DON ERP OVERVIEW:
SHARED SERVICES FORUM
DISCUSSION

September 2019
“Outdated business practices and systems are a drain on scarce resources and impede our ability to anticipate and adapt. Therefore, improving accountability and management functions are not “nice to haves”—they are operational imperatives.”

Under Secretary of the Navy, Thomas B. Modly
NAVY FINANCIAL MANAGEMENT TRANSFORMATION GOALS

**AUDIT**

Continue full-scope audit with full transparency:
- Prioritize and remediate findings
- Strengthen internal controls
- Improve accuracy of financial reports

**BUDGETARY REFORM**

Rigorously execute the budget
- Improve execution effectiveness & transparency
- Reduce reimbursable work

**CONSOLIDATION OF SYSTEMS**

Consolidate and reduce feeder and general ledger systems
- Modernize Navy ERP and standardize processes

- DON ERP Functional Requirements (FMP-6) is an organization within Assistant Secretary of Navy, Financial Management & Comptroller

- FMP-6 provides management oversight of the DON ERP functional requirements process and general ledger consolidation efforts.

- FMP-6 Divisions:
  - Migrations Support
  - Functional Management
PROBLEM

• **The System.** DON is riddled with complex and non-standard business processes, noncompliance with data standards, and lack of interoperability between systems.

• **The Policy and Sustainment.** Past ERP migrations completed by Commands independent of each other, creating non-standard processes, which reduces auditability, complicates the requirements process, increases sustainment costs, and complicates workforce training and effectiveness.
  – Six Commands currently use DON ERP
  – Different training curriculums
  – Over 1000 generated requirements due in part to customization
  – Individual Command Business Offices (CBOs) to support each Command
CONSOLIDATION ROADMAP

1999

Pilot Programs
- NAVAIR: SIGMA
- SPAWAR: CARBRILLO
- NAVSUP: SMART
- NAVSEA: NEMAIS

2003

NAVAIR

2007

NAVSU P
SPAWAR

NAVSEA GF

2012

NAVSUP-Logistics Enhancements
NAVSUP Rolling Deployments

2020

ONR
NRL

2021

General Funds

# OF USERS:
17,000
38,000
65,000
72,000
80,000
300,000

DON ERP: Consolidation of Financial, Time & Attendance, and Supply Solution
WHY DON ERP?

92%
Percentage of Forbes Global 2000 companies using SAP

1000
Reduction of redundant costs for 1000+ interfaces in 300 systems

114
Reduction of IT NFRs

55%
Percentage of budget currently executed within DON ERP

Flexibility, speed, and efficiency in getting capability to the warfighter as a result of integrated systems with 300,000+ DON ERP users by 2021.
“The single biggest failure point for ERP Implementations is the [lack of] change management.”

Neville Turbet, Project Perfect
DON ERP TEAM: DIFFERENT FOCUS, BUT UNITY OF EFFORT

To meet DON ERP Migration milestones and improve sustainment efforts, FMP-6, BSC, and PMW 220 all play a key role in improving the DON’s ERP Implementation efforts.

**Four Ways To Improve large-scale IT delivery**

1. **Management Oversight and OCM**
   - Focusing on managing strategy and stakeholders instead of only on budget and scheduling

2. **Alignment**
   - Building effective teams by aligning their incentives with the overall goals of projects

3. **Project Management**
   - Excelling at core project-management practices, such as short delivery cycles and rigorous quality checks

4. **Execution**
   - Mastering technology and project content by securing critical internal and external talent

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Roles and Responsibilities for DON ERP

**FMP-6**
- Transition Planning and Execution
- Data Transformation
- Change Management
- User Management

**PMW-220**
- Training
- User Acceptance Testing
- Post Implementation Support
- Requirements Management
- Policy Changes

**BSC**
- System Design and Development
- Unit, Integration, Regression Testing
- Data Load
- Cutover Execution
- System Environment Support
- Tier 3 Post Implementation Support
- Role Provisioning

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6) McKinsey Digital. Delivering large-scale IT projects on time, on budget, and on value
KEY INSIGHTS FOR CHANGE READINESS SURVEYS

91% of GS13 & below respondents did not believe that DON ERP would help them do their job *more effectively*.

Less than half of the respondents answered that they are aware of *when* their work would be impacted by the DON ERP and also didn’t know *how* their work would be impacted.

Most believe DON Leadership is *committed to the migration*, but don’t know if their *managers are prepared* to implement DON ERP, nor did they feel *equipped to do their job in DON ERP*. 
1. Given tight timelines of the migration, how can we best improve our change management efforts to overcome the concerns of the end users?

2. How do we best manage expectations around change management?
SUPPORT SLIDES
BENEFITS OF DON ERP

With DON ERP, FMP-6 is helping the DON achieve the following outcomes and benefits:

- Improved total asset visibility across the enterprise to achieve a common set of secure data for all DON
- Increased visibility of parts and supplies to decrease repair time and increase operational availability for planes and ships
- Standardized business processes to achieve significant labor cost savings and reduce negative audit findings
- Reduced number and cost of 243 IT systems, and more automated audit requirements
- Increased productivity as the skills of DON ERP users become transferable

This enables the DON to be diligent stewards of taxpayer dollars while supporting the DON’s mission to "maintain, train and equip combat-ready naval forces capable of winning wars, deterring aggression and maintaining freedom of the seas"
FMP-6 DON ERP PRIORITIES

FMP-6 and its division branches and supporting function priorities align to the DON FMT primary goals as outlined by Mr. Thomas W. Harker, ASN FM&C.

<table>
<thead>
<tr>
<th>Functional Management</th>
<th>Migrations</th>
<th>Operations*</th>
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<tbody>
<tr>
<td><strong>Requirements Management Process</strong></td>
<td><strong>System Migration to ERP</strong></td>
<td><strong>Organizational Change Management</strong></td>
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<tr>
<td>• Conduct capability requirement assessments</td>
<td>• Lead Working Capital Fund (WCF) Migrations - six commands</td>
<td>• Lead strategic communications efforts across WCF and GF</td>
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<tr>
<td>• Monitor review of Functional Design Specifications (FDS)</td>
<td>• Lead General Fund (GF) command Migrations -11 BSO’s representing the operational Navy and Marine Corps</td>
<td>• Manage governance board communications and documentation repository</td>
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<tr>
<td>• Manage requirements review and approval process</td>
<td>• Provide training to migrating commands</td>
<td><strong>Executive Engagement</strong></td>
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<td><strong>Sustainment Operations</strong></td>
<td></td>
<td>• Manage executive leadership Command site visits</td>
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<td>• Operate Migration Support Business Office (MSBO) and develop User Manual</td>
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<td>• Lead logistics and planning for industry conferences</td>
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<td>• Coordinate user management activities with commands</td>
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<td>• Support executive leadership one-on-ones</td>
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<td>• Lead programming and budgeting activities</td>
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<td><strong>Note:</strong> Only workstreams directly supporting DON ERP are listed in this table.</td>
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<td>• Monitor system performance</td>
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<td><strong>Governance Boards</strong></td>
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<td>• Lead the design, development and coordination of Working Group (WG), Senior Board (SB), and Executive Steering Group (ESG)</td>
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