

Business Transformation Guidance

Version 1.1
July 6 , 2007



Date of Publication: July 6, 2007

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Executive Summary

The Department of Defense (DoD) is undergoing a dramatic transformation fueled by the forces of globalization, constant change, and evolving threats to our national security. To support this transition, the Defense business mission in the 21st Century must be as nimble, adaptive, and accountable as any organization in the world — yet operate within a highly regulated federal environment.

The purpose of the Business Transformation Guidance (BTG) is to provide guidance for functional and technical business transformation planners, architects, and managers at the Enterprise, Component, and program levels of the Business Mission Area (BMA). The BTG also provides context on how DoD's business transformation relates to other DoD initiatives.

- ✓ The intent of this guidance is to:
 - 1) Frame the overall Defense Business Transformation Approach
 - 2) Clarify roles of participants
 - 3) Establish common processes to govern, manage, plan, and execute business transformation at all levels
 - 4) Describe required architecture and planning information.

- ⊗ The BTG does *not* provide detailed, step-by-step procedures for developing architecture products, transition plan products, or program acquisition documentation. Each of these products has its own governing documents that provide this detail.

The DoD Business Transformation Approach is capability-driven, program-enabled, and architecture-guided:

- The Department's transformation approach is capability-driven in that it focuses on improving capabilities to better support the warfighting mission, enabling rapid access to information for strategic decisions, reducing the cost of business operations, and improving financial stewardship.
- Transformation is program-enabled in that programs oversee implementation of systems/initiatives that improve or provide specific capabilities.
- Business transformation is architecture-guided in that the Business Enterprise Architecture (BEA) and federated architectures provide a common reference to achieve interoperability and integration of business systems and processes.

The BTG provides context and guidance for key audiences that span the BMA at multiple levels:

- **Enterprise level:** Provides the Office of the Secretary of Defense (OSD) and the Defense Business Transformation Agency (BTA) with context and guidance to coordinate transformation planning activities and deliver enterprise systems and services. It provides the BTA guidance for building and refining the BEA, as well as for developing, maintaining, and integrating Enterprise and Component transition plans.
- **Component level:** Provides Service and Agency Chief Information Officers (CIOs) and functional executives context for their role in transformation and guidance for the alignment of federated architecture, transition plans, and transformation efforts.
- **Program level:** Provides acquisition executives and Program Managers (PMs) guidance for their role in transformation and context for the architecture and transition planning information they provide. Programs participate in DoD's business transformation as target solutions or as legacies that will migrate their functionality to the target.

Five Core Business Missions (CBMs) define the scope of the DoD BMA. CBMs integrate horizontally across functional areas (e.g., planning, budgeting, information technology (IT), procurement, and maintenance) to provide end-to-end support and to eliminate functional silos. Business transformation integrates these missions to ensure that processes, systems, and information work in concert with one another. In addition, this framework provides an organizing construct for the Military Services, Defense Agencies, Defense Field

Activities, Joint Staff, and Combatant Commands (COCOMs) to align improvements with the warfighting perspective and eliminate stove-piped planning, programming, budgeting, and execution.

Component-level business transformation is the responsibility of the respective Component leadership. The Component leadership manages Component IT investments (including investment Pre-Certification Authorities) and are overseen by DoD Enterprise-level governance through Investment Review Boards (IRBs) and the Defense Business Systems Management Committee (DBSMC).

DoD's approach to business transformation relies on tiered accountability at the Enterprise, Component, and program levels. Responsibilities are aligned with the decentralized management structure of the Department so that accountability for planning and management of systems/initiatives is clearly defined across DoD Enterprise and Component levels. The Department is institutionalizing tiered accountability by:

- Establishing common Business Capabilities, data standards, and Enterprise-wide systems defined at the DoD Enterprise level
- Dividing the planning and management of business transformation programs, as appropriate, between the DoD Enterprise level and the Component level
- Establishing a tiered process for control and accountability over IT investments for both DoD Enterprise-level and Component-level business system transformation
- Managing performance with metrics and milestones at each tier

DoD uses a five-step DoD Business Transformation Approach that encompasses transformation activities at Enterprise, Component, and program levels. This approach (described in this document) is used to articulate the path to the desired outcome or "To Be" state; to understand Business Capability gaps (e.g., unsatisfied mission needs, unanswered questions, material weaknesses, and other problems); to determine Business Capability improvements required; and to achieve transformation by implementing solutions that address the key business problems or that answer strategic questions for informed decision making.

Figure ES-1 provides a summary view of the five DoD Business Transformation Approach steps. Associated roles and responsibilities for these steps are addressed in the details of this document. The steps in the DoD Business Transformation Approach are briefly described here.

Step 1: Set Priorities

The purpose of the first step is to identify desired outcomes and Business Capability gaps (unsatisfied mission needs, unanswered questions, material weaknesses, and other problems) as specified by the warfighters, Components, Principal Staff Assistants (PSAs), and the BTA.

- Based on these desired outcomes and gaps, DoD establishes priorities at two levels — DoD Enterprise level and Component level. Each Business Enterprise Priority (BEP) and Component priority has one or more goals and/or objectives that must be achieved before a Business Capability improvement is realized.
- These goals and objectives, in turn, are met by realizing improvements in one or more of the Business Capabilities. Each Business Capability is a segment of the business (people, process, and technology) within which improvements are planned.
- Each Business Capability improvement is realized by fielding one or more systems and/or initiatives, managed as programs to make the necessary changes to Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities (DOTMLPF).

Step 2: Analyze and Approve Solution

The purpose of this step is to analyze the problem, define the required Business Capability improvements, and approve solutions. For system solutions, the first part of this step is to determine the improvement's scope (in terms of system functions) and span (DoD organizations that will employ the solution). Next, OSD PSAs and Components conduct an analysis of alternatives of existing and new options. Finally, DoD assigns a program with the responsibility for providing the proposed Business Capability improvements. Solutions that provide capability improvements may include: 1) initiatives that become programs to provide systems, 2) initiatives that provide policy changes such as data standards, 3) Component systems that become DoD Enterprise systems, 4) Component systems that remain

Component systems, and 5) Enterprise systems that require expanded scope to deliver the Business Capability improvements.

