

BMMP Business Management Modernization Program

Enterprise Business Process Model (EBPM) Overview (OV-6c)

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The Road to an Enterprise Perspective

- BEA 1.0 utilized Process Action Teams (PAT) comprised of DoD Subject Matter Experts (SME) to develop the BEA baseline
- BEA 2.0 leveraged the baseline and incorporated the “value chain” concept to develop a DoD Reference Business Process Model
- BMSI established several Architecture Integration Teams (AIT) to align requirements to value chain process steps
- To attain an Enterprise Perspective full participation by all DoD business areas (Domains) was essential



Domains and Mission Area

- Domains manage their respective business areas
 - Lead business transformation
 - Establish and maintain a Domain governance process
 - Manage the Domain portfolio and transition plan
 - Assist in the extension of the BEA
 - Perform system reviews
 - Represent the Domain's perspective in resolution of cross-Domain issues
- DoD Domains business areas include
 - Accounting and Finance (ACC & FIN)
 - Acquisition (ACQ)
 - Human Resource Management (HRM)
 - Installations and Environment (I&E)
 - Logistics (LOG)
 - Strategic Planning and Budgeting (SPB)
- Enterprise Information Environment (EIE)



Domain AIT Involvement

- Membership includes SME representatives from each Domain and EIE Mission Area
- Domain Owner Action Officers worked collaboratively to develop a High-Level DoD EBPM Framework
- The Framework was extended to become the EBPM
- The Domain-led AIT effort continues to determine financially relevant transactions and events with the corresponding data, requirements and business rules to enable the DoD to achieve an Unqualified Audit Opinion (UAO), Asset Accountability & Valuation, Total Force Visibility and address material weaknesses

