

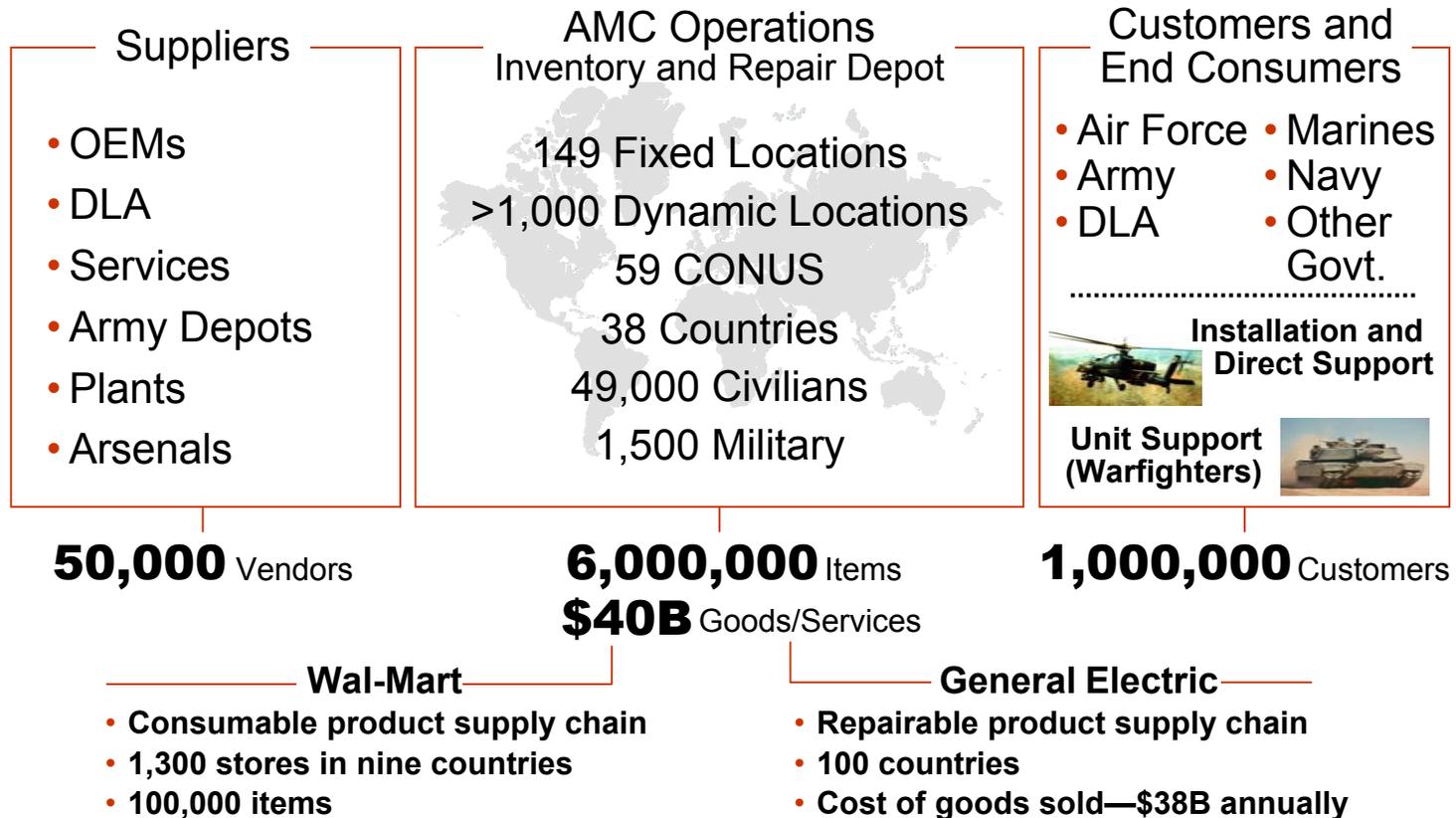


Go ahead, we're listening.