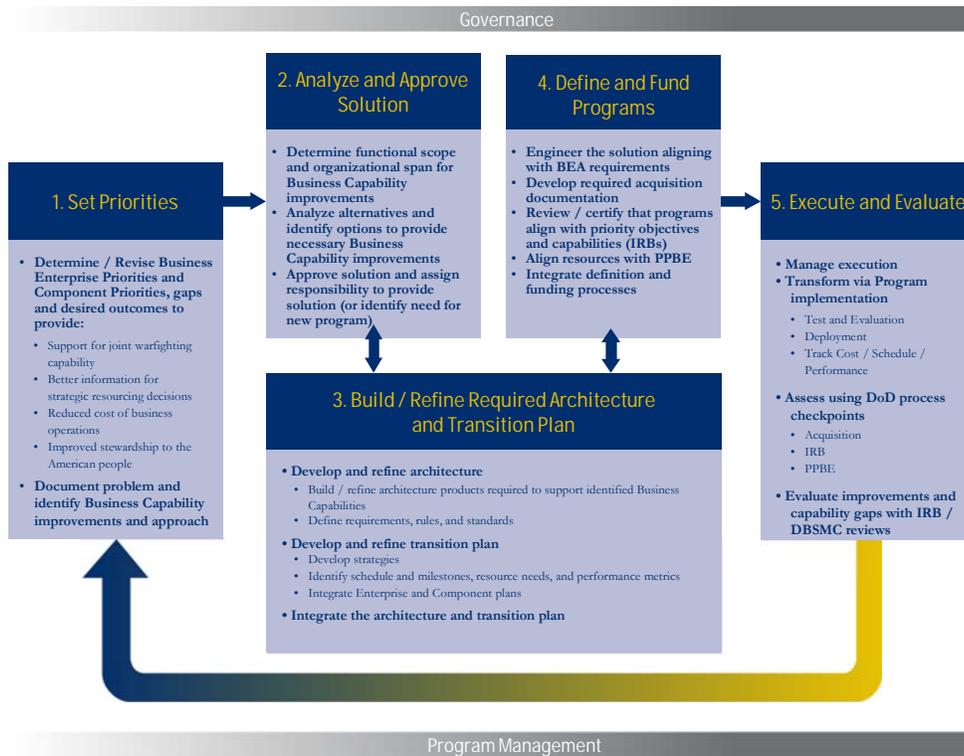


Figure ES-1, DoD Business Transformation Approach

Step 3: Build/Refine Required Architecture and Transition Plan

The purpose of this step is to develop architecture and transition plans that document the blueprint for DoD’s desired outcomes and the roadmap for how to achieve them.

The BEA, in alignment with Component business architectures, describes the “To Be” vision or transformed state across the DoD BMA. Under a tiered accountability approach, the BEA describes the envisioned processes, systems, and standards with a Business Enterprise Priority focus. Components are responsible for defining a Component-level architecture associated with their own tier of responsibility in alignment with the BEA’s enterprise-wide standards and requirements.

The ETP, in alignment with Component transformation plans, guides and tracks transformation by:

- 1) describing what DoD is trying to achieve and how we will know when we get there; 2) capturing milestones and metrics to guide Business Capability improvements; 3) identifying tangible benefits for each investment; and 4) documenting a baseline against which to measure progress. Transition plans are aligned to CBMs at all tiers of the BMA. Components develop strategies, schedules, and budgets and define Business Capabilities in their transition plans that are then incorporated into the DoD-wide ETP. The Business Enterprise Priorities and Component priorities, as well as the detailed plans for achieving them, are aligned in the ETP. The ETP summarizes planning information for selected programs that support the Business Enterprise Priorities as well as for Component programs that support Component priorities and/or Business Enterprise Priorities. This summary provides an integrated product for communicating and measuring progress.

Step 4: Define and Fund Programs

In this step, information from previous steps (priorities, decisions on scope and span, architecture products, and transition plans) is leveraged to create or modify executable programs and begins the work to deliver Business Capability improvements. Programs are defined through engagement in the existing requirements and acquisition management processes of the Department. This step includes development of budgets and the initial Milestone A funding decision by which system solutions (programs) are approved for the Technology Development phase. It continues through Milestone B, System Development and Demonstration, until the system is ready for pre-production Test and Evaluation. Non-system initiatives follow a similar process.

Recognizing the limitations of current practice, the BTA is concurrently working to improve the Planning, Programming, Budgeting and Execution (PPBE), Defense Acquisition System (DAS), and Joint Capabilities Integration and Development System (JCIDS) processes to enable a more flexible, agile, and efficient approach for funding and acquiring business systems. For business system investments, the BTA is piloting the Enterprise Risk Assessment Methodology (ERAM). Additionally, the BTA is proposing an alternative business system acquisition approach that focuses on faster delivery of Business Capabilities by identifying and mitigating program risk early. This proposed approach, the Business Capability Lifecycle (BCL), is used to streamline the acquisition process to define, fund, and evaluate programs.

Business system modernizations are certified during this step. This approval process begins with the Component Pre-Certification Authority and progresses to one of the four DoD Business Mission Area Investment Review Boards (IRB). Upon recommendations by the respective DoD IRB, the Certification Authority approves and forwards the program to the DBSMC for final approval and authority to obligate funds.

Upon completion of this step, programs begin execution but will revisit *Define and Fund Programs* and *Build/Refine Required Architecture and Transition Plan* steps, as required to address emerging requirements, plans, and budget.

Step 5: Execute and Evaluate

In this step, program offices for funded systems/initiatives implement and manage their respective programs to achieve Business Capability improvements. While programs generally support transformation through system implementation, they may also help the Department transform through changes to policy, processes, and roles. Transformation is tracked through performance metrics that quantify and qualify achievement of program goals. The *Execute and Evaluate* step includes managing execution, transforming via implementation (testing and deployment) of designated programs, and evaluating and assessing progress using performance metrics and other DoD process checkpoints. Capability improvements are also verified by these metrics and checkpoints. This step also includes oversight at DoD Enterprise and Component levels and coordination with DoD acquisition and PPBE processes.

Steps 1–5 are iterative in nature and are executed concurrently across all programs; individual transformation programs will be in the step appropriate to their maturity and the priorities of the Department's transformation efforts.

The DoD Business Transformation Approach provides DoD with a repeatable process to clarify its priorities and deliver capability improvements. Maintaining focus on business transformation allows DoD to support a more capable military force, a more financially accountable organization, and a more efficient use of taxpayer dollars. The Department has initiated significant change, and with sustained leadership commitment and focus, it will continue to improve how it accomplishes its mission in the years to come.

1 Introduction

The Department of Defense is undergoing a dramatic transformation fueled by the forces of globalization, constant change, and evolving threats to our national security. To meet these challenges, the U.S. military is well down the path to becoming a more agile, precise, and lethal force that relies more on information superiority and speed and less on size and mass. As a result, the Defense mission in the 21st Century requires that the Department be as nimble, adaptive, and accountable as any organization in the world — yet within the highly regulated federal environment.

