directly support and align with an agency's mission and strategic goals, and that all IT investments support business needs while minimizing risks and maximizing value."

<sup>7</sup>As described in OMB Circular No. A-130, "Management of Federal Information Resources," the CPIC process is designed to link budget activities and strategic priorities with achieving specific outcomes, with particular focus upon preventing redundancy and duplication. Within the DoD, the CPIC process to select, control and evaluate IT investments is implemented at the organizational level with oversight from the DBC.

<sup>8</sup>The overall number of DBS will continue to fluctuate as new requirements emerge and as existing systems reach funding thresholds to become covered DBS.

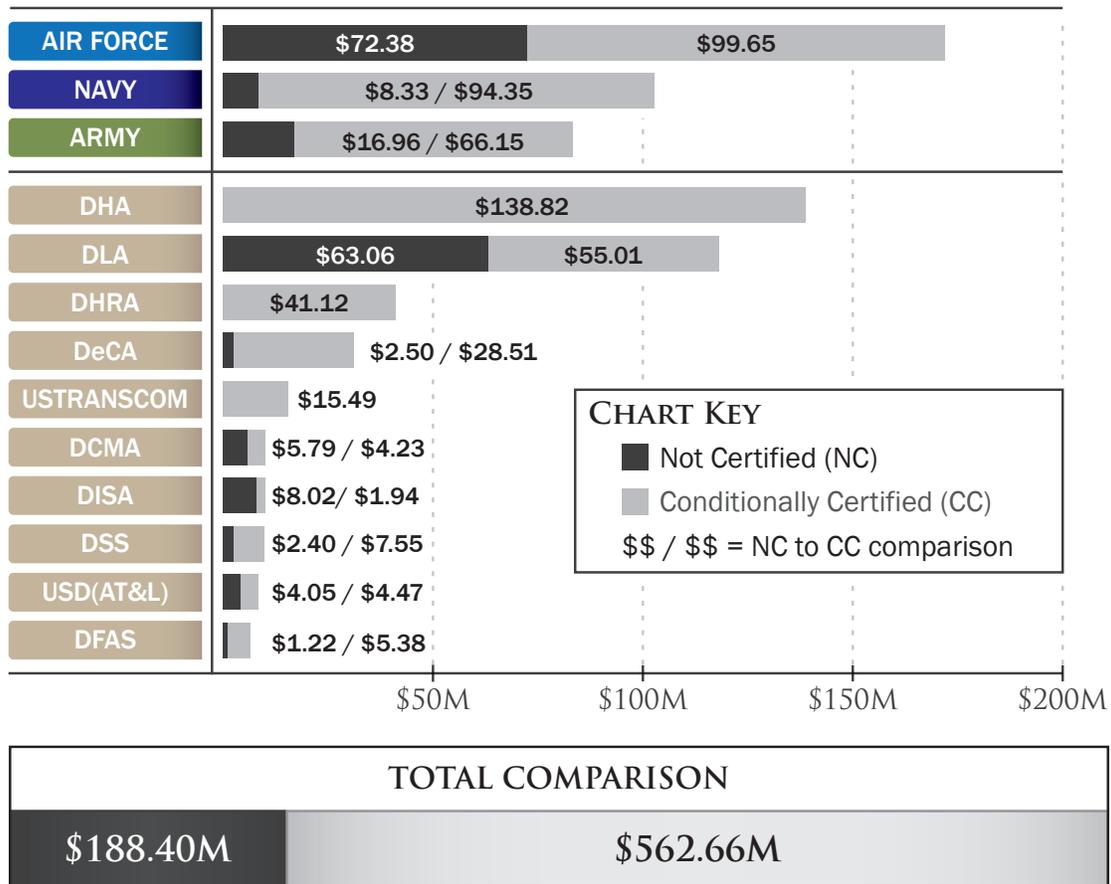


Figure 2 – FY 2014 Dev/Mod Not Certified or Conditionally Certified Pending DBC Approval of Problem Statement (\$M)

**b. Compliance Assessment Validation**

Effective with the FY 2014 certification cycle, both business process reengineering and BEA compliance were integrated into OEP reviews. This allowed the Department to make more informed investment decisions and to validate that the need to tailor commercial-off-the-shelf systems to meet unique requirements or to incorporate unique interfaces had been eliminated or reduced to the maximum extent practicable.

**(1) Business Process Reengineering**

During the FY 2013 BPR assessment process, the Department recognized that a program’s reengineering effort evolves as the system progresses through the acquisition lifecycle phases. More importantly, BPR efforts were found to achieve more value when focused at the process level without being focused on a specific system. The DBC tailored the FY-2014 BPR assessment process to allow programs to respond to questions based on a program’s acquisition lifecycle phase. The DoD additionally selected a sample of 12 DBS to assess BPR compliance and provide feedback on PCA determinations. Of those systems:

- Four systems received a ‘Positive’ BPR assessment validation.
- Four systems received a ‘Positive with recommendations’ BPR assessment validation. The BPR Assessment Team was able to determine that sufficient BPR was conducted, but recommended that the PCA ensure BPR compliance is assessed at the next milestone.
- Four systems received a ‘could not validate’ BPR assessment validation. The BPR Assessment Team was not able to determine that sufficient BPR was conducted and recommended that the PCA ensure BPR compliance is assessed at the next milestone.

## (2) Business Enterprise Architecture

The Department’s BEA version 10.0 was released in February 2013. To ensure BEA compliance assessments were performed in a consistent manner, the DBC required Components to complete the assessments via a single, web-based tool that was a new authoritative data source for the certification process. Within this tool, portfolio managers mapped systems to operational activities and end-to-end process areas. These mappings enable portfolio rationalization and business process optimization by exposing potential redundancies, gaps or opportunities in system capabilities. The DBC conducted quality checks and identified more than 300 systems at risk of not being certified for FY 2014 due to insufficient compliance assessments. Additional assistance was provided to ensure that the compliance assessment quality improved and subsequently all identified risks among systems were resolved.

### c. Integrating Chief Information Officer Initiatives

Alignment between the Office of the CIO and Office of the Deputy CMO is crucial because it reinforces the strategic relationship between business operations and IT systems. The DBC provides the Department’s business leaders with a forum to effect change and institutionalize a holistic enterprise business process perspective that cuts across functional and organizational boundaries. The CIO is an important partner to the DBC.<sup>9</sup> In 2013, the CIO actively participated in the IRB by communicating CIO initiatives and assessing alignment to them. These initiatives included: Public-Key Infrastructure; Privacy Impact Assessment; Records Management; and Information Assurance Certification and Accreditation.