LMP Program Overview and Lessons Learned



- **Opening Remarks**
- **Background**
- **Lessons Learned**



Analogous to a large multinational conglomerate, multiple businesses (Commands), diverse product portfolios, multiple complex supply chains— with added challenge of customer (Warfighter) readiness for survival.

Inadequate Funding

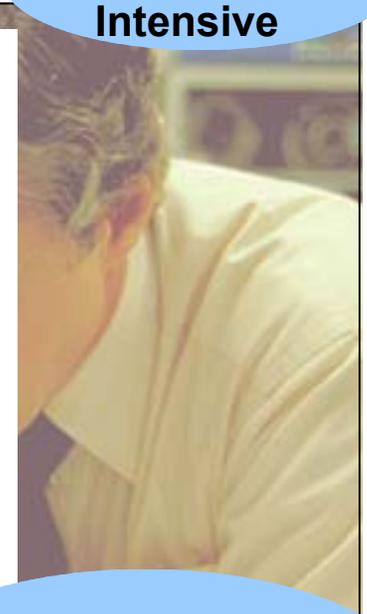
Technology

- Batch processing
- Large mainframes
- Non-relational data structure
- Card images
- 25-year old technology
- 30-year old processes

User

- Obsolete screens
- Multiple logons
- Information not readily available
- Information not real time
- Data redundancy w/o standards
- Poor edits
- Paper printouts of critical reports