Supporting an expeditionary military requires that DoD's outmoded business infrastructure — its stove-piped processes, systems, and organizations — be transformed to rapidly respond to new and changing mission requirements while ensuring sound stewardship to the American people. Effective implementation of the business transformation strategy rests on continual leadership commitment and involvement with clear accountability at all management levels, ongoing Component engagement, and a process-oriented focus.

The mission of DoD's business transformation is to transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense. The BTG was developed to help DoD organizations understand and apply the DoD Business Transformation Approach, processes, and tools to support that mission.

1.1 Goals and Objectives of Business Transformation Guidance

In order to attain one cohesive, unified effort for DoD business transformation, specific goals and objectives have been established for this document, which include the following:

- Clarify the transformation planning aspects of the governance structure and roles
- Identify activities and processes required to plan and execute transformation activities
- Provide the approach for managing DoD's transition to the "To Be" environment
- Clarify uses of various transition planning and architecture products
- Describe the relationship between emerging business transformation processes and existing DoD acquisition and PPBE processes
- Guide the Enterprise- and Component-level transformation offices in creating transition plans that will be integrated in the Enterprise Transition Plan
- Guide program managers in creating program plans to implement improved Business Capabilities
- Help program managers involved in the transformation by providing DoD Enterprise-level guidance for transformation and by helping them identify potential transformation issues.

1.2 Audience

The audience for the Business Transformation Guidance document includes Enterprise-level and Component-level organizations, as well as several external organizations – all performing various roles in DoD business transformation. The BTG is written primarily for DoD Enterprise and Component transformation participants in the following roles — functional and technical planners, enterprise architects, and managers (including program managers). For all transformation participants, the BTG provides common context, guidance, and products to shape and guide transformation. Table 1-1 describes how this document supports various audiences as they fulfill their transformation roles.

Table 1-1, Audience for Business Transformation Guidance

Audience and How the BTG Supports this Audience
<p>Investment Review Boards (IRBs) and Other Executive Groups (e.g. DIMHRS 08 Steering Committee, Defense Travel Steering Committee, and FM Leadership Council)</p> <ul style="list-style-type: none"> • Provides details on planning and executing transformation and defines the role each IRB plays in the overall process (at both Enterprise and Component levels) • Provides context for IRB decisions throughout the planning process
<p>Principal Staff Assistants (PSAs)</p> <ul style="list-style-type: none"> • Provides information to facilitate alignment of strategic planning, policy, business process re-engineering, and IRB decision-making • Provides context for aligning Enterprise and Component CBM activities
<p>Business Transformation Agency (BTA)</p> <ul style="list-style-type: none"> • Provides information to facilitate management of the DoD Enterprise-level programs for which the BTA has oversight • Provides guidance for building and refining the BEA and the ETP, including federation of DoD Enterprise and Component architectures and transition plans • Provides guidance for Enterprise-level transformation planning by providing standardized processes and tools to develop and execute plans • Supports coordination of transition planning activities and driving BMA horizontal transformation initiatives across stove-piped functions • Provides context for the role of investment management in transformation • Provides structure for monitoring transformation progress and outcomes • Serves to explain the overall transformation approach to assist in communications and change management activities • Provides context for the customer support role (engaging the warfighter) in transformation • Provides context to assist with liaison activities with Networks and Information Integration (NII) and Government Accountability Office (GAO)
<p>Components</p> <ul style="list-style-type: none"> • Provides Component-level guidance to facilitate the Component’s transformation in a consistent way • Facilitates the gathering of Component data by providing more detail on the information requested • Provides guidance to help Components identify and resolve planning gaps and overlaps
<p>Program Managers and Program Executive Officers</p> <ul style="list-style-type: none"> • Provides guidance for program managers and program executive officers (managing programs at DoD Enterprise and Component levels) that fosters transforming in a consistent way • Improves quality of program information by describing how the information will be used
<p>External Regulatory/Oversight Authorities (e.g., Treasury, Office of Management and Budget (OMB), GAO, DoD Inspector General (IG))</p> <ul style="list-style-type: none"> • Supports review of Defense business transformation plans and progress, including the BEA and ETP • Provides information on how products support compliance with regulatory and other requirements

1.3 Document Organization

The document is organized in the following manner:

Sections

- **Introduction:** Discusses goals and objectives and the audience for the Business Transformation Guidance document
- **About Defense Business Transformation:** Provides context with the larger Defense transformation
- **Business Transformation Governance:** Discusses key transformation concepts, including the CBM framework and the tiered accountability approach for transformation
- **Business Transformation Approach:** Frames the approach used for DoD business transformation, defines management roles for transformation, and guides the discussion for the next section, *Planning the Transformation and Executing the Plan*
- **Planning the Transformation and Executing the Plan:** Discusses planning activities leading up to execution of the transformation, execution of the plan, and the management process and controls to support a disciplined transformation
- **Relationship to Other Initiatives:** Discusses other major initiatives that may impact (or be impacted by) DoD's business transformation

References

- **Acronym List:** Provides a list of all acronyms referenced in the document
- **Glossary:** Provides a definition of terms used in the document
- **Other Guidance Documents:** Provides a list of references used in preparation of the document

Appendices

- **Details for Step 1, Set Priorities and Step 2, Analyze and Approve Solution:** Provides more detailed guidance for performing tasks within each step (Appendix A)
- **Details for Step 3.1, Develop BEA and Step 3.2, Develop ETP:** Provides more detailed guidance for performing tasks within the steps (Appendix B)
- **Details to Integrate the Architecture and Transition Plans:** Provides guidance for integrating key elements of the architecture and transition plans (Appendix C)
- **Finding Information Using Transition Plan Products:** Provides a guide to locate information in transition planning products (Appendix D)

2 About Defense Business Transformation

America’s military is transforming at an unprecedented pace to create a force that can quickly respond to new challenges and non-traditional threats. It is imperative that DoD’s business operations keep step with our agile force, providing greater responsiveness than ever before to meet today’s dynamic defense priorities. The sheer size of the Department, and particularly its business operations, reflects the magnitude of its national security mission. With more than 3.3 million personnel, DoD is the largest “company” on earth. As such, it is neither practical nor economically feasible to adopt a one-size-fits-all approach to Defense business transformation. Rather, an approach that establishes clearly defined priorities is logical and achievable because it strategically targets DoD Enterprise-level Business Capabilities that will yield measurable, continuous improvements based on short- and long-term milestones.

