

# *DLA FO PROCESS IMPROVEMENT MEETING*

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*DEFENSE LOGISTICS AGENCY*

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## **Business Systems Modernization**

**Presented By: Jim O’Laughlin  
DLA-FOXS**



# DLA FO Process Improvement Meeting

## *Agenda*

- *BSM Vision*
- *Supply Chain Tracks*
- *Finance*
  - *Objectives*
  - *Realities*
  - *Key Requirements*
  - *Challenges*

# A View of Logistics in the New Millennium

## *DLA Mission and Vision*

*Our Mission: Provide best value logistics and contract management support to America's Armed Forces in Peace and War - Around the Clock, Around the World.*

*Our Vision: Right Item, Right Time, Right Place, Right Price, Every Time...Best Value Solutions for America's Armed Forces.*

## *Our Strategic Goals*

- *Directly linked/teamed with our customers and business partners*
- *Improved efficiency and increased effectiveness*
- *A workforce which is enabled to deliver and sustain world class performance*



## *DLA-21 Enablers*

- *Business Systems Modernization*
- *Strategic Sourcing*
- *Customer Focus*
- *Organizational Redesign*
- *Workforce Development*

***BSM = Key to Achieving DLA's Vision***

# Business Systems Modernization Vision

## Traditional

- *Functional Requirements*
- *Manager of "Supplies"*
- *Mobilize "via Inventory"*
- *Instantaneous Buys*
- *Stove-piped Systems*
- *"Build" Software*



## Re-Engineered

- *Outcome Oriented*
- *Manager of "Suppliers"*
- *Supply Chain Focus*
- *Mobilize "via Industry"*
- *Long-term Partnerships*
- *Open Architecture*
- *"Buy/Assemble" Software*

## The BSM Vision

*DLA's mission-critical legacy systems are replaced with a new enterprise computing environment based on commercial-off-the-shelf (COTS) software packages.*

### *Agile Infrastructure*

*"The adoption, within the DoD, of the best practices of the commercial market place, resulting in continuously improving logistics operations, cost savings/avoidance, and process cycle reductions."*

*Focused Logistics*

*-JV 2010*



# DLA FO Process Improvement Meeting

## Business Systems Modernization Program Office

BSMSG

Deputy Director, DLA  
RADM Archer

DLSC  
RADM Stone  
Mr. Jones

DLSC-I  
Ms DeVincentis

Program Manager  
Mr. Falvey

Functional  
Requirements  
Team

- Functional Field Reps
- Business Processes
- Functional Testing
- Performance Measurement

Systems  
Integration  
Team

- Architecture
- Testing
- Training
- Implementation Support
- Configuration Management

Business  
Office

- POM
- Budget
- Cost Analysis
- Acquisition/Contracting
- PM Documentation Support
- Transformation Communication





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## Core/Technical IPT

DLIS  
CORE IPT (1)  
Theresa Knife  
TECHNICAL IPT (1)  
Wendy Bouchard

DDC  
CORE IPT (1)  
Thom Bettinger  
TECHNICAL IPT (1)  
Dorcas D'Amato

DSCP  
CORE IPT (2)  
John Simpson  
Robert Klasky  
TECHNICAL IPT (1)  
Jim Marcel

HEADQUARTERS  
CORE IPT (5)  
William Gill  
Robert Vitko  
Robert Gee  
Saul Goldberg  
Jim O'Laughlin  
TECHNICAL IPT (1)  
Jerry Lelansky

DSCC  
CORE IPT (2)  
Brad Lantz  
Mike Scott  
TECHNICAL IPT (1)  
Ed Lang

DFAS  
CORE IPT (2)  
John Makepeace  
Judy McKinley

DSCR  
CORE IPT (2)  
Jim Bailey  
Tom Brooks  
TECHNICAL IPT (1)  
Toni Norton



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## *BSM- Supply Chain Tracks*