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EBPM Background

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Acquisition Domain

August 2, 2004

Department of Defense

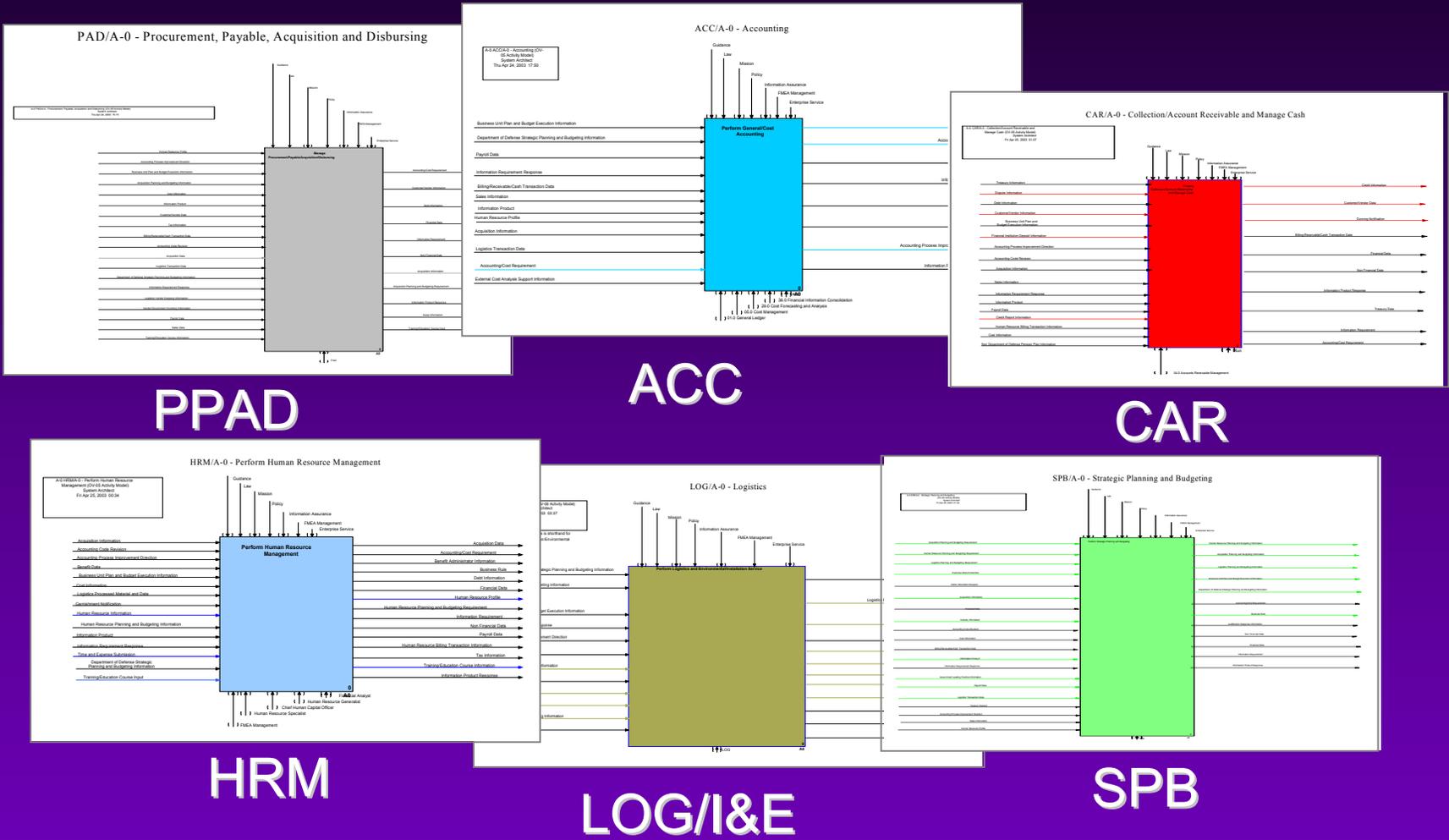
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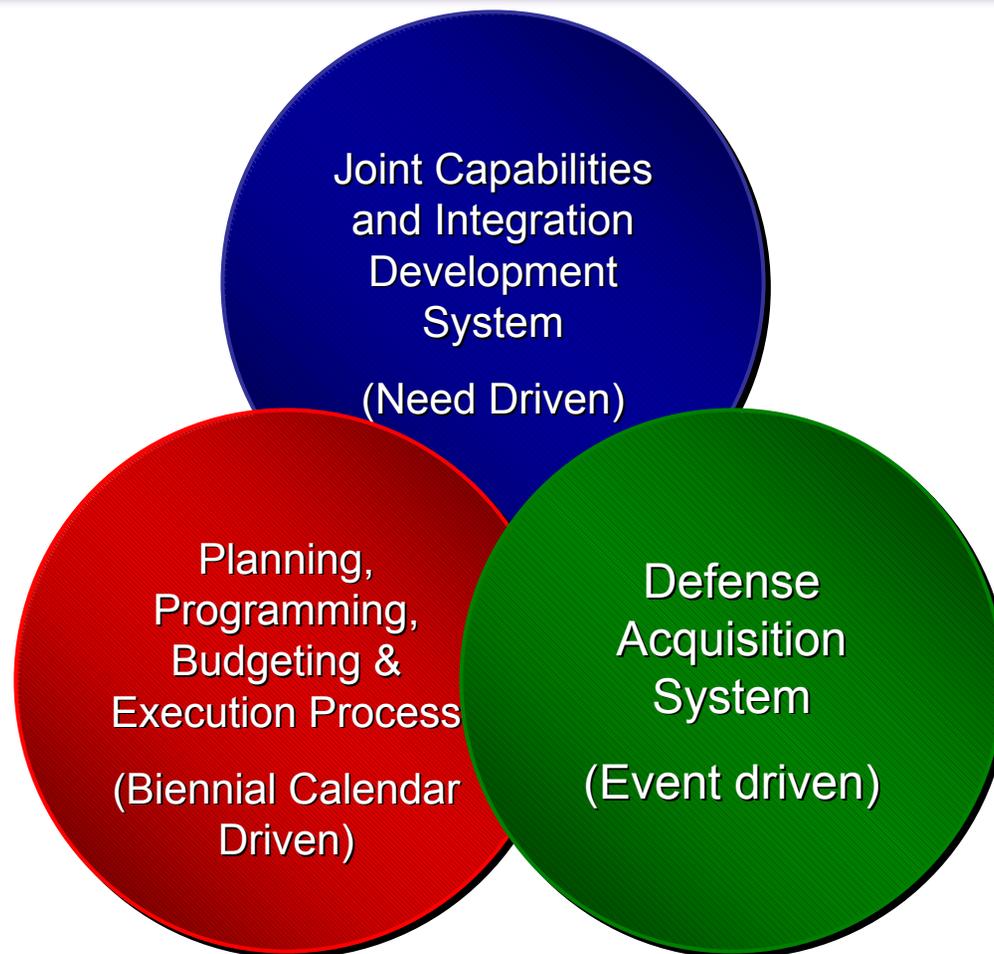