This capability-driven approach to Defense business transformation uses tiered accountability to effect change across the Department’s decentralized organizational structure. The tiered accountability approach enables business transformation to occur concurrently at multiple levels (or tiers) — the DoD Enterprise level, Component level, and program level — with accountability at each level. This tiered process of business transformation is repeatable, sustainable, and uniform across the Department. It is founded on DoD executive leadership (i.e., military and civilian) jointly determining priority Business Capabilities, executing selected systems/initiatives (via programs) to meet those priorities, and applying existing DoD program life-cycle management processes to achieve capability improvements. The result is a true transformation process that can be implemented within DoD’s unique distributed organizational structure and that builds on the transformation progress already underway within the Components.

Improved Business Capabilities are realized via a combination of acquiring new systems, modernizing existing ones, reengineering processes, and applying standards that ensure interoperability. Together, the BEA and ETP are tools that help ensure solution sets are comprehensive, deliver the most value to the warfighter, and work in concert across the DoD Enterprise.

2.1 Business Transformation Is Critical to Defense Transformation

Transformation is a critical element of the overall U.S. defense strategy. Today’s warfighter operates in a global, networked environment and relies more on information and less on mass to maintain a competitive edge. How does this relate to Defense business transformation? It means that America’s mobile fighting force is becoming increasingly dependent on a fast and flexible business backbone. The basis of this improved business backbone is to provide immediate visibility into the supply chain of goods and services and the real property inventory; reduce maintenance and repair cycle times; increase safety and security; and enable funds, personnel, and work to be rapidly re-directed as warfighting priorities change.

Defense transformation is a process that spans all Department mission areas: Warfighting, Intelligence, Business, and Infrastructure, rendering Defense business transformation integral to DoD’s complete transformation vision. A major enabler of Defense transformation is the Global Information Grid (GIG) and its supporting enterprise architectures. The GIG is the organizing construct for achieving net-centric operations and warfare via a globally interconnected, end-to-end set of information capabilities.

Table 2-1 lists the four GIG mission areas and how they weave through various DoD transformation initiatives. The table represents commonality and the combined approach to show how Defense business transformation fits into the larger scheme.

Table 2-1, Defense Transformation via DoD Mission Areas

Mission Area	Defense Transformation
Warfighting (WMA)	Transforming how we fight Focused on <i>joint</i> warfighting capabilities Coordinated by OSD (Policy) and Joint Forces Command

Mission Area	Defense Transformation
DoD portion of Intelligence (DIMA)	Focused on advanced capabilities to anticipate adversaries Coordinated by OSD (Intelligence) and the Director of National Intelligence
Business (BMA)	Transforming how we do business Coordinated by the Business Transformation Agency
Enterprise Information Environment (EIEMA)	Transforming communications, computing infrastructure, enterprise services, and information assurance. Focused on net-centricity, data standards, and Net-centric Enterprise Services (NCES) Coordinated by the OSD (NII)

Figure 2-1 depicts the DoD CIO's vision DoD Portfolio Management governance structured around the four GIG mission areas.

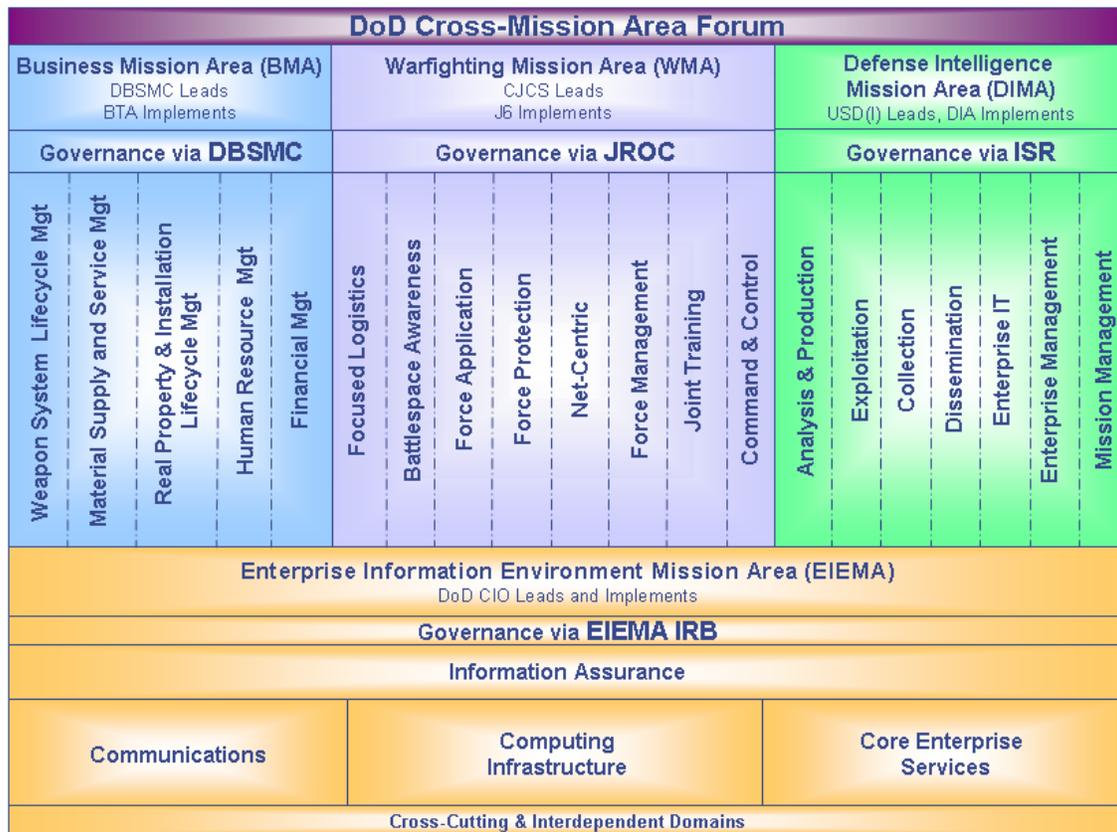


Figure 2-1, IT PFM Governance Structure

The four Mission Areas within DoD work synergistically to accomplish the Department's mission and objectives. For example, the EIE Mission Area provides infrastructure and IT services that enable improvements in the BMA. The BMA leverages this capability as it provides support to the warfighter.

3 Business Transformation Governance

Achieving business transformation within the defense environment requires senior leadership engagement and commitment; strong alignment between the Core Business Missions (CBMs) and DoD's transformation objectives; a business process-oriented focus; and clarity around goals, authority, accountability, and success measures. DoD's business transformation leverages experience and institutionalizes new tools and new rules under a new governance construct that guides and facilitates implementation. The changes in governance include increased senior leadership direction and involvement with increased engagement and coordination among OSD, the Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs.