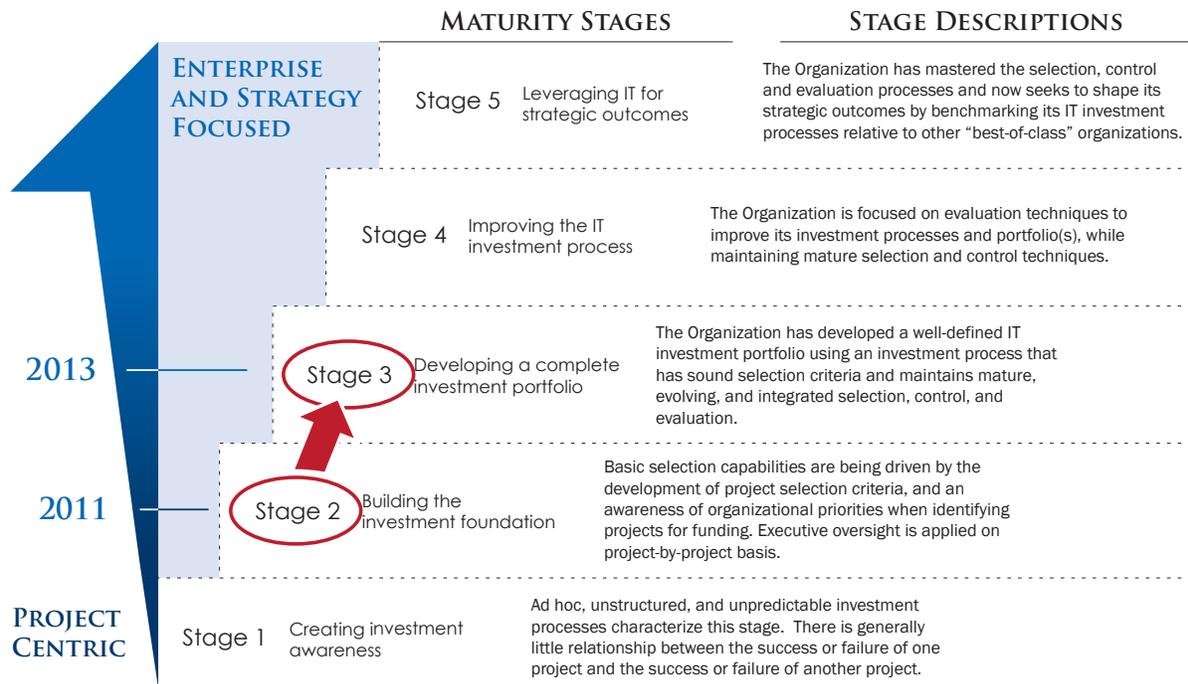
## 4. Maturing Investment Management

In 2013, the Department began implementing: better oversight of structured and repeatable selection criteria; expanded portfolio analysis capability and tools; improved data quality; and enhanced transparency. The efforts described in this report are all aimed at maturing the Department’s management of its DBS<sup>10</sup> investments as illustrated in **Figure 3**.

While the Department made progress in the past year, important areas still need to be addressed to reach full investment management maturity. The DoD must institute standardized measures and metrics to evaluate portfolio performance and improve the investment process. In addition, the Department will continue to fine-tune portfolio optimization efforts to plan and implement the “de-selection” of obsolete, high-risk or low-value business system investments.

<sup>9</sup>The CIO designated the Deputy CIO for the Information Enterprise as the CIO representative to the DBC.

<sup>10</sup>Detailed information on the Information Technology Investment Management Framework available in GAO-04-394G, “Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity,” March 2004. Available here: <http://www.gao.gov/newitems/d04394g.pdf>



**Figure 3 – Investment Management Maturity**

## D. Continued Evolution of the Business Enterprise Architecture

As a critical element of the business framework, the BEA provides the alignment mechanism between strategic mission priorities for business operations and the capabilities, systems processes and standards that support the strategy. The BEA reflects the Department’s plans to transform and mature the business environment. As required by title 10 U.S.C. § 2222, the Deputy CMO is responsible for developing and maintaining a BEA. The BEA guides, constrains and enables interoperable system acquisitions and operational alignment to end-to-end business activities and processes. It also guides IT investment management to align with strategic business capabilities as required by the Clinger-Cohen Act, and supports OMB and GAO policies and strategies. The BEA supports the Department’s overarching effort to improve business operations.

### 1. BEA Compliance Process

To maximize efficiency, the DBC requested in January 2013 that all DoD Components use a single BEA compliance process and tool. This ensures compliance assessments are performed in a consistent and rigorous manner. The tool, as described in the Compliance Assessment Validation section above, now provides the DBC with: visibility into DBS that align to the BEA; enhanced user operability; content awareness for selected architecture views; and a simplified compliance assessment process. This tool replaced the manual compliance assessment process used in most cases in previous years. Making use of a single, automated, web-based tool enabled a more robust data-driven approach to analysis.

With these capabilities available, the Department has implemented standardized processes for identifying, analyzing and proposing effective approaches for managing DBS duplication and enterprise transition impacts. Assessing overall BEA compliance by operational activity, made possible via the BEA compliance assessment tool, allows the Department to manage by portfolios, identify potential duplication and analyze the enterprise using the end-to-end construct.

## 2. BEA Accomplishments

In 2013, the BEA continued to evolve and progress. Ongoing efforts include building out structural changes to the BEA that highlight operational activities and end-to-end views instead of core business mission areas. Additionally, BEA content will be associated with the SMP and functional strategies' goals, outcomes and initiatives in order to track initiatives that support the Department's business goals.

In 2013, the DBC:

- Formulated an approach for rationalizing BEA content and function to show clear alignment to DoD's long-term strategic goals and missions, and to articulate business-based performance measures supporting investment and portfolio management.
- Strengthened internal management controls for the BEA by formally chartering the BEA Configuration Control Board in August 2013. The board, comprised of management officials from the DoD Principal Staff Assistant and Military Department offices represented at the DBC, provides a governance forum for vetting and managing changes to the BEA by reviewing all proposed changes and making formal approval recommendations to the DBC based on a set of stringent criteria established by the DBC. The strengthened vetting process drives tighter alignment between functional strategies and the BEA.
- Established the BEA Component Collaboration Forum supporting the Configuration Control Board to promote and increase visibility of the transition to the target environment through better Component federation with the BEA. The forum coordinates requirements for federating the BEA across the DoD Components and continues to develop an overarching common vocabulary, leveraging open industry standards, to extend the DoD Architecture Framework data model to support business systems architecture federation.
- Approved a set of BEA content acceptance criteria based upon determining business requirements and desired outcomes. This criteria was used for the BEA version 10.0 release and enhances the ability to exercise greater internal control over the BEA.

## E. Target Environment / Enterprise Transition Plan

A key aspect of maturing the business framework included notable improvements to the enterprise transition plan (ETP), which includes the target defense business systems computing environment, otherwise known as the target environment. The Office of the Deputy CMO is evolving the target environment in close coordination with the DBC. The ETP consists of the core covered DBS programs, and related resources, which the DoD will use to conduct its major business processes. It also consists of the supporting enterprise IT infrastructure and related resources, such as networks, communications, shared services and information assurance. The ETP identifies the set of blueprints and decisions to transition to the target environment and monitors transition progress.

The ETP has evolved from a voluminous paper-based plan addressing 93 covered DBS in FY 2007 to a robust business intelligence tool providing interactive research capability for over 1,100 systems. Today's ETP is a single point of access for obtaining comprehensive data on the business systems environment. Users across the enterprise can use the ETP to generate data visualizations and reports using dynamic queries. While the data contained in previous releases of the ETP was static, based on its publication date, today's integrated ETP utilizes the same business intelligence analytics broker and data obtained for the FY 2014 certification process.

Examples of the types of questions the ETP can answer include:

- What were the Department's DBS in FY 2013?
- How much is the Department planning to spend on DBS in FY 2014 compared to FY 2013?
- How does the Department plan to transition its DBS environment in FY 2014?
- What is the Department's progress toward transitioning to the target environment?
- What other information is available regarding the Department's transition plans/progress?

Users have the ability to sort responses by Component, cycle (primary, out-of-cycle or combined), business function or transition state (core or legacy).

In 2013, the DBC took deliberate steps to get closer to the target environment. During the investment review cycle, the DBC Chair required each Component to provide and explain his or her respective roadmap to the target environment. Components then discussed alignment with strategy and began proactively discussing conflicting views as they were presented. The DBC also took steps to improve data quality germane to the ETP, particularly on system migrations, by identifying discrepancies in system lifecycle data reported in authoritative data sources. Direction was provided in investment decision memoranda to update specific system lifecycle data.

The enhanced FY 2014 ETP charts and analytics visualizations of complex data provide important information for stakeholders, DoD business leaders and governance bodies and enable them to answer critical questions to make informed decisions about the business mission area. The FY 2014 ETP is available to Common Access Card holders at the following link: <http://dcmo.defense.gov/publications/enterprise-transition-plan.html>



Boatswain's Mate Seaman Rodney Wiley, from Oakland, Calif., prepares to secure the wheels of a U.S. Army MH-60 Blackhawk helicopter during deck landing qualifications with the 160th Special Operations Aviation Regiment aboard the Arleigh Burke-class guided-missile destroyer USS Gravelly (DDG 107). Atlantic Ocean (Feb. 24, 2014) (U.S. Navy photo by Mass Communication Specialist Seaman Adam Austin/Released)

## III. Business Improvements Yield Results

This section includes a selection of notable business improvements made across the Department as reported by the Military Departments, Defense Agencies and Field Activities to the DBC. These examples are illustrative of ongoing and completed efforts to deliver more efficient and effective business operations to support the warfighter.

