Overview

- Defense Business Transformation
- DUSD(I&E) Business Enterprise Integration (BEI)
- Initial ESOH Priority: Environmental Liabilities
Transformation “Drivers”

**Business Management Drivers**
- The Budget
- CFO Act 1990
- GPRA 1993
- OMB A-11
- GAO Reports
- Friedman Report
- Congress/ Public Laws
- President’s Management Agenda

**Industry/Government Leading Practices**

**Warfighter Transformation Drivers**
- Joint Vision 2010/2020
- Defense Planning Guidance
- Quadrennial Defense Review (QDR) Report
- Defense Transformation Planning Guidance

**Continuity of Operations**

**Information Management Drivers**
- Clinger-Cohen Act 1996
- GAO Reports
- Global Information Grid (GIG)
- OMB A-130
- OMB FEA

DoD Business Transformation
Evolution of Business Transformation in DoD

• **July 2001:** SECDEF established Financial Management Modernization Program (FMMP)
  – Established under DoD Comptroller to:
    o improve efficiencies of financial operations
    o achieve unqualified audit

• **April 2003:** Scope expanded and renamed Business Management Modernization Program (BMMP)
  – Established under Comptroller, with functional “Domains” to:
    o reengineer business processes
    o identify standard data requirements
    o implement an integrated net-centric business environment to supports warfighters’ needs

• **October 2005:** Defense Business Transformation and BTA
Vision

The Business Transformation Agency will be recognized as the champion for driving and accelerating improvements to business operations across the Department of Defense. We will serve as a magnet to attract talented, dedicated professionals, creating a model for transformation leadership across the Federal Government.

Mission

The mission of the Business Transformation Agency is to guide the transformation of business operations throughout the Department of Defense and to deliver enterprise-level capabilities that align to warfighter needs.
BEA 3.0 Construct

The Business Enterprise Priorities on the right address the top level responsibilities for the Department of Defense associated with each **Core Business Mission (CBM)** on the left.

<table>
<thead>
<tr>
<th>DoD Core Business Missions (CBMs)</th>
<th>DoD Business Enterprise Priorities (BEPs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Management</td>
<td>Personnel Visibility</td>
</tr>
<tr>
<td>Weapon System Lifecycle Management</td>
<td>Common Supplier Engagement</td>
</tr>
<tr>
<td>Materiel Supply &amp; Service Management</td>
<td>Acquisition Visibility</td>
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<tr>
<td>Real Property &amp; Installations Lifecycle Management</td>
<td>Materiel Visibility</td>
</tr>
<tr>
<td>Financial Management</td>
<td>Real Property Accountability</td>
</tr>
<tr>
<td></td>
<td>Financial Visibility</td>
</tr>
</tbody>
</table>

**Required Integration**

<table>
<thead>
<tr>
<th>Components</th>
<th>ARMY</th>
<th>NAVY/MC</th>
<th>Air Force</th>
<th>DLA</th>
<th>USTRANSCOM</th>
<th>...</th>
</tr>
</thead>
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6
Business Transformation
Organization and Governance – I&E View

Program Success Factors
(i.e., ‘Why we will succeed’)

- Senior leadership engagement -- with realistic and robust governance model
- Joint warfighting imperatives -- creates opportunities for collective decisions
- Statutory and regulatory requirements for business transformation
- Acknowledgement of tiered accountability
- Continuity – leverages learning from past three years, with visible opportunity for success during next four years.
- BRAC – forcing function for integration
- Team members who have done this before in private sector
- Business Enterprise Architecture (BEA) and Enterprise Transition Plan (ETP) serve as blueprint and course of action for transformation
**Vision:**
An I&E community that provides *timely, accurate and reliable information* within I&E and to the warfighter and DoD business enterprise

**Mission:**
Support both the I&E and DoD Business Transformation goals

**Goals:**
The ODUSD(I&E) Business Enterprise Integration Directorate will produce outcomes that:
- Provide better information for strategic and tactical decisions
- Reduce the cost of business operations
- Improve stewardship of I&E assets
- Support integration of DoD enterprise business operations