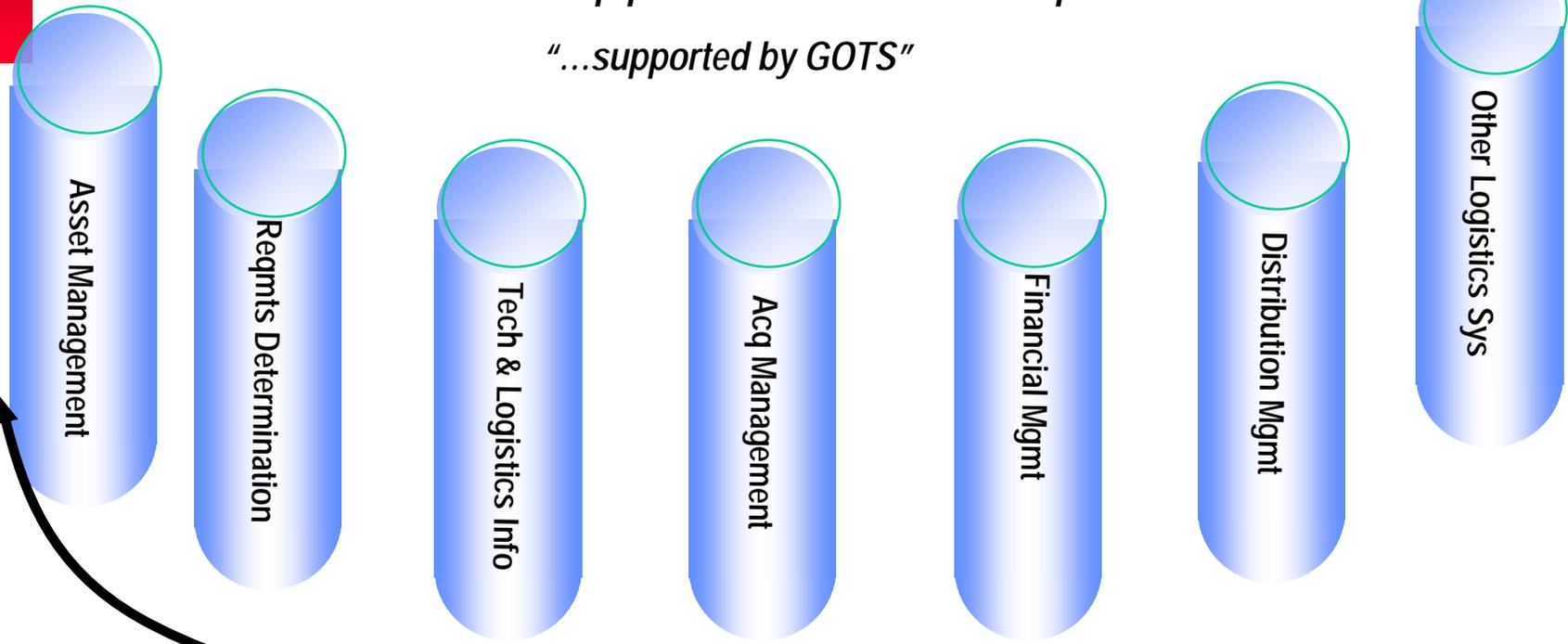
- *Order Management*
- *Demand/ Supply*
- *Item Catalogue*
- *Procurement*
- *Finance*

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## DLA Business Processes...Today

*"...functional stovepipes"*      *".....imbedded practices"*  
*"...supported by GOTS"*