### It's Your Move to Best Value with Defense Personal Property System

In 2007, the United States Transportation Command (USTRANSCOM) deployed the Defense Personal Property System (DPS). Once deployed, USTRANSCOM was able to transition to managing personal property moves between those relocating and the regionalized transportation offices and moving companies involved with a 24/7 worldwide single interface. Since that time, USTRANSCOM has moved an estimated 520,000 shipments of household items for DoD and United States Coast Guard uniformed personnel and civilians. Leveraging commercial software with minimal customization for unique DoD requirements, DPS aligns with business improvement initiatives such as the Best Value methodology that awards more business to companies providing lower rates while maintaining high customer service. Starting in FY 2011, when DPS was being used to move a majority of the personal property shipments, there has been an annual cost avoidance of at least \$155M.

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DPS achieves **\$155M** annual  
cost avoidance

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## Using Authoritative Data to Save Money with Theater Management Tools

In FY 2012, United States Forces - Afghanistan (USFOR-A) stood up the Operational Contract Support Drawdown Cell to plan, execute and track an effective contractor drawdown in conjunction with base closures and transfers. The cell lacked a common operating picture and therefore could not assist USFOR-A personnel with making informed decisions to reduce costs as part of the drawdown.

USFOR-A partnered with the Office of the Deputy CMO to build tools that aggregated data from disparate authoritative data sources using agile methods. This resulted in a comprehensive view of contracts, contractor property, contractor personnel and emerging requirements across the USFOR-A area of operations which provided decision-makers a clear picture of drawdown activities. The partnership effort achieved a 95% increase in data visibility of contractor personnel across locations and an estimated \$500M in cost savings as a result of improved planning through increased data visibility and accuracy.

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In-theater partnership yields  
**\$500M** in cost savings

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## Veterans Gain Expedited Access to Benefits through Electronic Personnel Records

Until recently, when veterans required a copy of their Official Military Personnel File, they would submit a paper form to their Service and receive a paper copy or compact disc by mail. This process often took months and required a large human capital investment from each of the Services.

The Office of the Undersecretary of Defense for Personnel and Readiness designed the Defense Personnel Records Information Retrieval System (DPRIS) as a win-win solution for our veterans and the Military Services who support them. This business system, a secure portal that retrieves Official Military Personnel File information from existing Service repositories, has been continually improving since it was first available on the eBenefits website in 2010.

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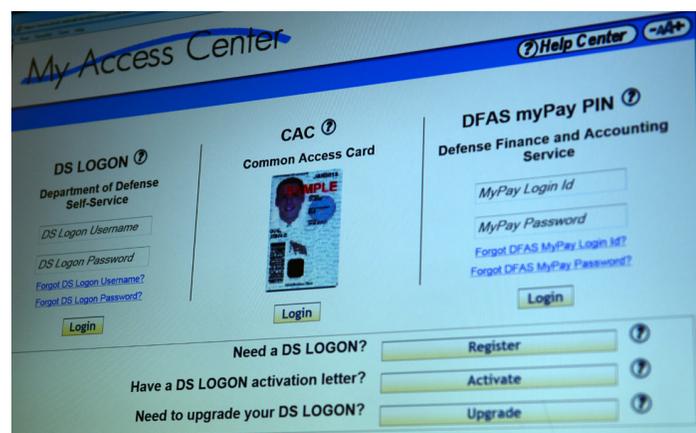
DPRIS helps veterans and  
saves **\$7M** in 2013

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Veterans can now submit a request for their Official Military Personnel File information online and receive a fully automated response from DPRIS within minutes. In 2013, DPRIS satisfied over 200,000 requests, saving over \$7M while providing our veterans with timely and needed information.

## DoD Self-Service Logon Initiative

In FY 2006, the Defense Manpower Data Center originated DoD Self-Service Logon (DS Logon) as the enterprise credential for self-service applications within the DoD. DS Logon, related to the Defense Enrollment Eligibility Reporting System (DEERS), supports the President's Commission on Care for America's Returning Wounded Warriors by providing access to services for wounded, injured and ill Service members as well as veterans, their families and their caregivers. Implementation means users no longer have to go through in-person verification, which often resulted in extensive travel to the nearest service center. In 2012, the Defense Manpower Data Center leveraged DS Logon to ease access for 16.6 million DoD beneficiaries who were unable to use the DoD's Common Access Card to log on to both Department of Veterans Affairs (VA) and DoD websites.



As Army Knowledge Online moves to next-generation enterprise services, Army retirees and family members will access DoD online self-service sites through the more secure Department of Defense Self-Service Logon, called "DS Logon."

The Defense Manpower Data Center has worked with the VA to implement access to over 20 applications across both agencies. With over 3.2 million registered accounts as of October 2013 and a growth rate of 10% quarterly, DS Logon is expected to top 4 million active users in FY 2014. DS Logon has yielded a 51% cost savings (\$15M) in credential distribution to Service members, their families and veterans while improving the performance and speed of web transactions.

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**DS Logon yields \$15M  
cost savings**

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## Laying the Foundation for Achieving Auditability

The Headquarters, Department of the Army G-4 (HQDA G-4) developed a structured approach to meet the 2017 deadline for audit readiness. This approach aligns financial controls, logistics activities and end-to-end processes to facilitate identification of logistics processes, policies and systems. The Army Logistics and Financial Management domains initiated the model, and it is being extended to the Human Resources Management, Acquisition and Installation, Energy and Environment domains to ensure good stewardship of resources and mitigate critical risks to financial operations. As a result of this initiative, the HQDA G-4 is now better positioned to make informed decisions on reductions from 173 logistics systems in FY 2013 to 130 systems in FY 2017 without losing auditability, traceability or mission effectiveness.

## Back to the Basics: Leveraging Best Business Practices with GCSS-Army Repairable Management

The Global Combat Support System-Army (GCSS-A) supports tactical unit logistics, installation logistics and the financial component of those functions across the Army. It tracks supplies, spare parts and equipment while identifying the total cost of ownership for Army units. The Army relies on these capabilities to maintain readiness, reduce costs and act as good stewards of tax dollars.

As units across all of the Army Components convert from legacy systems to GCSS-A, the program management team has implemented lessons learned to minimize down time and allow units to quickly get back to their mission. As a result, the project management team has deployed GCSS-A to over 500 users, representing 15% of the (Wave 1) Standard Army Retail Supply System and associated financial management system replacements fielding mission.

By transitioning to GCSS-A, the Army transformed its business processes to leverage the commercial-off-the-shelf software product rather than changing the software to meet the Army's legacy process. This approach provided the Army greater capability, visibility and tools to manage repairable parts, while avoiding an estimated \$5M in unneeded software changes.

## Army Innovates and Leverages GFEBS to Produce a Treasury Disbursing Process

The Army has expanded usage of direct Treasury disbursing through the General Fund Enterprise Business System (GFEBS) since December 2011. As of November 2013, nearly 25% of GFEBS-entitled payments from the contiguous U.S. flow to Treasury without intermediate systems and without errors. In total, GFEBS has enabled direct Treasury disbursement of more than 53,000 payments valued at over \$2B.



After working 24 years in legacy systems, Cheryl Brophy, General Fund Enterprise Business System budget analyst, now processes actions in the GFEBS system. The GFEBS system reached full deployment July 1, 2012. (Photo Credit: Pam Gray)

The Department used an end-to-end approach for the Procure-to-Pay process. Through integration, the effort was successful due to a broad coalition effort to leverage existing capability in new ways and define new business processes. Support from leadership enabled the pilot to expand from invoice data and disbursing payments to include government purchase cards, miscellaneous payments and contracts. The results produce accounting records that are balanced with Treasury and enable a level of transparency and auditability that was never before possible.