At the Enterprise level, the DBSMC, PSAs, and BTA collaborate with Components to create architectures, develop plans, make decisions, and manage execution of DoD-wide Business Capability improvements. Leading the process is the DBSMC, chartered by DoD in February 2005 to oversee transformation in the BMA and ensure that it meets warfighter needs. PSAs are responsible for policy, business process re-engineering, CBM activities, and IRB matters as determined and revised by the DBSMC. The BTA is responsible for integrating work at the DoD Enterprise level, ensuring consistency across the Department's CBMs, and coordinating BEA and transition planning efforts at DoD Enterprise and Component levels.

The Components are actively engaged in business transformation as participants in the governance process as well as being key implementers of change. Components oversee strategies, schedules, and budgets for their Component transformation and define architectures and transition plans that align with the BEA and ETP. Components also provide program oversight, program status reports, Portfolio Management (Pfm) for respective systems, and pre-certification of systems as part of the IRB process.

Programs are implementing the systems/initiatives that transform DoD.

- Enterprise system programs are overseen by the BTA
- Enterprise initiatives are managed by the BTA and the PSAs
- Component systems/initiatives report through their Component chains-of-command.

The following subsections describe the framework and key elements of business transformation governance.

3.1 A Unifying Framework — Core Business Mission Alignment to Warfighting Capability

Business transformation is governed within the framework of the five CBMs that characterize the DoD BMA. This unifying framework, shown in Figure 3-1, best supports the process of identifying joint needs, analyzing capability gaps, and delivering improvements for better warfighter support.



Figure 3-1, Core Business Missions

These CBMs integrate horizontally across all functional areas (e.g., planning, budgeting, IT, procurement, maintenance, etc.) to provide end-to-end support and cut across discrete business functions. Business transformation integrates these missions to ensure that processes, systems, and operations work in coordination with one another. The CBM framework helps establish Defense business transformation priorities, facilitates reduction in redundant systems and platforms, and organizes the evaluation of investment decisions. In addition, this framework provides an organizing construct for the Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs to insert the warfighting perspective into the development of integrated transformation Business Capabilities and eliminate stove-piped planning, programming, budgeting, and execution.

Each CBM is led by the appropriate Under Secretary of Defense (USD) (i.e., Principal Staff Assistant). As CBM “owners” within OSD, the PSAs ensure that alignment of transformation investments will result in Core Business Mission improvements. Flag-level, uniformed representation on each CBM leadership team (Table 3-1) ensures that Service perspectives are incorporated in CBM decision making.

Table 3-1, Core Business Mission Leadership

Core Business Mission	Owner	Uniformed Representation
Human Resources Management	USD(P&R)	J1 – Manpower and Personnel
Weapon System Lifecycle Management	USD(AT&L)	J4 – Logistics
Material Supply & Service Management	USD(AT&L)*	DLA, USTRANSCOM*
Real Property & Lifecycle Management	USD(AT&L)	J4 – Logistics
Financial Management	USD(Comptroller)	J8 – Force Structure Resources and Assessment

* The U.S. Transportation Command, as Distribution Process Owner (DPO), is responsible for:

- (1) Improving overall efficiency and interoperability of distribution-related activities, deployment, sustainment, and redeployment support during peace and war
- (2) Serving as the single entity to direct and supervise execution of the strategic distribution system

3.2 Tiered Accountability

The Department’s approach to business transformation relies on tiered accountability at the Enterprise, Component, and program levels. Responsibilities are aligned with the decentralized management structure of the Department so that accountability for the planning and management of systems/initiatives is clearly defined between the DoD Enterprise level and the Component level. The coordination flow is not only top down through the three levels (e.g., Enterprise to Component to program) but also bottom up (e.g., program to Component, Component to Enterprise), and lateral (e.g., Component to Component, program to program). The result is a federated approach to transformation.

Previous transformation initiatives often attempted a “one-size-fits-all” approach that required all DoD organizations to comply universally with a centrally-defined vision for transformation. The approach defined a single enterprise architecture requiring commonality across DoD for all systems, processes, and data; which ultimately created barriers to change rather than accomplishing the envisioned progress. The Department is now using a tiered accountability approach that defines a thin enterprise layer to enable interoperability and effective enterprise management with Components defining unique architectural needs to fulfill their mission. The Department is institutionalizing a tiered accountability approach by:

- Dividing planning and management of systems and initiatives between DoD and Component levels.

- Establishing a tiered process for control and accountability over IT investments for both DoD Enterprise-level and Component-level business transformation.
- Federating architecture and planning to enable consistent, distributed transformation management.
- Establishing clear data standards and Enterprise-wide solutions as documented in the BEA.
- Establishing a service-oriented architecture (SOA) including foundational services that are part of the GIG Core Enterprise Services (CES) in conjunction with industry best practices.
- Enhancing the Business Operating Environment (BOE) to enable interoperable execution of Enterprise and Component business systems across the BMA that deliver Business Capabilities. The BOE is the overall IT ecosystem of the BMA SOA. It comprises metadata, applications, systems, a unifying portal and the infrastructure needed for federated systems and operations within the BMA.

3.2.1 Enterprise Level

To execute the objectives detailed in the ETP, the Department has established a governance structure that ensures accountability through increased senior leadership direction, both to manage investments and to oversee the broader business transformation. The DBSMC is the senior governing body for BMA transformation and is chaired by the Deputy Secretary of Defense. The PSAs lead each CBM and ensure the alignment of transformation investments to end-to-end operational support improvements. The BTA reports to the USD for Acquisition, Technology, and Logistics, as the vice chair of the DBSMC. Figure 3-2 shows investment management and business transformation governance for the DoD Enterprise.