SAMMS/DISMS

DSS

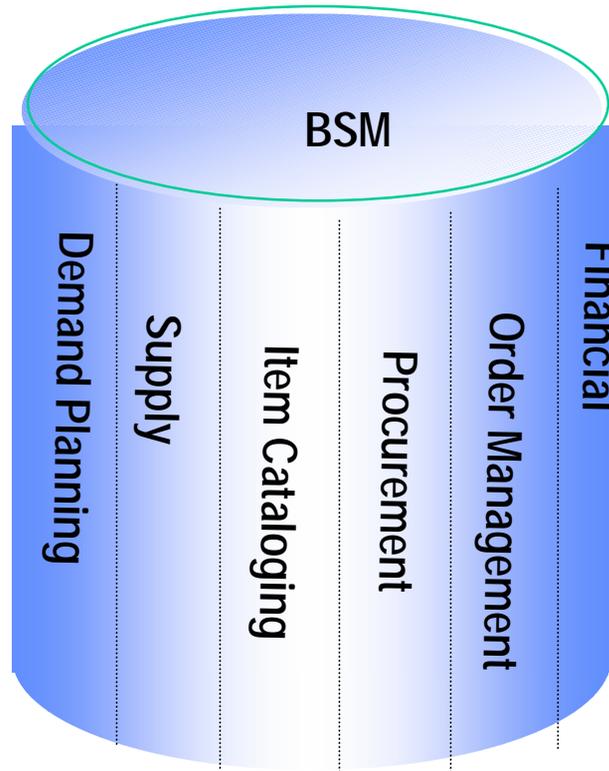


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DLA Business Practices....

Desired End-State

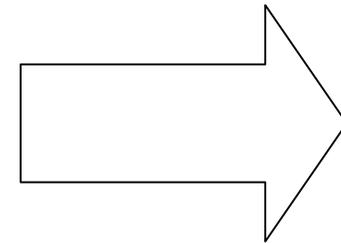
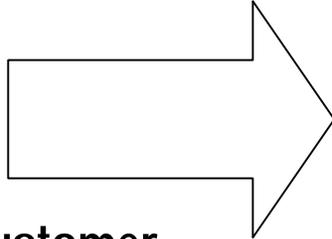
*"integrated  
best  
commercial  
practices"*



*"...supported by COTS"*

Customer

Requirements



Requirements

Satisfied

*"...supply chain management, e.g.  
subsistence, Class IX, etc."*



## BSM- Finance Objectives

- Adopt industry/finance accounting standards and best practices
- Obtain a regulatory compliant financial system (JFMIP - Joint Financial Management Improvement Plan)
- Improve data visibility ... real time information processing
- Improve our ability to provide a single, complete source of financial information in a standard format
- Improve cycle times relative to month end close and reporting cycles
- Simplify reconciliation processes throughout DLSC



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## BSM- Finance Objectives

- Improve ...
  - ... data reliability
  - ... flexibility of financial systems in order to respond to changing business environment and practices (E-Commerce)
  - ... B2B capabilities (e.g. Provide web based payment status to vendors)
  - ... internal controls
  - ... flexible payment capability to include inter-government transactions
  - ... timeliness, accuracy and flexibility of customer billing
  - ... pricing flexibility



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### BSM- Finance Realities

- Financial information distributed among a six SAMMS copies and many other systems
  - DISMS (subsistence)
  - BOSS (small purchasing)
  - DFAMS/FAS (fuels materials management)
  - DBMS (labor and expense reporting)
  - MOCAS (Contract services)
- System changes are difficult and untimely
- Consolidated information not easily or readily available
- Consolidation of various financial information performed in Database system (M204)
- Incomplete system documentation
- Rigid pricing capabilities



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### BSM- Finance Realities

#### Role of Defense Finance and Accounting Service (DFAS)

- FAS has responsibility for accounting throughout the DoD
- ICP's have responsibility for Budget Management, inventory cost management and pricing
- DFAS moving toward a centralized payment system
- DFAS moving toward a centralized agency accounting system
- Need to determine concept of operations between DLA and DFAS relative to finance and ERP



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*BSM- Finance Realities*

*Key Regulatory Issues*

- Prompt Payment Act
- JFMIP/CFO Act
- OMB Systems Guide
- OSD Financial Management Regulations
- Pre-validation (Required match to obligation)



BSM Challenges - Finance

- Funds Tracking
  - Obligation Prioritization
  - Reservations at the PIIN and CLIN levels
- Accounts Payable
  - Special invoice processing requirements based on contract
  - Prompt Pay Act compliance
- General Ledger
  - Standard USGL format
  - Automatic Account Assignment
- Management Accounting
  - Setting of appropriate parameters
- Inventory valuation/costing
  - Multiple costing support / end item grouping
- Government Unique's



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### Summary...Bottom Line

- DLA Leaders are Serious about Retiring SAMMS and DISMS
- Stakeholders/Customers are Expecting Better Results
- Employees Deserve Better Tools
- BSM Means Change...
  - System
  - Processes
  - Work
  - Level of Engagement



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**Business Systems Modernization**

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