

# Business Systems Modernization Update

## DLA Announces Integration Partner

The Defense Logistics Agency announced recently the selection of its systems integration partner, Andersen Consulting, of Reston, Va., to provide up to \$389.8 million in implementation services for DLA's Business Systems Modernization (BSM) program. The BSM program is a key initiative for the Agency in achieving its vision to re-engineer its logistics processes to reflect best commercial practices. BSM will include implementation of SAP Enterprise Resource Planning (ERP) software and Manugistics Advance Planning and Scheduling (APS) systems to replace mission critical materiel management legacy systems.

"This is a significant milestone for our Agency in its plan to achieve the logistics transformation envisioned by Joint Vision 2020, the joint warfighting vision for the military services," said Rear Admiral Ray Archer, DLA vice director. "This effort will provide us with the necessary leading edge technology to allow us to focus on our core business: supply chain management."

"Through the implementation of COTS solutions, such as ERP software and the resulting business process re-engineering," Archer continued, "we anticipate improved DLA support to the warfighter. It will also give our employees better tools and better access to the knowledge they need to do their jobs. The result will be a win-win situation, both for our customers—America's warfighters—and the DLA workforce."

BSM Program Manager Mr. David Falvey said, "Our partnership with Andersen Consulting was achieved using an innovative contracting approach, in which software and services will be ordered in modular task orders off the GSA Federal Supply Schedules."

Falvey added that the initial task order will focus on an enterprise design, or "blueprinting," period beginning in September. The blueprinting will result in new work designs which capitalize on the modern technology and embedded best practices in the COTS software.

The entire implementation is expected to take five years, with the initial efforts replacing two major legacy systems, SAMMS (Standard Automated Materiel Management System) and DISMS (Defense Integrated Subsistence Management System), and their associated extension systems.

The Defense Logistics Agency provides supply support, and technical and logistics services to the military services and to several civilian agencies. Headquartered at Fort Belvoir, Va., DLA is the one source for nearly every consumable item, whether for combat readiness, emergency preparedness or day-to-day operations.

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MEMORANDUM FOR DLA WORKFORCE

SUBJECT: Business Systems Modernization Update

Last December Rear Admiral Stone sent out a letter about the DLA Business Systems Modernization (BSM) strategy: to replace our legacy systems with modern technology that will keep us on the leading edge. As you heard in your chain teaching, BSM is so important to the future of DLA that it is one of the five pillars, or "enablers" of the Strategic Plan 2000 – DLA 21.

Since December, we have been conducting the process to acquire a partner, called a systems integrator, to help us with the BSM journey. We are pleased to announce that today (August 10, 2000) we awarded a task order against a General Services Administration (GSA) contract to Andersen Consulting.

Rear Admiral Stone's December letter identified SAMMS and DISMS as the first legacy systems to be replaced. We will replace them with an Enterprise Resource Planning (ERP) system from SAP and an Advanced Planning and Scheduling (APS) system from Manugistics, Inc. Andersen Consulting will help us with the activities that surround a software replacement of such magnitude. These include process reengineering, training, change management, and communication.

The first activity the system integrator will perform is something called "blueprinting" which is essentially designing how we want the business to operate. This is our opportunity to really take advantage of the capabilities of modern technology to do things we haven't been able to do — to reengineer processes to what works for us, our customers, and our vendors.

We know that BSM means change for the Agency. We do not know what every change will be, but we do know that you need to be part of shaping it. Our efforts during this blueprinting phase will set our course for years to come. BSM will require our combined commitment, energy, and creativity.

I am very much looking forward to taking this exciting journey with you. I know I can count on each of you to help make it a success.

RAYMOND A. ARCHER III  
Rear Admiral, SC, USN  
Vice Director