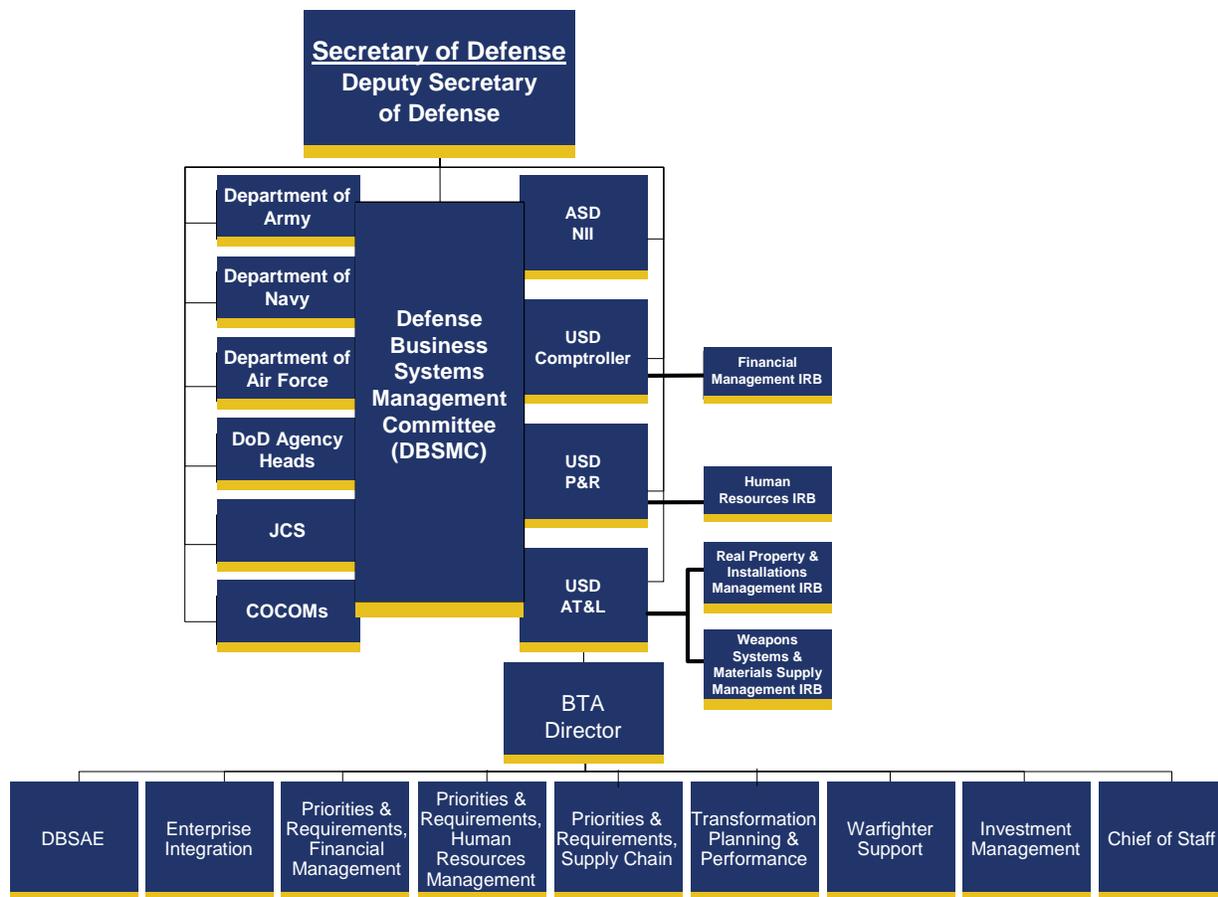


Figure 3-2, DoD Enterprise Business Transformation Governance

3.2.2 Component Level

Component-level business transformation is the responsibility of the respective Component leadership. Component IT investments are overseen by DoD Enterprise-level governance through IRBs and the DBSMC. Each Component is responsible for defining a Component architecture for its tier of responsibility in alignment with the BEA and in compliance with Enterprise standards and policies. Each Component is responsible for creating its own transition plan. Summaries of these Component transition plans are incorporated into the DoD-wide ETP. Each Component manages programs that provide Business Capability improvements within its own organization. Some Components manage programs that provide Business Capability improvements to other Components (e.g., Defense Finance and Accounting Service provides program management for accounting systems for some Defense Agencies). Some Components provide Business Capabilities across the DoD Enterprise (e.g., USTRANSCOM provides distribution capabilities). Consistent with tiered accountability, systems that are outside the BEA’s current scope are managed within Component architectures and transition plans. Components are accountable to the IRBs and the DBSMC to provide program oversight, status reports, portfolio management, and pre-certification for respective systems.

3.2.3 Program Level

DoD has two levels of program that support business transformation: 1) the DoD Enterprise level, managed by the BTA and OSD, and 2) the Component level. Programs are accountable for implementing and managing their respective solutions (in accordance with criteria defined in the BEA) in order to achieve Business Enterprise Priorities or Component priorities. Programs are responsible for reporting progress through performance metrics that quantify and qualify achievement of program goals. IRB reviews, DBSMC reviews and critical milestones within the acquisition management process are checkpoints to measure progress.

3.3 Governance Roles and Responsibilities

Table 3-2 lists key participants and describes their primary responsibilities for DoD business transformation.

Table 3-2, Transformation Participant Roles and Responsibilities

Role	Responsibilities
Defense Business Systems Management Committee	
<p>As the senior-most governing body overseeing BMA transformation, the DBSMC convenes under the personal direction of the Deputy Secretary of Defense to review capability requirements, set/reassess business priorities, and monitor progress to plan. It recommends policies and procedures required to integrate DoD business transformation.</p> <p>DBSMC responsibilities represent a partial list of those in the DBSMC Charter, dated February 7, 2005. See link in next column.</p>	<p>The DBSMC coordinates activities required to:</p> <ul style="list-style-type: none"> • Establish strategic direction and plans for the BMA, in coordination with the Warfighting and Enterprise Information Environment Mission Areas • Oversee implementation of systemic performance in DoD’s business operations • Approve BMA transformation plans and initiatives and coordinate transition planning in a documented program baseline with critical success factors, milestones, metrics, deliverables, and periodic program reviews • Establish key metrics and targets to track business transformation progress • Establish policies and approve the BMA Strategic Plan, Transition Plan for implementation of Business Systems Modernization, Transformation Program Baseline, and Business Enterprise Architecture • Approve standardized IRB processes and procedures, including charters, membership, and certification actions and requirements • Approve investment in certified systems • Ensure that funds are obligated for Defense Business Systems Modernization in accordance with Section 332 of Public Law 108-375 • Recommend policies and procedures that enable efficient business operations throughout DoD to the Secretary of Defense • Ensure BMA transformation enables cross-DoD, end-to-end interoperability • Coordinate activities across DoD to address findings from oversight activities • Execute a comprehensive communications strategy <p>http://www.acq.osd.mil/ie/bei/pm/pfm-memoranda/DBSMC%20Charter%20and%20Cover%20memo.pdf</p>