Where did we come from?



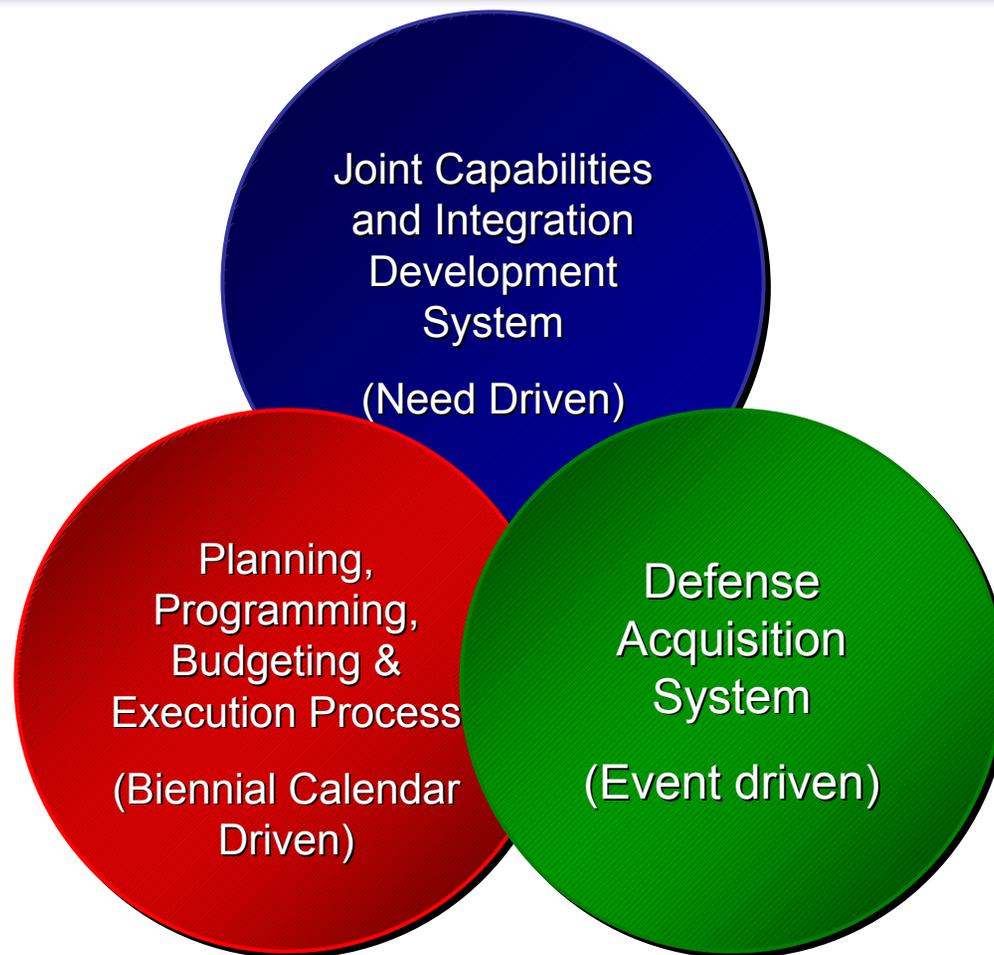


DoD Business Transformation





DoD Business Transformation



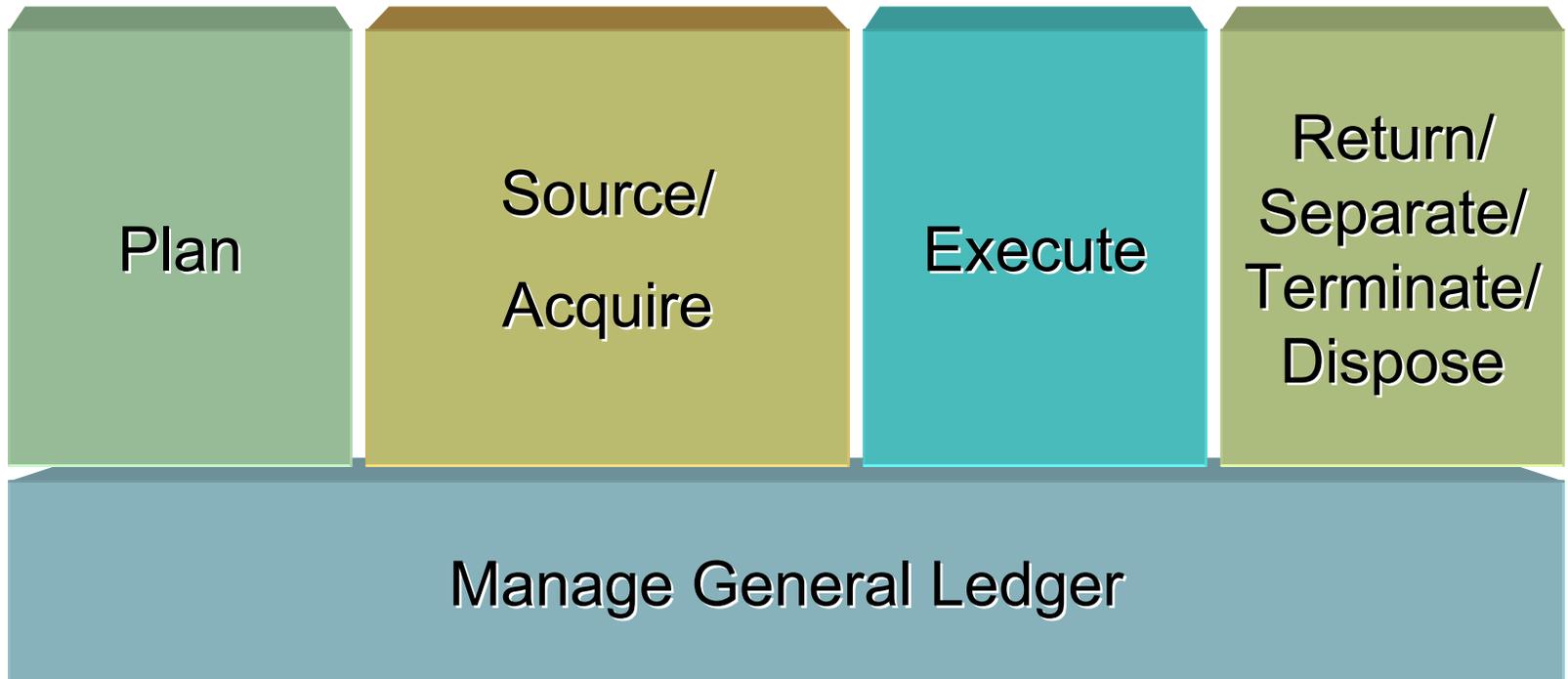


Enterprise Business Process Model (EBPM)

- *Description:* The EBPM represents the end-to-end business enterprise of the Department of Defense from the perspective of the life-cycle of DoD resources with the focus on the interactions between the General Ledger and the Asset Record and HR Profiles.
- *Scope:* The EBPM is to show how both fiscal accountability and physical accountability for DoD resources are achieved and maintained across the life-cycle of all resources.