## Logistics Modernization Program Increment 2: Adapt our Processes and Adopt the Tool

The Army's Logistics Modernization Program (LMP) provides national-level supply chain functionality; manages wholesale inventory control, planning and budgeting; supports depot, arsenal and ammunition plant operations; and supports financial management activities. The LMP Product Management Office and U.S. Army Materiel Command team participated in design workshops and management reviews and identified 143 opportunities to change shop floor business processes instead of customizing the commercial software. This business process focus helped the Army to avoid \$20M in development costs and LMP Increment 2 will save the Army over \$1B throughout its expected life. With rollout that began in FY 2014, LMP Increment 2's consolidated approach will help Army Materiel Command's organic industrial base minimize rework, causative research and material costs and improve labor efficiency and effectiveness. This approach will ultimately lead to a more capable, leaner organic industrial base to support Soldiers and joint operations.



At the press of a key, the Logistics Modernization Program went live Oct. 21, 2013 across Army Sustainment Command's global reach. Andy Foster is a member of a 247 site support team led by Jenny Harper at Rock Island, Ill.

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Army avoids **\$20M** in development costs through business process reengineering with LMP

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## DoD CIO Works with Military Services to Develop Joint IT Licensing Agreements

Joint enterprise license agreements enable the DoD to maximize use of its resources by providing: cost efficient capabilities; an effective and defensible infrastructure; and standardized support services, business processes and policies that enable the rapid infusion of technology into the enterprise.

Under direction of the DoD CIO, the Defense Information Systems Agency (DISA) collaborated with the Army and Air Force to leverage the buying power of more than 2 million IT users to award a joint enterprise license agreement for Microsoft products in December 2012. The anticipated cost savings for the three organizations is approximately \$366M over a three year period.

In 2013, DISA's Defense Information Technology Contracting Organization at Scott Air Force Base awarded the Adobe joint enterprise license agreement to provide Adobe support for DISA, Army and Air Force. DISA anticipates cost savings of approximately \$40M over three year period. The agreement also provides standardization across the three organizations and enhanced information assurance and security. It eliminates approximately 17,000 contract actions over the next three years and achieves an expected cost avoidance of approximately \$25.50M in procurement overhead costs.

## DoD Achieves Savings with Enterprise E-mail Capability

DISA has migrated more than 1.4 million users to DoD Enterprise E-mail on the unclassified network and more than 120,000 users on the secret network. Enterprise E-mail allows organizations to reallocate resources instead of maintaining costly individual email solutions. It is the first DoD infrastructure service to use a single authoritative identity management capability, which is foundational for moving to other IT enterprise services such as collaboration, content management and an enterprise service desk. Identity credentials embedded in Common Access Cards and public key infrastructure cards greatly improve security, providing authentication by verifying the identity of all DoD personnel.

The migration of 1.3 million U.S. Army users saved \$76M in FY 2013 and expects to save \$380M through FY 2017. Fourth Estate users of Enterprise E-mail include: DISA's entire staff of 12,600 active duty military, DoD civilians and contractors; more than 10,000 from the Office of the Secretary of Defense; 5,500 on the Joint Staff, including the Chairman of the Joint Chiefs of Staff; and 1,100 from the U.S. European Command.



The largest office complex in Anne Arundel County officially opened on April 19, 2011 with the ribbon-cutting of the Defense Information Systems Agency (DISA) at Fort Meade, MD.

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Enterprise e-mail estimated to save  
Army **\$380M** through FY17

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## Two Steps Closer to Paperless DD Form 214

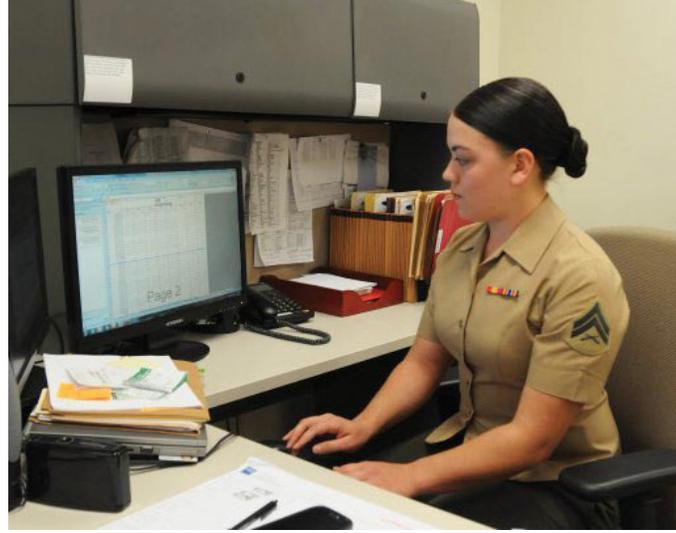
Defense Department Form (DD Form) 214, "Certification of Release or Discharge from Active Duty," contains information normally needed to verify military service for benefits, retirement, employment and membership in veterans' organizations. To support the Paperless DD Form 214 initiative for military service records, the Defense Manpower Data Center partnered with the Marine Corps and Air Force to build data exchanges to transmit electronic DD Form 214 data. This step brings DoD one step closer to completely eliminating the distribution of paper DD Form 214s to agency stakeholders by the end of 2014. Over the next 10 years, the electronic DD Form 214 will yield over

\$230M of cost avoidance in total DoD labor, material and mailing cost. It also has the potential to improve timeliness and efficiency of claims administration for VA benefits and unemployment compensation; streamline Disability Evaluation System processing; and facilitate outreach performed by State VA offices.

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Data exchange of military service records will yield **\$230M** cost avoidance over 10 years

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Cpl. Jessica Manning, an administrative specialist for the USMC Detachment on Fort Benning.

## Integrated Personnel and Pay Strategy Achieves Savings for the Navy

Although Navy business systems are able to meet the immediate needs of sailors and their families, many are fast approaching or in some cases beyond the end of their useful life. The Integrated Personnel and Pay System-Navy (IPPS-N) strategy will modernize several critical systems for personnel and pay. The IPPS-N strategy supports four main work streams to modernize the portfolio: reengineering personnel processes; establishing authoritative data; determining financial management and pay requirements, and; developing a single, integrated manpower, personnel, training and education portal.

The IPPS-N strategy reengineered the Navy's retirements and separations business processes and implemented a number of business process improvements, resulting in \$15.3M per year of total cost avoidance and savings. Business process improvements to reduce legacy mainframe reports and migrate pay and personnel processes from Defense Military Pay Office to Navy Standard Integrated Personnel System (NSIPS) achieved over \$15M of cost avoidance and savings. The Permanent Change of Station Roundup initiative saves \$11M over five years by eliminating six of 15 manual orders, resolving accounting/accuracy issues, improving auditability and reducing Anti-Deficiency Act risk. In all, improvements to retirements and separations will lead to \$120.86M in cost avoidance and savings in the Navy across the Future Years Defense Program.

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Modernized Navy personnel and pay strategy leads to **\$121M** cost savings across FYDP

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## DoD Blue Button: Empowering Patients With Secure, On Demand Access to Personal Health Information

As recently as 2009, DoD beneficiaries were unable to securely and conveniently access and share their personal health information online. To address this shortfall, DoD launched the TRICARE Online Blue Button. In partnership with the Department of Health and Human Services and the DoD/VA Interagency Program Office, the TRICARE Online Blue Button provides patients with the ability to securely access and share allergy profiles, medication profiles, laboratory results, radiology results, vital signs, problem lists and records of covered services.

The most recent enhancement is the DoD's Blue Button Continuity of Care Document, released in April 2013, that enables individuals to share their personal health information with providers and civilian partners and/or store information in a personal health record. As evidenced by nearly 6.3 million page views, a 132% increase since FY 2012,

individuals are obtaining their personal health information via Blue Button. Whether viewing, downloading or sharing their personal health information, the TRICARE Online Blue Button is empowering our Service members, veterans, family members and providers. They are able to actively engage in and improve their health care with access to the standardized and integrated health information necessary to quickly and confidently make critical medical decisions.