Role		Responsibilities
Certification Authorities (CAs)		
Principal Staff Assistant	<p>To support the certification requirements, and the principle of tiered accountability, each DoD PSA serves as a CA.</p> <p>CA responsibilities represent a partial list of those in the IRB CONOPS, dated June 3, 2005. See link in next column.</p>	<p>Each CA is responsible for:</p> <ul style="list-style-type: none"> • Providing leadership for business system investments associated with that core BMA • Establishing, chartering, designating members and standing up an IRB to review systems for which the CA is assigned responsibility • Assuming responsibility for the review, approval, and oversight of the planning, design, acquisition, deployment, operation, maintenance, and modernization of the Defense business systems assigned to them • Advocating DoD Enterprise-level Business Capabilities and DoD Enterprise-level systems where appropriate to support the warfighting mission • Establishing priorities and strategic direction for the business systems review • Reviewing certification packages assigned to the business area and making decisions to certify or not certify systems • Identifying specific systems or specific lines of business as “CA interest” and requiring review for systems that support those lines of business <p>http://www.dod.mil/dbt/tools_certification.html</p>
Investment Review Boards (IRBs)		
Principal Staff Assistant	<p>The IRB is the authoritative body of the CBM for oversight of investment review processes for Business Capabilities, supporting activities under their designated areas of responsibility.</p> <p>Each IRB, using standard operating procedures and guidelines, and with representation from relevant Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs, assesses modernization investments relative to their impact on end-to-end business process improvements supporting warfighter needs.</p> <p>IRB responsibilities represent a partial list of those in the IRB CONOPS, dated June 3, 2005</p>	<p>Each IRB is responsible for:</p> <ul style="list-style-type: none"> • Ensuring review of every business system modernization/enhancement investment at least annually • Performing the appropriate level of review using a “tiered process,” which links level of review to scope, complexity, cost, and risk • Reviewing and approving enterprise criteria • Assessing whether business system investments are consistent with the Department’s requirements based on: <ul style="list-style-type: none"> – Essentiality (i.e., whether it supports an essential capability) – Alignment with DoD strategic mission, goals, and objectives – Beneficial impact in terms of the criteria defined for the IRB’s core BMA that justifies the system investment • Recommending to the CA certification or non-certification based on certification criteria

Role	Responsibilities
Business Transformation Agency (BTA)	
<p>The BTA is a support organization that reports to the Under Secretary of Defense for Acquisition, Technology, and Logistics, as the vice chair of the DBSMC.</p>	<p>The BTA is responsible for:</p> <ul style="list-style-type: none"> • Articulating the strategic vision for business transformation <ul style="list-style-type: none"> • Coordinating required DoD Enterprise and Component support to achieve Business Enterprise Priority objectives • Working with Joint Staff, COCOMs, and rest of the warfighting community to identify urgent warfighter needs that can be addressed by business solutions • Engaging PSAs and their stakeholders to identify DoD Enterprise-level Business Capability gaps, requirements, capability improvements, priorities, and standards • Identifying functional requirement details (activities, processes, etc.) to plan and execute capability improvements • Reporting to GAO, OMB, Congress, and others; supporting IRBs and DBSMC • Proposing accountable programs to close Enterprise-level gaps for IRB approval • Assessing the impact of investments in meeting warfighter needs • Coordinating business system certification requests submitted via the IRB process • Supporting IRBs and developing IRB CONOPS <ul style="list-style-type: none"> • Facilitating centralized execution of IRB lifecycle processes • Documenting IRB certifications • Defining IRB integration and alignment with other DoD processes • Developing, testing, and institutionalizing concepts to improve business system acquisition management process outcomes • Executing ERAM reviews for approved programs, including milestone reviews • For programs that have transitioned to the DBSAE, validate enterprise-level system compliance to functional requirements • Exercising executive oversight for DoD Enterprise programs with DBSAE serving as Component Acquisition Executive and Milestone Decision Authority (MDA) • For programs assigned to the DBSAE and respective Program Executive Office: <ul style="list-style-type: none"> • Establishing senior-level governance bodies to oversee program execution • Establishing acquisition strategy milestones for program execution that enable DoD to field new capabilities that operationalize functional requirements • For Enterprise-level programs: <ul style="list-style-type: none"> • Providing initial management oversight • Developing initial acquisition and funding documentation (Initial Capabilities Document, Analysis of Alternatives, Cost Analysis/Budget, etc.) • Integrating and streamlining IRB and DoD 5000 processes in conjunction with other initiatives, including the Quadrennial Defense Review (QDR) • Establishing the BEA as the single, authoritative, accurate, usable source to convey DoD Enterprise business requirements, priorities, capabilities, and standards • Publishing the ETP as an authoritative, integrated, actionable, and measurable DoD-wide plan for business transformation • Developing a performance measurement framework to collect, analyze, and report to senior management on enterprise performance • Collecting and reporting Enterprise and Component metrics as required • Providing functional and technical leadership for defining, maintaining, aligning, and federating the BEA and ETP • Developing and executing BEA and ETP methodologies and quality control • Designing enterprise-level technical solutions that support functional requirements and ensure compliance with the BEA and accurate reflection in the ETP • Generating implementation guidance for Component ERP programs for BEA high priority content areas, including compliance checklists and validation scenarios

Role	Responsibilities
Component Designated Pre-Certification Authorities (PCAs)	
<p>As designated by Components, PCAs are the headquarters-level approval authorities who are assigned accountability for business systems investments.</p> <p>PCA responsibilities represent a partial list of those in the IRB CONOPS, dated June 3, 2005.</p>	<p>Each Pre-Certification Authority is responsible for:</p> <ul style="list-style-type: none"> • Acting as PCA for business systems modernization/enhancement investments over \$1M and submitting requests to the CA IRB for certification of business system investments over \$1M • Maintaining Component architectures that are compliant with the GIG (noting the BEA is the business component of the GIG) and the DoD Architecture Framework (DoDAF) • Establishing Component investment review processes and governance structure • Ensuring that reporting reflects Business Capabilities-based management with a level of detail consistent with IT budget reporting to OMB • Integrating DoD's certification criteria with Component certification criteria for modernizations over \$1M • Conducting Component-level reviews of certification information to the single entry point for systems requiring CA/DBSMC certification and approval • Providing IRB/CA/DBSMC, as applicable, updates on business systems that have been reviewed and their status, as well as a consolidated report on an annual basis • Ensuring information is correct in the official DoD business system repository
Components	
<p>Components are Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs that plan, guide, and manage business transformation through Component systems, initiatives, and organizations.</p>	<p>Each Component is responsible for:</p> <ul style="list-style-type: none"> • Establishing Component priorities that support and complement BEPs • Identifying Component systems required for transformation and ensuring those systems are in compliance with the BEA • Developing and maintaining architectures and transition plans, including system/initiative cost, schedule, and performance data, that detail each Component's priorities and integrate with the BEA and ETP • Linking all IRB Tier 1 and Tier 2 systems (and others as desired by Components) to either Enterprise-level or Component-level priorities • Maintaining a Component pre-certification investment review process • Executing programs to achieve Business Enterprise Priorities and Component priorities
Program Managers and Program Executive Officers	
<p>PMs and PEOs oversee each system and initiative according to the structured Defense Acquisition System (DAS) process, ensuring that cost, schedule, and performance requirements are monitored and addressed through the acquisition lifecycle.</p>	<p>PMs and PEOs assigned accountability for implementing improved Business Capabilities are responsible for:</p> <ul style="list-style-type: none"> • Executing business transformation through their programs • Developing a transition plan for business transformation at the program level and ensuring integration of that plan with transition plans developed and executed at the DoD Enterprise level and Component level. • Providing input to the ETP • Ensuring program information is current, complete, and accurate in mandatory DoD Enterprise-level business system repositories as required by NII policy or the appropriate Component-level toolset used to populate that repository • Developing program-related architecture products • Preparing and submitting certification packages to the investment review process • Verifying the IRB CA and the DBSMC, via appropriate headquarter-level authority, have completed system review, certification, and approval before obligating funds over \$1M for modernization
External Regulatory/Oversight Authorities	
<p>Organizations, such as Treasury, OMB, GAO, DoD IG, review Defense business transformation plans and progress, including the BEA and ETP.</p>	<ul style="list-style-type: none"> • Responsible for review and oversight of Defense business transformation plans and progress, including the BEA, ETP, and IT investments • Regulatory bodies are specifically responsible for assessing compliance of Defense business transformation products, including the BEA, with specific regulations, directives, and related documentation