EBPM Framework



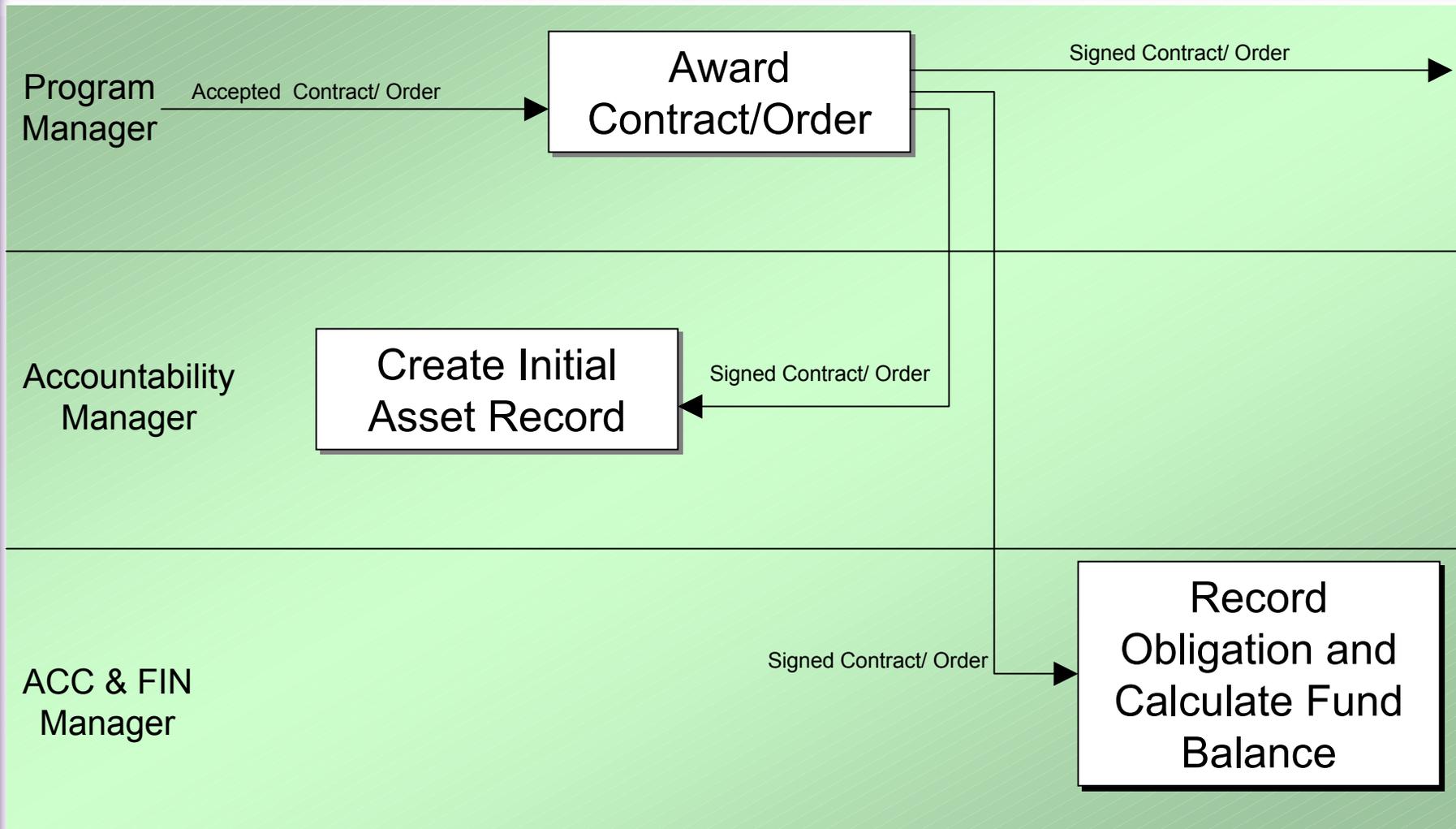


Role Based Process Model

- External
- Operations Manager
 - Human Resource Management (HRM)
 - Logistics (LOG)
 - Installations & Environment (I &E)
- Program Manager
- Resource Manager
- Accountability Manager
- Accounting & Finance (ACC & FIN) Manager



Sample Process Linkage





Benefits of EBPM

- Emphasizes business processes and roles
- Promotes an enterprise view
- Associates requirements with business process steps
- Facilitates Business Process Reengineering (BPR) and validation
- Provides foundation for integrating BEA products
- Supports Portfolio Management