<table>
<thead>
<tr>
<th>I&amp;E Strategic Goals</th>
<th>I&amp;E Business Enterprise Integration Goals</th>
<th>DoD BT Enterprise Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Right Size and Place</td>
<td>• Enable achievement of I&amp;E strategic and tactical goals and objectives</td>
<td>• Support joint warfighting</td>
</tr>
<tr>
<td>• Right Quality</td>
<td>• Provide better information for strategic resourcing decisions</td>
<td>• Provide better information for strategic resourcing decisions</td>
</tr>
<tr>
<td>• Right Safety and Security</td>
<td>• Reduce the cost of business operations</td>
<td>• Reduce the cost of business operations</td>
</tr>
<tr>
<td>• Right Resources</td>
<td>• Improve stewardship of I&amp;E assets</td>
<td>• Improve stewardship to the American People</td>
</tr>
<tr>
<td>• Right Tools and Metrics</td>
<td>• Support integration of DoD enterprise business operations</td>
<td></td>
</tr>
</tbody>
</table>
Enabling Transformation: The BEI Approach

Collaborative Business Process Reengineering

Requirements Documentation
- Prepare document
- Component authorization

Document Collaborative Results
- Integrate requirements and processes
  - Business Enterprise Architecture (BEA)
  - Enterprise Transition Plan (ETP)
- Update policies

Implementation
- Develop enterprise capabilities
- Development of implementation plans and milestones
- Implementation
- Program management
- Achievement of outcomes

Ongoing Activities
- Manage the real property and installations lifecycle management portfolio, and provide investment review
- Host new I&E enterprise capabilities
- Pursue new reengineering opportunities

Key
- Green: Responsibility of components
- Purple: Responsibility of components and BEI
- Blue: Responsibility of BEI
Environmental Liabilities Recognition, Valuation and Reporting

The Initial ESOH Application of the ODUSD(I&E)/BEI Approach to Transformation
Environmental Liabilities Recognition, Valuation and Reporting Requirements

• **Problem:** DoD is unable to provide auditable environmental liabilities information (a material weakness)

• **Key efforts**
  – Collaborative development of standard processes and data (in process)
  – Upgrade of policies (in process)
  – Incorporation by Components (in process)

• **Outcomes**
  – Standard and auditable process and data model for recognizing, valuing and reporting environmental liabilities
  – Complete, accurate and visible inventory of environmental liabilities reconciled with asset records (includes real and some personal property)
Real Property Accountability (RPA) – Perform ESOH Services Business Process
ESOH Interest Area and Unique Identification

• **Definition:** *ESOH Interest Area (EIA) is a place, location, or a program management initiative of specific interest that may be described, located, or referenced geospatially*

• **Attributes -- may**
  – Be created due to one or more ESOH events or because an area has ESOH interest
  – Not be constrained by RPI boundaries
  – Be part of an asset, or linked to one or more real property assets (RPA)
  – Be overlaid

• **Definition:** *ESOH Interest Area Unique Identifier (EIAUID) is a code used to permanently and uniquely identify an ESOH interest area*

• **Attributes:**
  – Permanently and uniquely identifies ESOH Interest Areas
  – Is owner or organization independent
  – Does not change over the life of the EIA even if EIA attributes change
  – Links to the common data describing financial, legal, and physical attributes at the enterprise level
  – Supports parent – child relationships and enables audit trails within and between DoD systems
ESOH Interest Area Examples
BEA, ETP and FIAR Plan Relationship
ESOH Enterprise Transition Plan
Activities, Milestones, Responsibilities and Status

09/30/05

EL Process and Data Model in BEA 3.0

03/31/06

Update Data Model and Begin Linkage to Asset Records

09/30/06

Issue Final Implementation Plan

03/31/07

Release Environmental Liabilities Recognition, Valuation and Reporting Requirements document

09/30/07

Complete Linkage to Real Property Inventory

Implement Environmental Liabilities Requirements

12/31/05

Draft Phase I Hazardous Materials Process Controls and Information Management Requirements Document

06/30/06

Define Approach for Unique Association of Haz. Products and Std. Product Haz. Data

12/31/06

Incorporate Phase II Results in BEA 5.0

06/30/07

Implement Requirements into Core Business Mission Areas

Component Responsibility

I&E BT Responsibility

Milestone

Status

Efforts complete or scheduled for completion on/before 12/31/05

Efforts funded, on schedule and underway; No issues at this time.

Efforts funded; schedule or deliverable risk potential

BT Efforts currently unfunded

Component status unknown
One More Thing….

Please visit the Business Enterprise Integration booth!

Located in Exhibit Hall D, space #1037, across from the Lounge