D. Scott Welker, deputy to the commander, U.S. Army Sustainment Command, briefed Vice Adm. Mark Harnitchek, director, Defense Logistics Agency, Fort Belvoir, Va., Aug. 26 at the command's headquarters.

## Energy Rounds Out the Enterprise in an Enterprise Resource Planning System

The Defense Logistics Agency (DLA) made significant progress towards integrating their final supply chain, Energy, into DLA's Enterprise Business System (EBS). The project will allow all DLA supply chains to meet the same level of audit readiness compliance, follow common business processes, and share a unified general ledger. The energy commodities, which represent over 40% of the Agency's business, account for over 10 million transactions and over \$15B in sales annually, will have an automated, integrated and efficient system leveraging the existing EBS ordering, supply and financial process.

This effort began with a technology development program to provide a solution allowing SAP Procurement for Public Sector and Oil and Gas Industry Solution modules to operate within the same platform. Following the development program, DLA began the effort to integrate this solution with the existing EBS and then modify EBS to meet the unique requirements associated with the energy commodities. Having completed four of six rollouts to 1,000 new DLA users and over 2,000 external users, the program is progressing toward retiring 10 legacy sub-systems with full deployment in 2014.

## Managing Risk Across the Security Enterprise with Enterprise Protection Risk Management

The defense security enterprise conducts criticality, threat, vulnerability and risk assessments to support commanders with managing risk to their assets. When these assessments occur one protection discipline at a time and at different periods throughout the year, commanders assess risk from a single standpoint. This may lead to gaps because threats and vulnerabilities often cross business function boundaries. Additionally, countermeasures put in place to mitigate those threats and vulnerabilities may also cross functional boundaries.

The Air Force recently developed Enterprise Protection Risk Management (EPRM) to provide commanders with a decision support tool to assess risk and identify countermeasures either by functional discipline or across the security enterprise. The system enables better investment decisions on countermeasures by allowing a commander to assess how much a countermeasure will mitigate risk before a single dollar is spent. It also reduces the time it takes for personnel to complete assessments and improves the quality of outputs by automating and standardizing the risk assessment process. EPRM is viewed as a best practice and is being evaluated for expansion across the defense security enterprise, which will make significant improvements toward a single capability instead of unique approaches for each function or organization.

## Maintenance, Repair and Overhaul Initiative

The Air Force logistics team, under the Logistics Transformation Strategy, is committed to standardizing depot maintenance business processes and analyzing the full doctrine, organization, training, materiel, leadership and education, personnel, facilities and policy environment. To fundamentally change how the Air Force manages maintenance, repair and overhaul of equipment, Air Force logistics and acquisition professionals began an aggressive business process reengineering initiative that will inform requirements for future IT capabilities.

The Depot Maintenance, Repair and Overhaul Initiative (MROi) will ensure depot operations effectively support the warfighter's needs by providing complete visibility of its depot maintenance resources and auditability of depot maintenance operations and related transactions. In addition, the initiative will provide visibility of repair status, workload optimization and resource allocations, physical plant capacity and spares availability. When fully implemented, MROi is expected to replace the capabilities of 50 stove-piped legacy Air Force logistics systems which have an estimated annual cost of \$100M.



An aerial view of Marine Corps Base Hawaii at Kaneohe Bay. (U.S. Marine Corps photo by Lance Cpl. Jody Lee Smith/Released)

# IV. Next Steps: Maturing the Integrated Business Framework

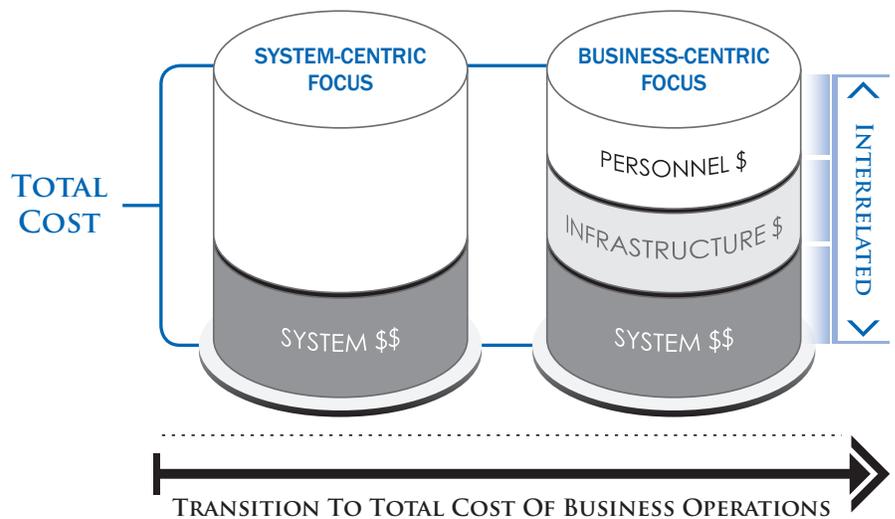
In December 2013, the Secretary of Defense broadly directed a business management agenda which included reducing the size of his management staff, strengthening the Office of the Deputy CMO, and strengthening the DoD CIO's ability to address IT and cyber challenges. As part of the institutional reform initiatives, the Department will continue to mature the IBF and take deliberate steps to broaden it to focus upon:

- An integrated business strategy that encompasses the Department's functional strategies with business goals tied to IT-enabled processes;
- An integrated business plan that aligns the business plans of the individual organizations to accomplish the objectives of the integrated business strategy; and
- Automating data collection from the strategies and plans to support the review and alignment process as part of the business framework.

## A. Create and Manage an Approved Integrated Business Strategy and Plan

During the FY 2014 certification cycle, the DBC members recognized that Components' OEPs represented business system investments selected during budget formulation activities which had occurred prior to the publication of functional strategies. As a result, the PCAs had limited ability to consider strategic business guidance in his or her select, control and budget activities. To influence functional alignment, DBC members identified the need to focus on resource planning and programming to improve the rate of achieving business strategy and management objectives.

In the future, the DBC will integrate and align functional strategies and policies that document goals and targeted outcomes over the next three to five years. The resulting integrated business strategy will provide guidance to organizational business plan development. Organizational business plans will focus on incorporating the total cost of business operations, including the IT that supports business processes. As illustrated in **Figure 4**, the total cost of business operations can only be established through a business-centric focus on processes, infrastructure and personnel, instead of examining only the cost of IT systems that enable business processes.



**Figure 4 – Transition to Total Cost of Business Operations**

Aligning the IBF with the program and budget formulation activities will enable the Department to strategically select DBS investments. The organizational business plans will identify and prioritize resources and their uses that align to the integrated business strategy. The DBC will ensure organizational plans coalesce into an integrated business plan for the Department. The integrated business plan and strategy will address planning and execution of DBS resources, but the Department is considering transitioning certification of business systems to an IRB chaired by the DoD CIO.

## B. Evolve the Business Enterprise Architecture as part of the Integrated Business Framework

The Department will begin to simplify the BEA and is considering transitioning its management to the DoD CIO. In order to enable DoD stakeholders to understand, review and analyze the business strategy and plans, the IBF will provide the foundation to link authoritative data with business processes, initiatives, goals and outcomes. The BEA will continue to guide and constrain business processes and supporting DBS, but it will mature to be strategic, performance and outcome-based. The BEA will primarily include content organized by operational activity within the end-to-end construct. Related efforts include streamlining the compliance, validation and verification processes associated with the BEA.

## C. Automate Integrated Business Framework Artifacts

Although significant aspects of the IBF are currently collected in authoritative data sources, key artifacts are developed and submitted in unstructured documents. Automating business strategy and plans artifacts will improve the ease of collecting and analyzing data for the IBF. The Department is defining common processes and a common data model which will use operational activities in the BEA to align strategic and business goals, initiatives and planned spending.