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Foundation for a Sustainable Unqualified Audit Opinion

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Accounting & Finance Domain

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Unqualified Audit Opinion

- Business process triggers
- Integration touch points
- Performance Accountability Report (PAR) material deficiencies
- Timing, sequencing, and dependencies
- Financially relevant requirements



Business Process Triggers

- All business Domains mutually agreed to:
 - End-to-end process
 - Event driven
 - Common processes throughout DoD
 - Feedback loops
 - Standardized process boxes, definitions, data objects, and sequence flows



Integration Touch Points

- Business process steps
- Functional vs. Domain
- Buyer and seller perspectives



PAR Material Deficiencies

- 52 Identified deficiencies
 - General Plant Property and Equipment
 - Eliminations
 - Problems disbursements
 - Inventory valuation



Timing, Sequencing, and Dependencies

- Apportionment/Allotment
- Commitments
- Obligations
- Receipt and Acceptance
- Payables
- Revenue/Receivables
- Disbursement/Collections
- Internal Controls



Financially Relevant Requirements

- Hierarchical review of requirements
 - US Code and Public Law/Executive Orders (2.2 - partial)
 - Federal Accounting Standards Advisory Board – FASAB (2.2)
 - Office of Management and Budget (OMB) Circular A-11 (2.2)
 - Other OMB Circulars (future)
 - Treasury Financial Manual (future)
 - Joint Financial Management Improvement Program – JFIMP (future)
 - DoD Regulations (future)

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Asset Accountability and Valuation

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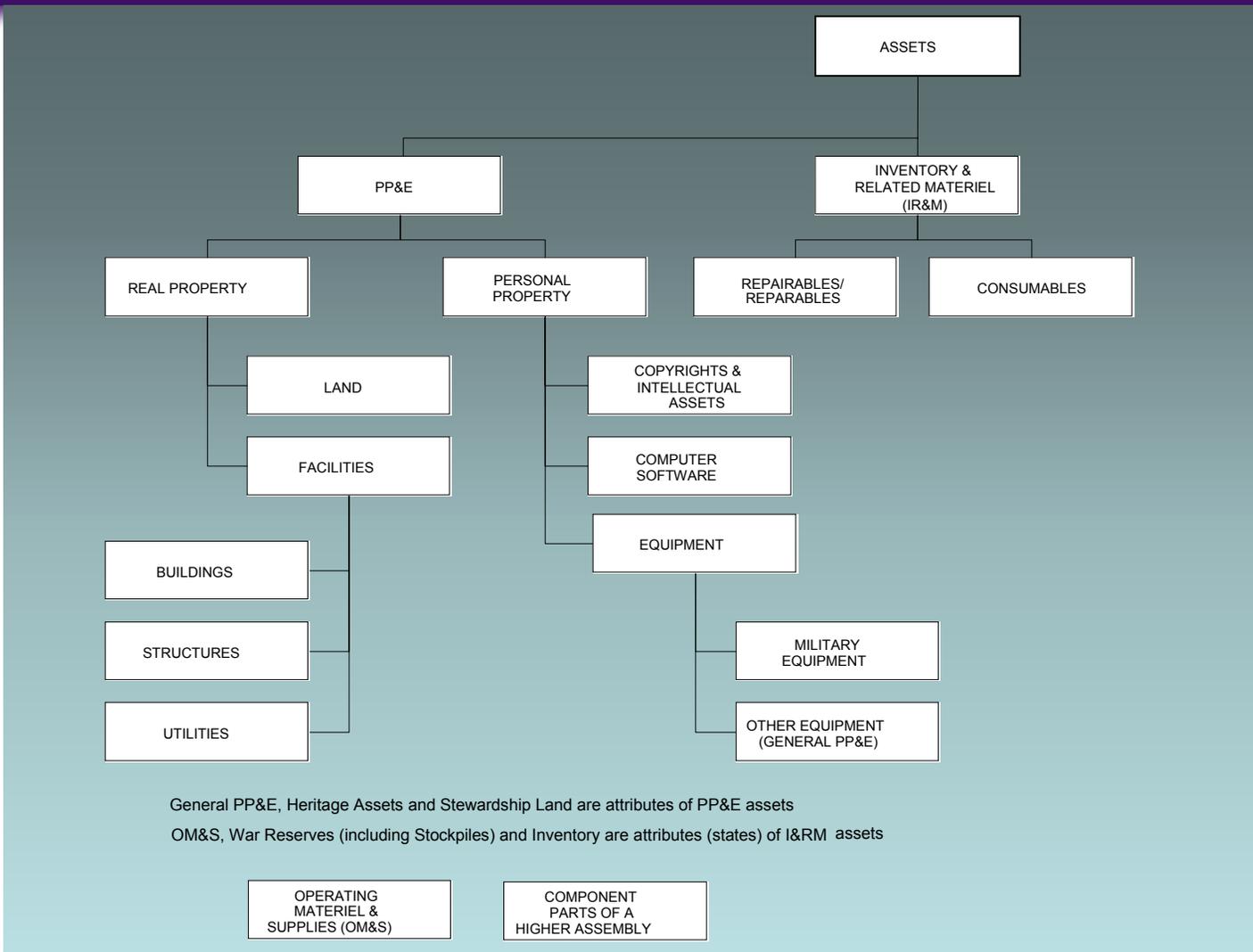