Manpower Intensive



Disparate & Stovepipe Systems

Lack of Business Process Reengineering

Must Support Army Transformation

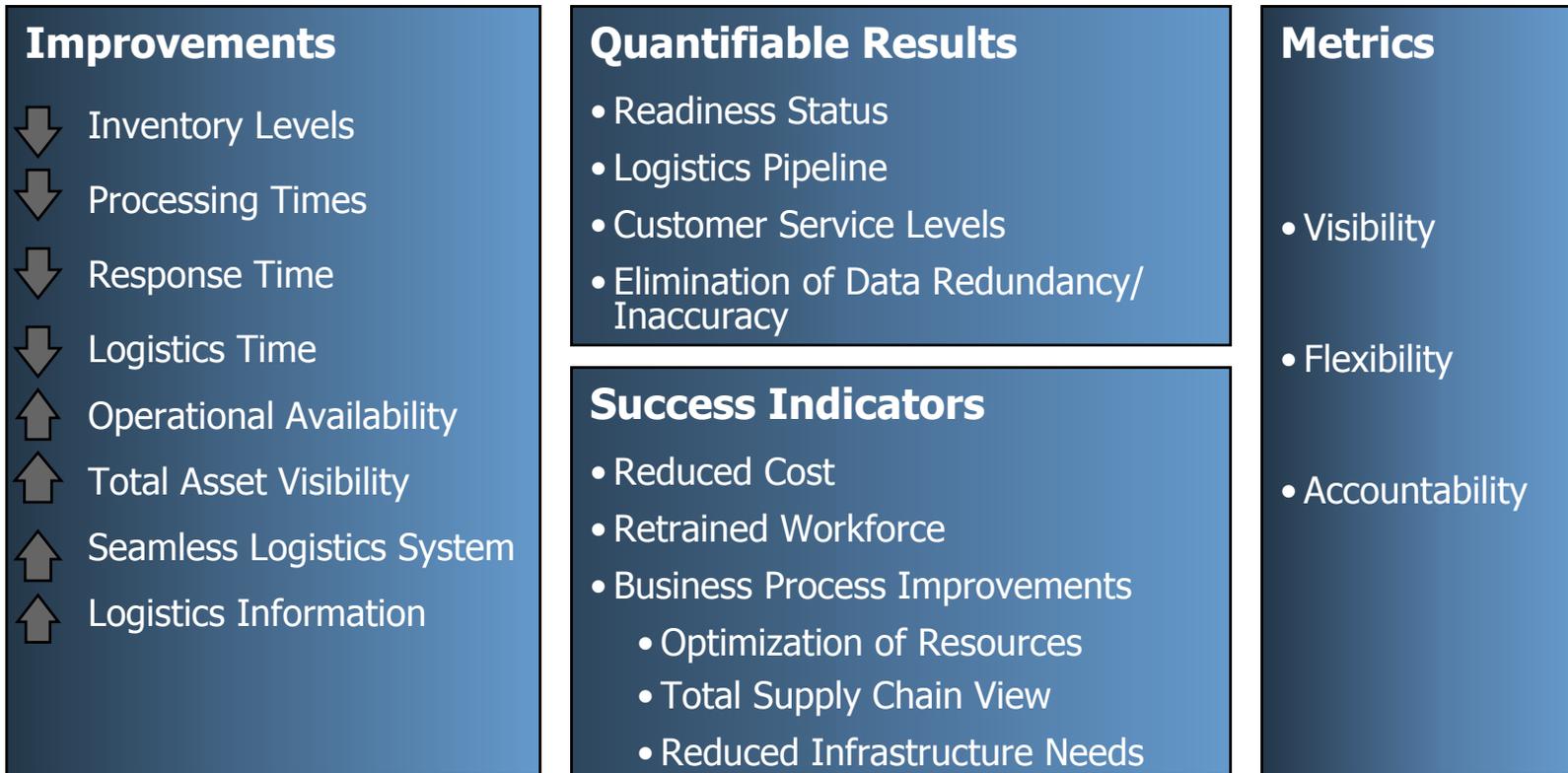
- **Goal**

- **Modernize Army logistics business practices and supporting information technology to meet current and future military readiness requirements.**

- **Objectives**

- **Improve readiness and weapons system support.**
- **Take care of people - both those transitioned to the contractor and those personnel whose jobs will evolve with implementation of the LMP.**
- **Adopt best business practices - initially and continuously.**
- **Perform business process reengineering while leveraging information technologies.**
- **Implement Army transformation initiatives - single stock fund and national maintenance management.**
- **Provide information, education, and training as needed to help AMC/ Army adopt new ways of doing business with minimal disruption.**

LMP will provide agile, reliable, and responsive services by leveraging best practices and technology that enable the AMC to deliver world-class logistics and readiness to the Warfighter and will advance with the challenges in the Army vision.



- **Best value used to choose team of market leaders.**
- **Purchase all core requirements for 10 years under contract.**
 - **A long-term strategic partnership.**
- **Program funded through consolidation of existing budget lines for sustainment and operation of legacy systems**
- **Include potential to extend and expand into other related logistics and business areas.**
- **Industry needed to make an investment up-front, Army gave industry maximum latitude to build their business case by:**
 - **Using performance - based contracting.**
 - **Contractor proposed schedules - data processing dollars only available upon implementing modernization.**
 - **Cost as an Independent Variable (CAIV).**
 - **Due diligence.**

Contract with a market leader Application Service Provider (ASP) to provide:

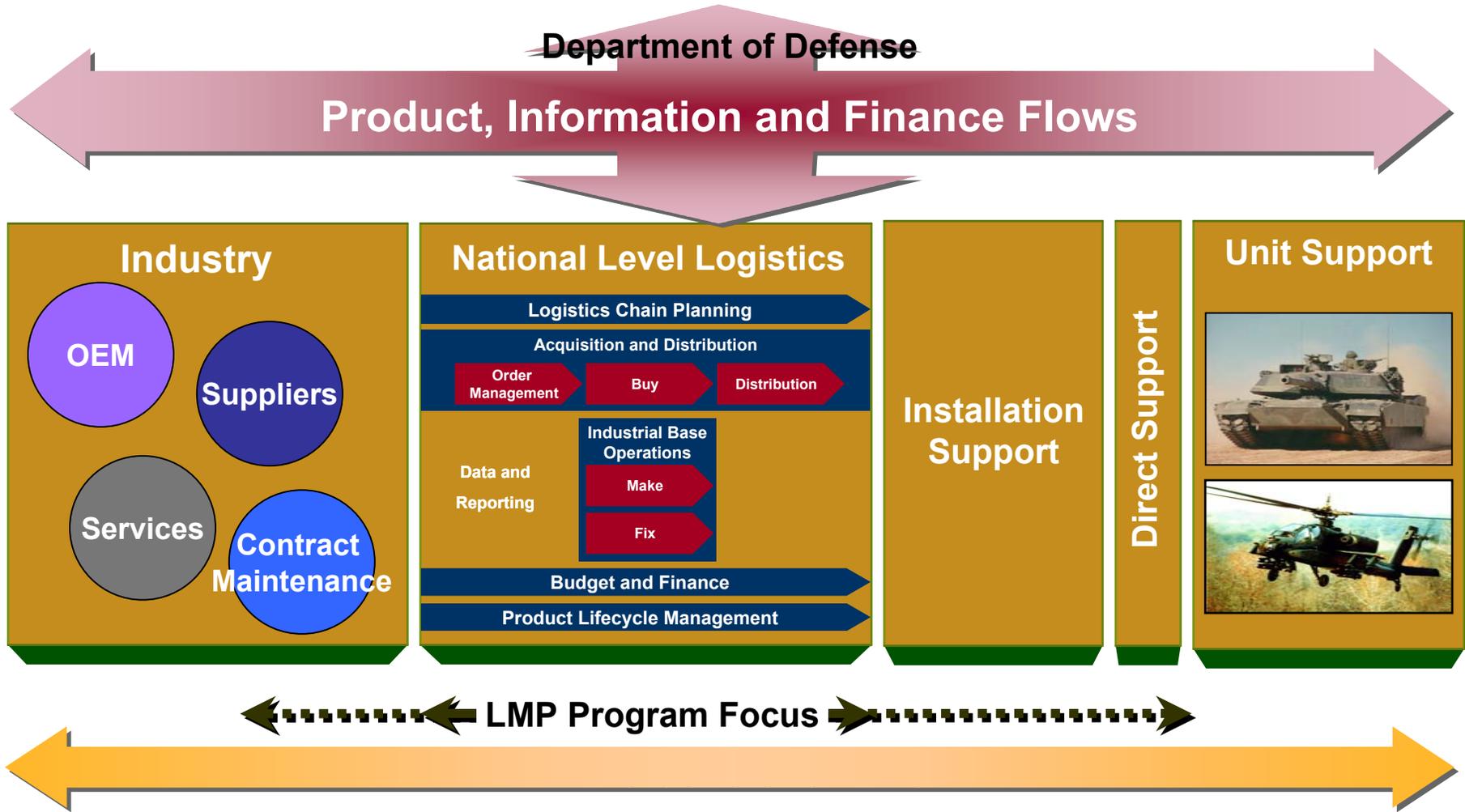
Modernization Services:

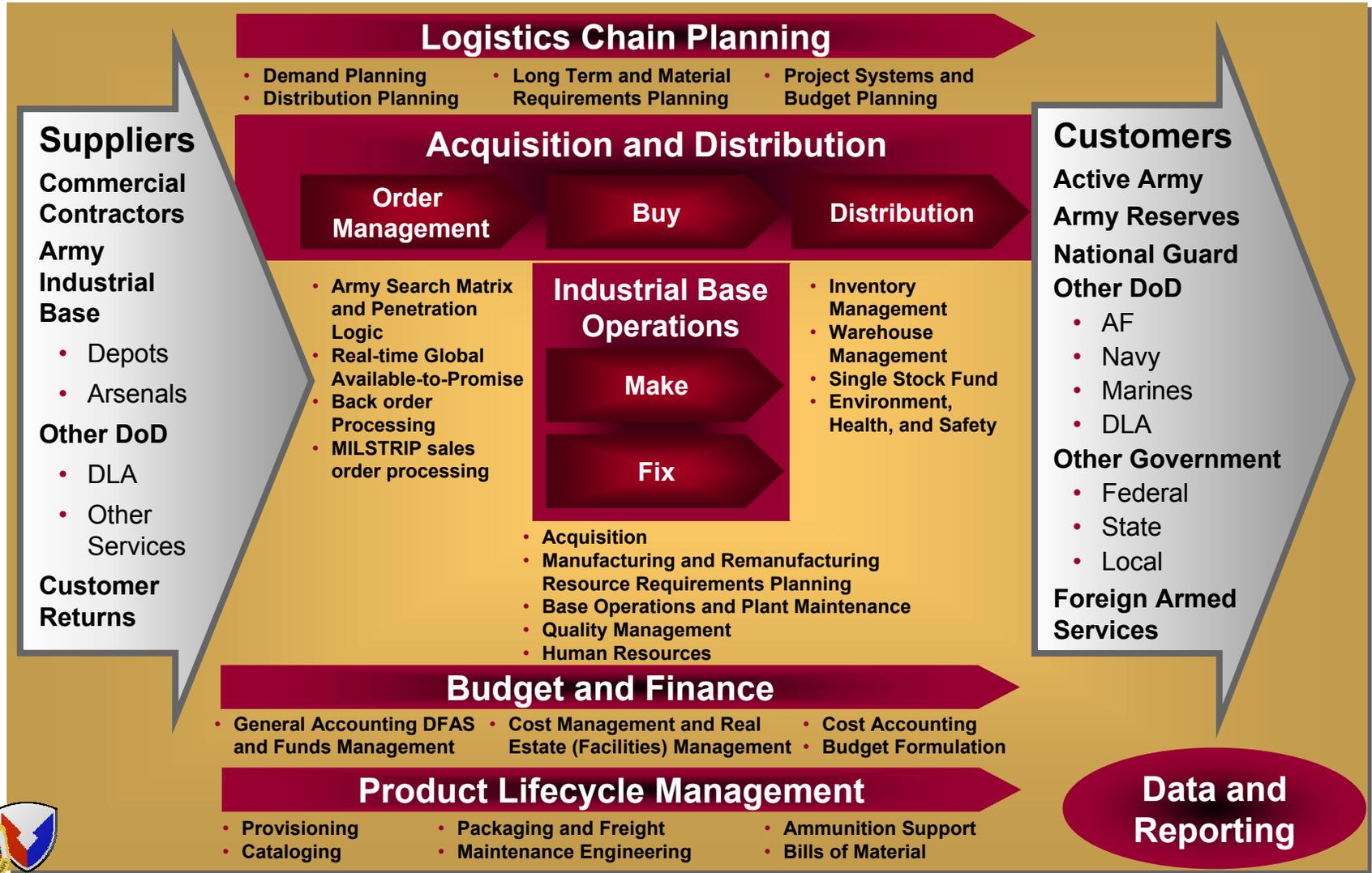
- Business process reengineering**
- Proven supply chain management processes and tenets**
- Commercial-off-the-Shelf (COTS) products**
- Operate modernized system upon retirement of legacy systems**
- Sustainment services**
 - Maintain existing systems until replaced with modernized solution**
 - Absorb Army CDA employees currently supporting legacy systems**

- **Contract performance bonus (incentive).**
- **Contractor proposed and receives a small percentage of the available dollars for acceptable performance.**
- **The balance goes to the performance bonus pool. Can only be earned by exceeding acceptable performance, resulting in significant service level improvements.**
- **Metrics focus on aggressive implementation of modernized processes, business process improvement and cost savings to the government.**

Total of FFP and maximum performance bonuses does not exceed cost Army was spending to sustain it's legacy systems AND they get modernization.