Automating data collection and analytics will enable the Department to demonstrate transparency and alignment of submitted content and ensure traceability from the integrated business strategy to business plans and proposed requirements documented in problem statements. Automation will also enable the Department to more efficiently manage IBF data and manage enterprise transition and process improvement across the business mission area.

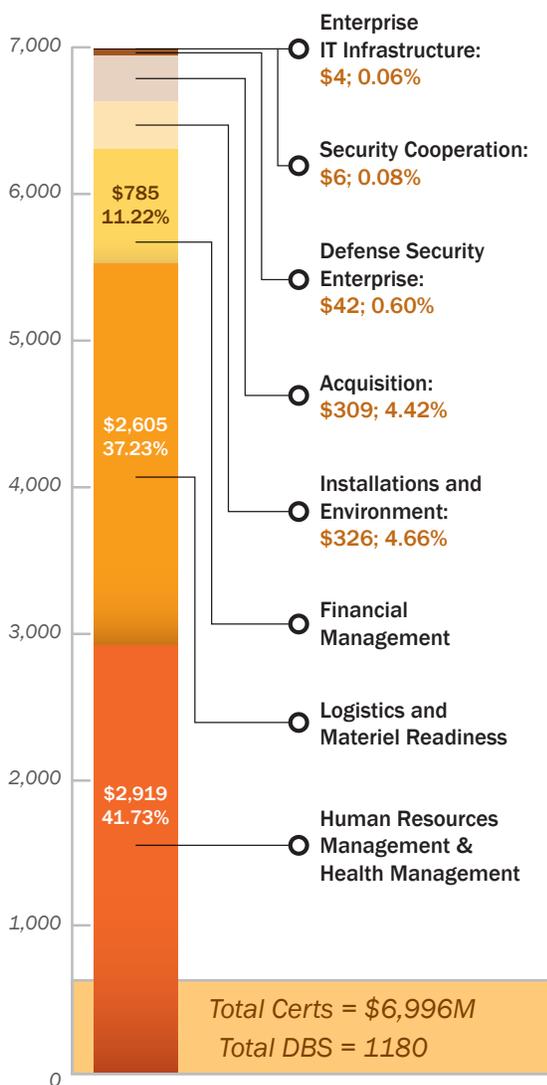


Sailors and Marines man the rails aboard the amphibious assault ship USS Wasp (LHD 1) as it pulls into Boston, Mass. (U.S. Navy photo by Mass Communication Petty Officer 2nd Class Gretchen M. Albrecht/Released) Boston (June 28, 2012)

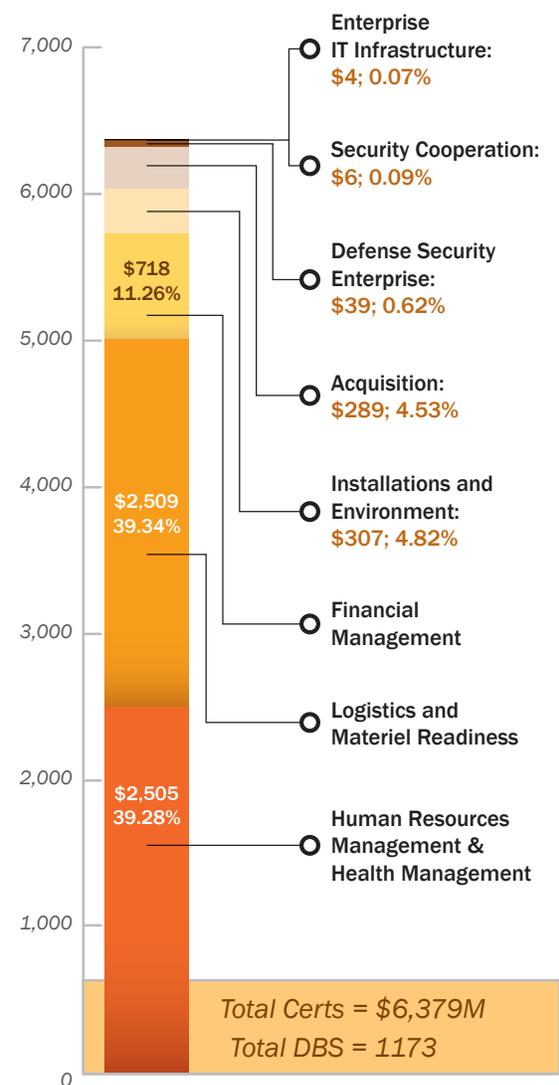
# V. FY 2014 Certification Results Overview

The DBC reviewed FY 2014 certification requests totaling \$6,996M for 1,180 DBS in accordance with title 10 U.S.C. § 2222. Of those requests, the DBC approved \$6,379M for 1,173 DBS.<sup>11</sup> **Figure 5**, below, identifies total requests and approvals across functional areas.

**FY14 REQUESTED BY FUNCTION (\$M)**



**FY14 APPROVED BY FUNCTION (\$M)**



**Figure 5 – FY 2014 Requested vs. Approved Certifications by Functional Area (\$M)**

<sup>11</sup>The supplement to this report provides a complete listing of certification decisions.

The Department's business system investments are organized by portfolios, based on the Component. The Other Defense Organizations (ODOs) portfolio consists of Defense Agencies and Field Activities. **Figure 6** provides a breakdown of certification requests and approvals by portfolio.