Asset Accountability and Valuation

- Objectives of the Asset Accountability and Valuation effort:
 - Develop the DoD Enterprise level end-to-end process for asset accountability and valuation
 - Incorporate it into the EBPM
 - Associate validated relevant requirements to the EBPM processes that enable optimal asset physical accountability and valuation and satisfy known material weaknesses



Taxonomy of Physical Assets





Asset Accountability and Valuation

Key Definitions

- **Asset Accountability:** knowing the (type), location, condition, quantity, financial ledger key, legal interest and custodian for a physical asset or inventory of assets
- **Valuation:** the act of determining or estimating the value or worth of an asset or inventory of physical assets



Asset Accountability and Valuation Threads Represented in the EBPM

- Perform New Real Property Construction/ Restoration/ Modernization
- Perform Real Property Purchase
- Perform Real Property Ingrants/Leases (Operating and Capital)
- Perform Real Property Outgrants
- Conduct Physical Inventory
- Accountability of Material and Supplies
- Accountability and Valuation of Military Equipment



Perform New Real Property Construction / Restoration / Modernization

- 1. Conduct Planning**
- 2. Plan Business Resources**
- 3. Manage Requirements**
- 4. Develop Acquisition Strategy**
- 5. Execute Acquisition Strategy**
- 6. Establish and Update Valuation Convention**
- 7. Monitor Procurement/Sales**
- 8. a) Create Initial Asset Record**
b) Create Construction In Progress (CIP) Account
- 9. Perform Service-New Footprint Construction**
- 10. a) Perform Logistics Deliver**
b) Update Asset Record
c) Perform Service New Construction



Perform New Real Property Construction / Restoration / Modernization (cont.)

- 11. Monitor and Manage Program**
- 12. Record and Manage Payable**
- 13. Update Valuation CIP**
- 14. Perform Service New Construction**
- 15. Monitor and Manage Program**
- 16. Update Asset Record**
- 17. Record and Manage Payable**
- 18. Update Valuation CIP**
- 19. Relieve CIP**
- 20. Book or Record Asset**
- 21. Update Asset Record (with value of asset)**
- 22. Perform Service, Installations, Environment, Safety, and Occupational Health Stewardship**
- 23. Record and Manage Expenses (Depreciation from Asset record)**



Conduct Physical Inventory

1. Plan Business Resources
2. Conduct Physical Inventory
3. Create Initial Asset Record
4. Conduct Physical Inventory
5. Update Asset Record
6. Book or Record Asset
7. Update Asset Record (with value of asset)
8. Record and Manage Expenses (Depreciation / Amortization from Asset record)

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Total Force Visibility

Mr. Rod Eslinger
Human Resources Management Domain

August 2, 2004





Planning Context

- Human Resources Management (HRM) Program Managers plan force structure and positions
- HRM Resource Managers allocate resources within boundaries of Defense Budget and Plans