Contract Awarded December 29, 1999





Army Enterprise Integration Achieved with the Proper Solution of Architecture and Functionality

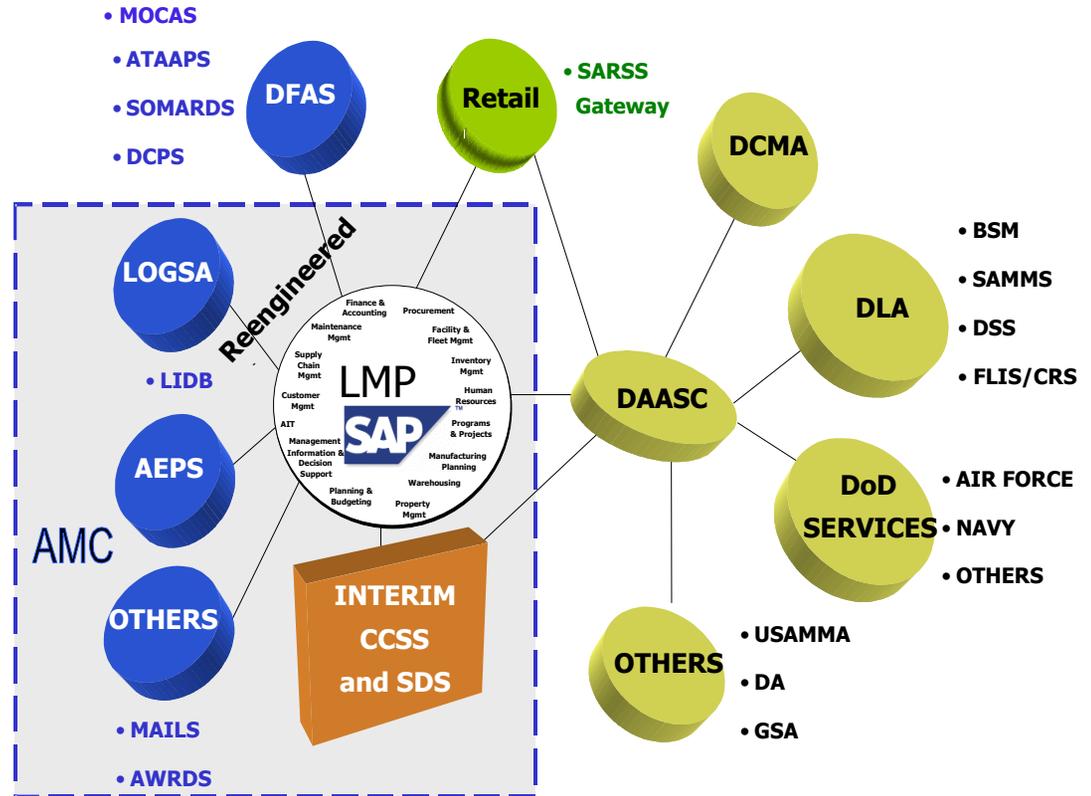
Breakthroughs With the New System

USER

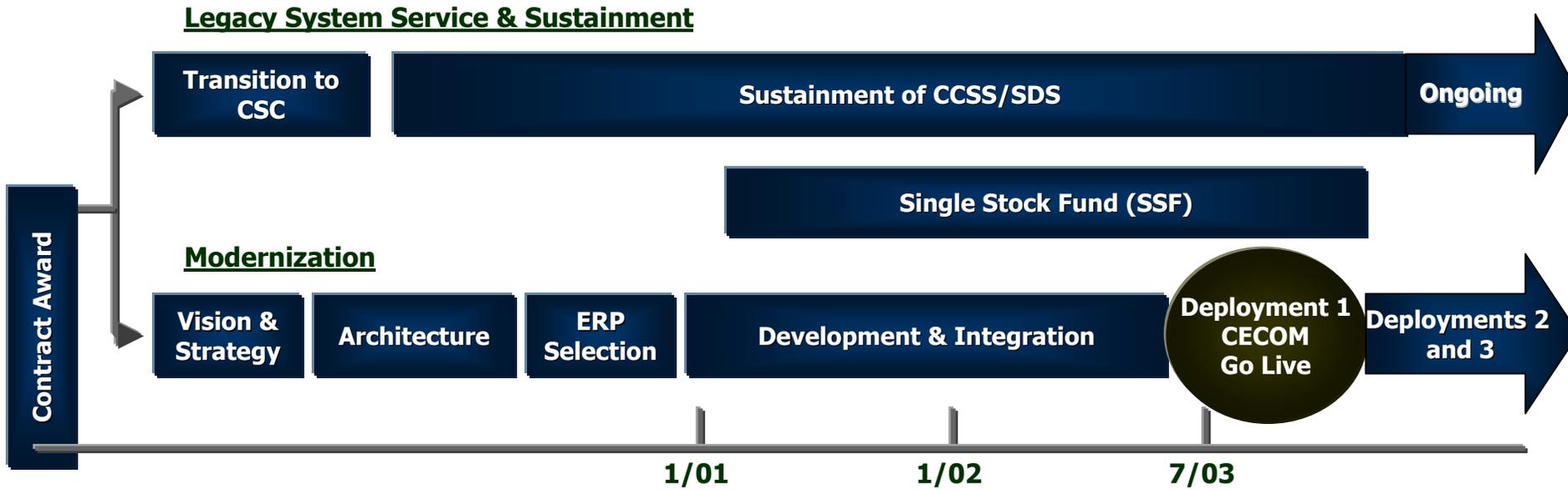
- WEB BROWSER SCREENS
- SINGLE SIGNON
- INFORMATION READILY AVAILABLE
- REAL TIME INFORMATION
- DATA REDUNDANCY STANDARDS
- THOROUGH SCREEN EDITS
- REAL TIME ON-SCREEN REPORTS

TECHNOLOGY

- REAL TIME PROCESSING
- THIN CLIENT TECHNOLOGY
- RELATIONAL GLOBAL DATA STRUCTURE – GLOBAL CONFIGURATION, WITH LOCAL FLEXIBILITY
- CENTRALIZED CONFIGURATION MANAGEMENT
- NEWEST TECHNOLOGY
- NEW BEST BUSINESS PRACTICES AND PROCESSES



66 systems interfacing with LMP



12/99

Results: Improved Warfighter Readiness—Right Material, Right Place, Right Quantity, at a Moment’s Notice

- Common, accurate, real-time operating view
- Rapid decision making
- Financial integrity
- Integrated planning and execution
- Precise forecasting
- Focus on core business functions
- Single version of truth

“LMP is an unprecedented partnership between AMC and CSC. In fact, LMP’s success is a direct result of our partnering relationship.”

—Paul Capelli, LMP Program Director, AMC

- Opening Remarks
- Background
- **Lessons Learned**

LMP Governance Model

- Advise AMC CG on Strategic Direction and Course Adjustment to LMP



Chaired by CG AMC
Membership : DUSD-LM&R; J4; ASA-FM&C, DASA-L; DCS, G4; DISC4; CG, CASCOC; Dir, DISA; Dir, DFAS; Dir, DLA; CG, USASAC
Advisors: AMC DCG, ED, CIO; CG, CECOM; President, CSC FS

- Approve and prioritize services under contract
- Approve additional funded Task Orders
- Facilitate command-wide implementation
- Ensure full and consistent integration with other initiatives



- Joint CSC & client executive leadership
- Monthly review meetings
- Program/strategic issue management

- Day-to-day program management
- Joint leadership



Chaired by ED, AMC
Membership: AMC, G3; AMC MSC IMMC/LRC Directors; AMC RM/G8; CIO/G6
Representatives from CASCOC, DLA, DISA, DFAS, Army G4
Advisors: PD LMP; CSC PM LMP