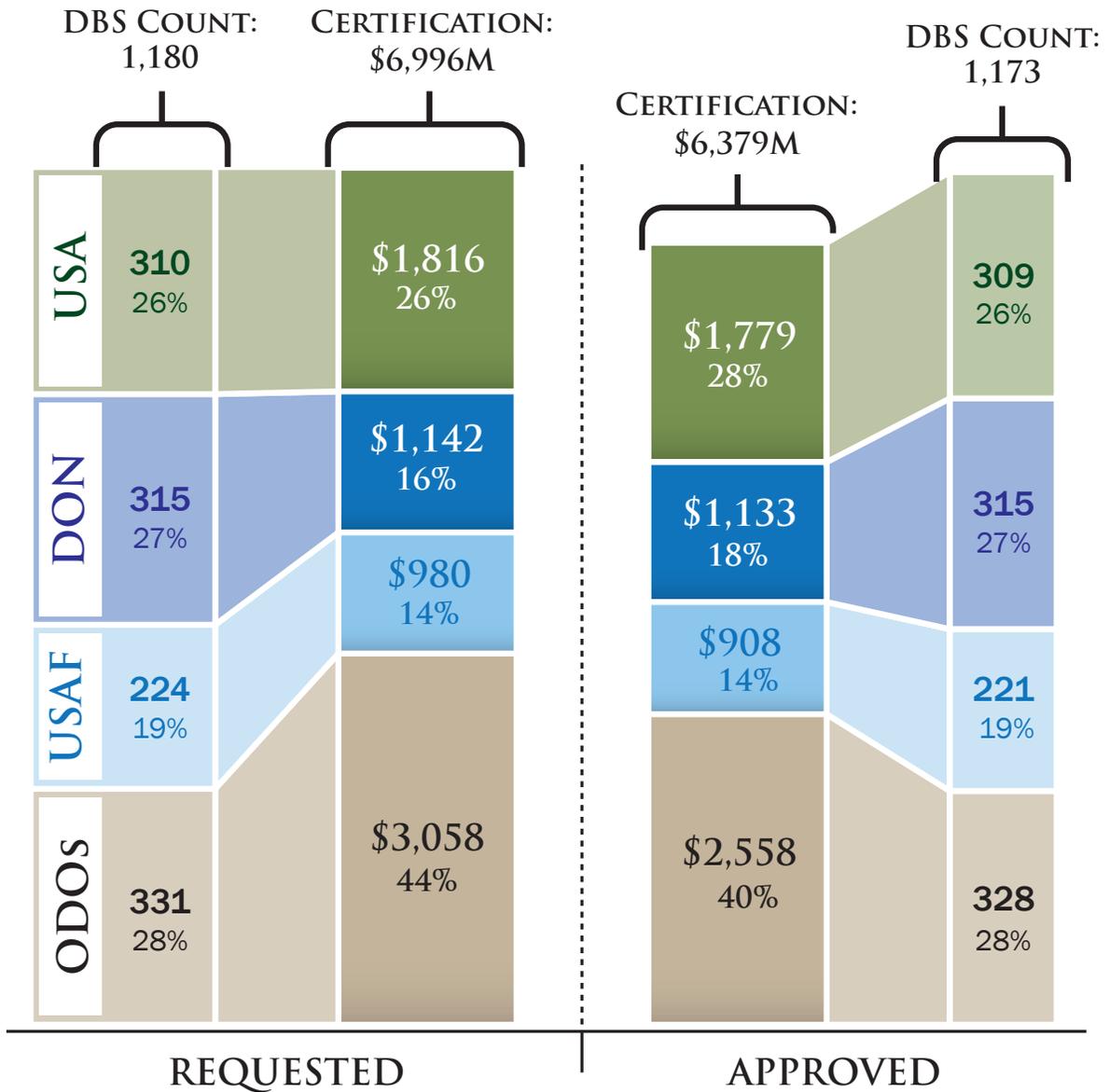
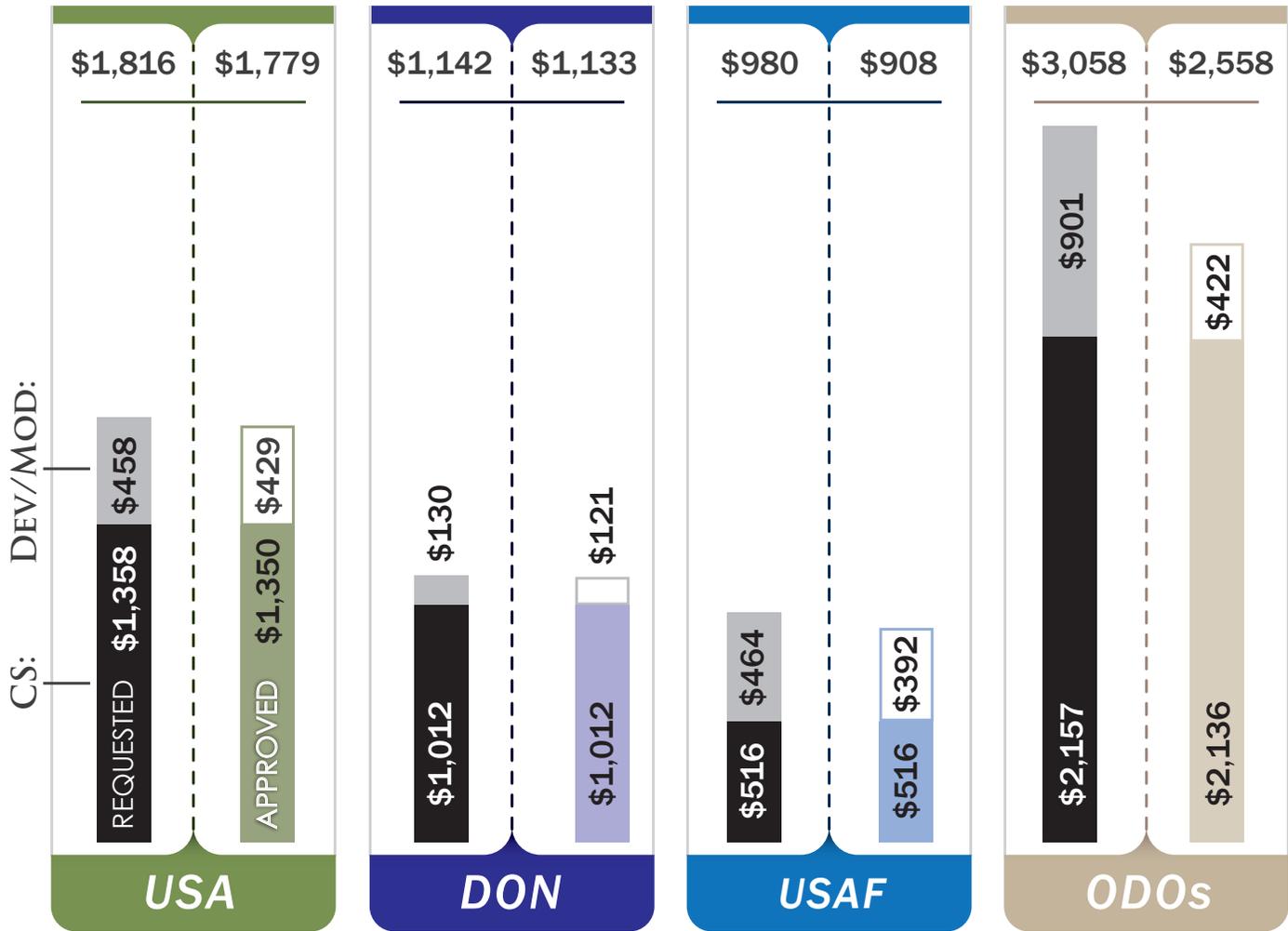


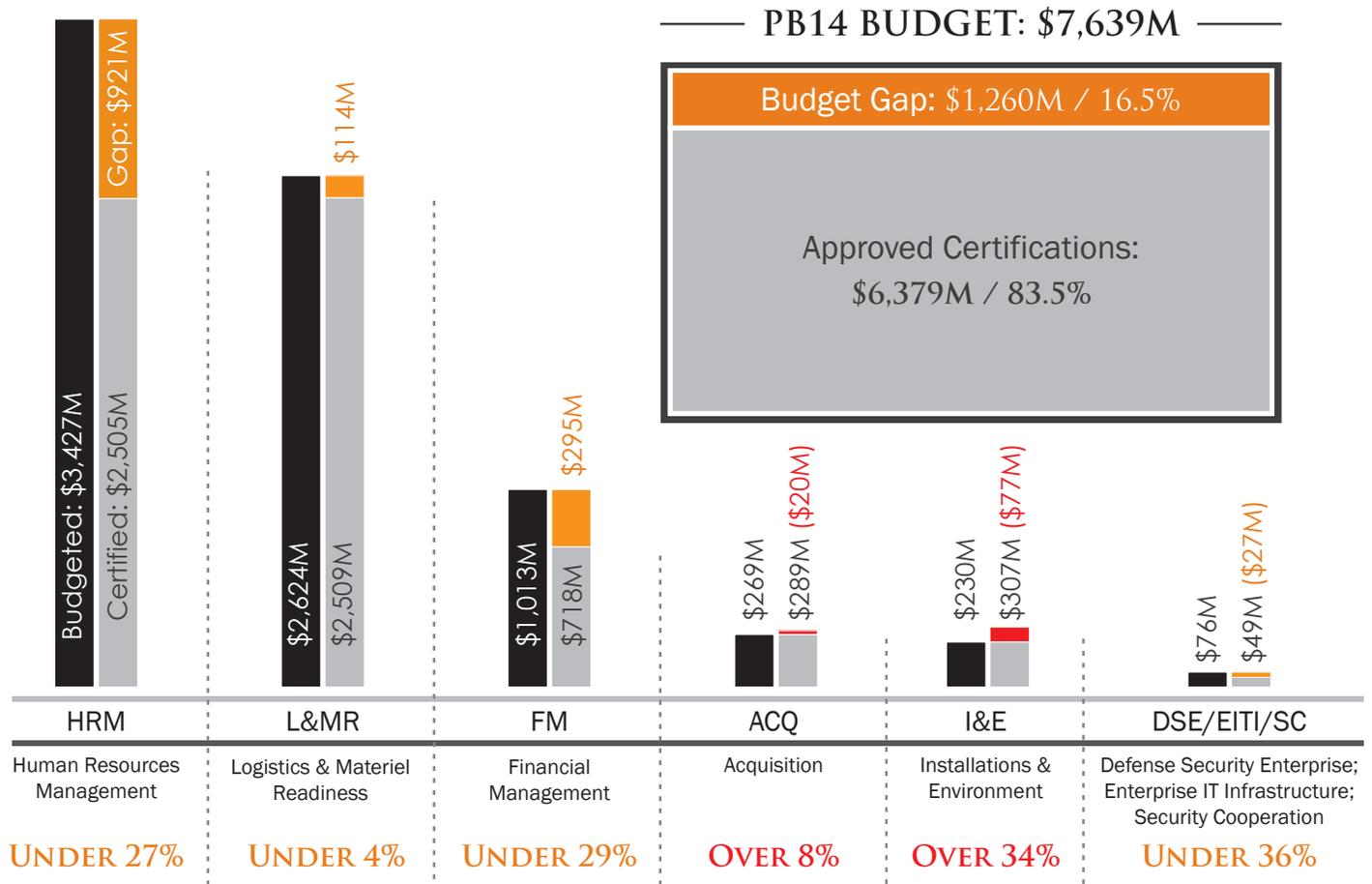
Figure 6 – FY 2014 Requested vs. Approved Certifications by Component (\$M)