Human Resources Management Life Cycle

MOBILIZE DEPLOY REDEPLOY MOBILIZE DEPLOY REDEPLOY



CIVILIAN ACTIVE GUARD RESERVE CIVILIAN ACTIVE GUARD RESERVE



Deficiencies with Current Military Personnel Systems

- Multiple, disjointed Personnel and Pay Systems lead to inaccurate and late pay for Active, Reserve and Guard Personnel
 - Reserve and Guard personnel experience unacceptable delays in pay when mobilized
 - All personnel experience delays and inaccuracy when the basis for pay changes (deployment to theater, promotions, specialty pays)
- Service Members and their families do not have timely access to benefits
 - Family Members experience delays in getting family support and medical benefits because the personnel systems do not quickly reflect Service Member status
 - Service Members experience delays in getting Veterans Administration (VA) benefits because personnel systems are not designed to provide information to VA and manual access to information can take months or longer
- Combatant Commanders cannot account for personnel in theater or effectively select people with needed skills
- Personnel in theater and on temporary duty are not tracked and it is difficult to determine possible exposures to harmful environmental conditions
- Legacy systems put classified information at risk (classified brief available)
- Inconsistent processes and data make oversight and management difficult at all levels



Links to Other “Domain” Model Areas

➤ From Planning and Budget

- Funding Authorization Document (FAD)
- Requirements Plan

➤ From Acquisition

- Sales Contract / Order
- Signed Contract / Order

➤ From Accounting and Finance

- Valid Commitment / Decommitment Confirmation Request
- Returned Payments and Collections
- Payment History

➤ To Acquisition

- Acquisition Request
- HR Development Evidence
- HR Quality of Life Evidence

➤ To Accounting and Finance

- Commitment / Decommitment Request
- Individual Travel Authorization
- Valid Obligation / Deobligation Request
- Adjusted Commitment
- Adjusted Obligation
- Certified HRM Pay File
- Pay Adjustment File



Acquire and Develop

- **Civilian Employees**
 - Open System
 - Positions usually filled by developed individuals from all sources
- **Military Personnel**
 - Closed System
 - All personnel are recruited at entry level and developed (special skills sometimes recruited at mid-level, e.g. physicians)
 - All senior officers and enlisted are grown through the ranks



Assign and Sustain: Total Force Visibility Focus

- Full accountability of personnel through transfers across components (Civilian, Active, Reserve and Guard)
- Tracking personnel in Theater (DoD personnel, foreign military, contractors, other civilians)
- Complete record of service in a single record to ensure access to authorized users
- Timely and accurate compensation, benefits, and Quality of Life for all personnel and family members
- Tracking of all permanent and temporary duties and assignments (including time in health care facilities)

Personnel Tracked Throughout Careers and Beyond



Entitlement, Quality of Life, and Pay

- Timely and accurate compensation, benefits, and Quality of Life for all personnel and family members
 - Calculations of pay based on integrated information, eligibility business rules, and workflow leadership reviews
 - Obligations and Commitments forecasted prior to payrolls
 - Authenticating Source of Pay information retained within Human Resources Profile
 - Deliver quality Health Service across the operational health continuum that meets and improves the readiness needs of the force and provides appropriate care for all beneficiaries
 - Deliver quality integrated Morale, Welfare and Recreation for all beneficiaries



Separate/Terminate

- Information readily accessible to former members and retirees as well as other agencies (e.g., VA)
- Information archived and retained permanently
- Annuitant support



Future HRM Focus: Core Joint Systems

➤ Core Joint Systems Initiatives

- Deploy single Joint Military HR system (Defense Integrated Military Human Resource System – DIMHRS)
- Integrate civilian pay into single Joint civilian HR system (Defense Civilian Personnel Data System – DCPDS)
- Design / Develop single Joint military manpower capability
- Design / Develop Joint support of Commissaries and other Morale, Welfare, and Recreation activities
- Design / Develop integrated total force capability

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EBPM Overview Questions and Answers

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