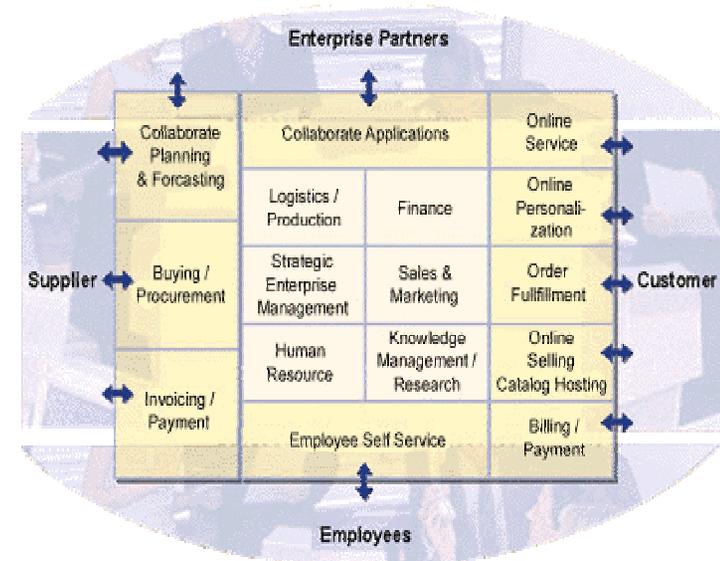
- Status reporting
- Weekly status meetings
- Project planning & monitoring
- Day-to-day workstream management



- **Not just a technical implementation and must consider the impact on multiple domains.**
 - **Business Solution Program**
 - **Business Processes**
 - **Application**
 - **Technology**
 - **Infrastructure**
 - **Culture/Norms**
- **Must have strong program management and change management.**
 - **Of the ERP implementations that fail, 75% of them fail because of inadequate change management activities.**



- **Provide proactive and visible executive leadership.**
 - Setup oversight structure to facilitate decision making.
- **Design and execute a disciplined process around program management.**
 - Define and document requirements
 - Aggressively manage scope.
- **Implement a single methodology for design, construction, and configuration.**
 - Leverage common integrated tools.
- **Begin integration and transformation activities now, do not wait until the end.**
 - Utilize the enabling technology.
- **Empower dedicated key client resources to own transformation of business processes.**
 - Assign the people that are difficult to extract from daily operations.



- **Invest in training now and think of it as building capability across the team and the organization.**
- **Keep system modifications to a minimum.**
 - **Adopt and transform business processes to the package.**
- **Create clear testing and data conversion strategies for the new system.**
 - **Leverage solutions across organizations.**
- **Reduce the number of interfaces to legacy systems.**
 - **Define scope to include systems where possible vs. interface to them.**
- **Create your rollout strategy up front and begin planning now.**
 - **Dedicate cutover resources.**
 - **Accept that change will occur as the solution is finalized.**



Key Lessons Learned: Successful implementation of change requires...

Leadership

- **Need active executive sponsor**
- **Generate sense of urgency**
- **Establish vision for the future**
- **Continuously challenge status quo**
- **Provide support and resources to ensure success**

Organization Alignment

- **Require broad cross-functional teaming**
- **Drive accountability for results**
 - **Team members**
 - **Sponsors**
- **Set stretch, but achievable goals**
- **Ongoing measurement of actual performance against targets**

Participation and Communication

- **Develop and implement a comprehensive communication plan throughout the project**
- **Provide strong facilitation skills within team**
- **Generate early wins to motivate and set the stage for future change**



System

- Minimize interface customization –work closely with the product vendor
- Don't recreate the "As-Is"
- Systems integration testing –Time
- Data driven system
 - **The quality of legacy data and non-integrated systems will "haunt" you**

People

- Sufficient functional resources are a critical component the ground at Moorestown
- Highly integrated, co-located team, common goals and vision
- A long term Strategic partnership is essential
- The nature of your workforce will be critical success factor—think through it!



Age, Longevity, exposure to other work environments

Process

- Broad, frequent and multi-faceted communication
 - Expectation Management
- Follow a best practices methodology
 - Cutover scorecard
- Business Processes will cut across Domain functional boundaries
- Strong change control once system is baselined
- Issues review committee
 - Focus on functional and technical
- Structured management reviews and decision process
- Course correction during the project as required
 - Weekly management reviews



Still working critical areas:

- **Data migration**
- **Acquisition Interfaces**
- **User access to information**

Defense is complex business ... Implementation is the beginning