**Figure 7** provides a comparison of Dev/Mod and Current Services requests and approvals, by portfolio. Dev/Mod funds are used for developing new IT systems or making major enhancements to existing systems. Current Services funds are used for operating and maintaining existing systems at their current level.



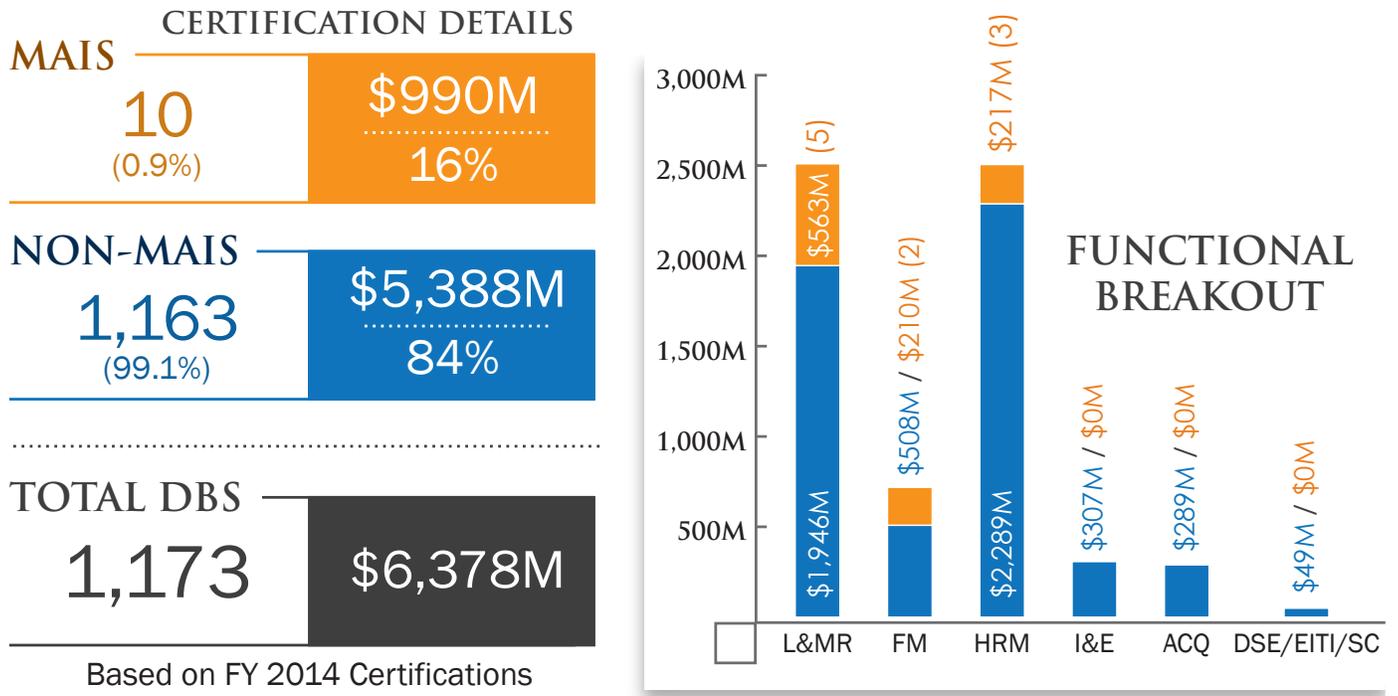
**Figure 7 – FY 2014 Dev/Mod and Current Services Comparison (\$M)**

**Figure 8** provides a comparison of approved certifications and budget requests in the FY 2014 President’s Budget, by functional area. Budget requests were higher than approved certifications in six of the eight functional areas.



**Figure 8 – FY 2014 Approved Certifications vs. Budgeted Amount by Functional Area (\$M)**

As illustrated in **Figure 9**, the ten Major Automated Information Systems (MAIS)<sup>12</sup>, as identified on the active MAIS list in the Defense Acquisition Management Information Retrieval system, account for 0.9% of the total number of DBS and 16% of the approved certifications.



**Figure 9 – MAIS as a Percentage of Total DBS Certification**

<sup>12</sup>MAIS are defined by title 10 USC § 2445a(a) as: (1) program costs in any single year exceed \$32M, (2) total program acquisition costs exceed \$126M, or (3) total life-cycle costs exceed \$378M.

# Acronyms

Acronym	Definition
BEA	Business Enterprise Architecture
BPR	Business Process Reengineering
CIO	Chief Information Officer
CMO	Chief Management Officer
CPIC	Capital Planning and Investment Control
CS	Current Services
DBC	Defense Business Council
DBS	Defense Business System(s)
DBSMC	Defense Business Systems Management Committee
DCMA	Defense Contract Management Agency
DD Form	Defense Department Form
DeCA	Defense Commissary Agency
Dev/Mod	Development and Modernization
DFAS	Defense Finance and Accounting Service
DHA	Defense Health Agency
DHRA	Defense Human Resources Activity
DISA	Defense Information Systems Agency
DITIP	Department of Defense Information Technology Investment Portal
DITPR	Department of Defense Information Technology Portfolio Repository
DLA	Defense Logistics Agency
DMAG	Deputy's Management Action Group
DoD	Department of Defense
DON	Department of the Navy
DPRIS	Defense Personnel Records Information Retrieval System
DPS	Defense Personal Property System
DSE	Defense Security Enterprise
DS Logon	Department of Defense Self-Service Logon
DSS	Defense Security Service
EBS	Enterprise Business System
EITI	Enterprise Information Technology Infrastructure
EPRM	Enterprise Protection Risk Management
ETP	Enterprise Transition Plan

Acronym	Definition
FM	Financial Management
FY	Fiscal Year
GAO	Government Accountability Office
GCSS-A	Global Combat Support System-Army
GFEBs	General Fund Enterprise Business System
HQDA G-4	Headquarters of the Department of the Army G-4
HRM	Human Resources Management
I&E	Installations and Environment
IBF	Integrated Business Framework
IPPS-N	The Integrated Personnel and Pay System-Navy
IRB	Investment Review Board
IT	Information Technology
L&MR	Logistics and Materiel Readiness
LMP	Logistics Modernization Program
MAIS	Major Automated Information System(s)
MROi	Maintenance, Repair and Overhaul Initiative
NDAA	National Defense Authorization Act
NSIPS	Navy Standard Integrated Personnel System
ODO	Other Defense Organization
OEP	Organizational Execution Plan
OMB	Office of Management and Budget
PB	President's Budget
PCA	Pre-Certification Authority
SC	Security Cooperation
SNaP-IT	Select and Native Programming Data Input Systems for Information Technology
SMP	Strategic Management Plan
USA	United States Army
USAF	United States Air Force
U.S.C.	United States Code
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USFOR-A	United States Forces – Afghanistan
OUSD (P&R IM)	United States Transportation Command







**Office of the Deputy Chief Management Officer**

9010 Defense Pentagon

Washington, D.C.

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