4 Business Transformation Approach

The DoD Business Transformation Approach is capability-driven, program-enabled, and architecture-guided.

DoD has adopted a structured business transformation approach that is directly aligned with its mission and leverages existing business transformation efforts. The Department's business transformation approach is *capability-driven* in that the end goal is capability improvement rather than the implementation of new systems (or the elimination of the legacy systems). Transformation is *program-enabled* in that programs implement systems and initiatives that provide specific capability improvements. Transformation is *architecture-guided* in that the BEA and federated architectures provide a common reference to achieve interoperability and integration of business systems and processes. This approach recognizes the need to make improvements expeditiously; therefore, it is leveraging key existing programs as widely as possible. The DoD Business Transformation Approach (depicted in Figure 4-1) contains five highly iterative steps that are numbered to convey a general sequence. Each step contains major transformation activities and sub-activities.

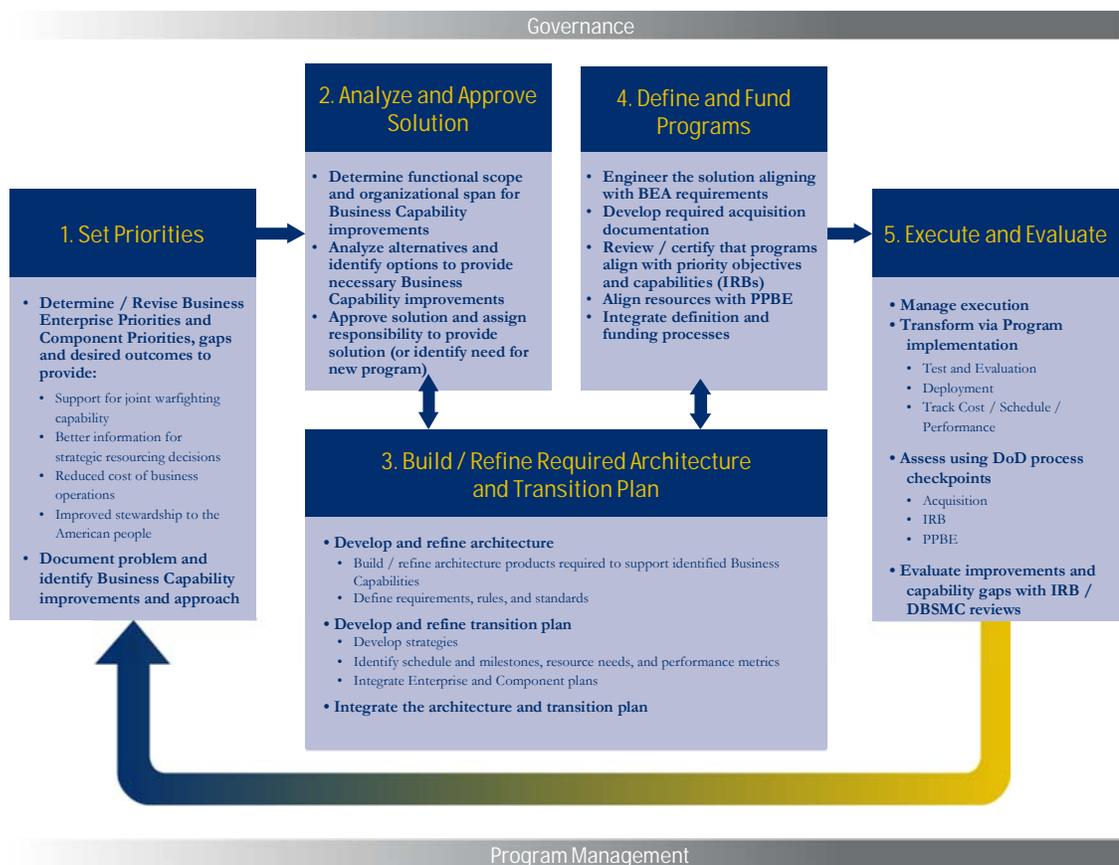


Figure 4-1, DoD Business Transformation Approach

Large-scale business transformation efforts in the private sector have demonstrated that change does not occur without senior leadership commitment and involvement in the process. Accordingly, the Department has established a formal governance structure to engage executive leadership in both the direction and execution of business transformation efforts. The critical activity of governance, as depicted in Figure 4-1, is an ongoing activity that spans the entire DoD Business Transformation Approach. Table 4-1 associates each step of the transformation with the participants and their roles as part of the ongoing governance process.

Table 4-1, Management Roles for Business Transformation

	Role	Set Priorities	Analyze/Approve Solution	Build Architecture & Transition Plans	Define & Fund Programs	Execute & Evaluate	
Enterprise	DBSMC	Concur	Concur	Approve BEA/ETP	Approve CA certification	Monitor overall status	
	PSA	CA	Approve BEPs	Assign		Certify IRB approval	Monitor PSA focus areas
		IRB	Recommend BEPs	Approve problem statement and approach	Recommend BEA scope; review and approve federation requirements; review and approve enterprise criteria	Approve investments	Track milestones Review investments
	BTA	Enterprise Program Oversight		Advocate	Provide Enterprise system information to BEA and ETP	Oversee/advocate Enterprise systems and initiatives	Manage Enterprise systems and initiatives
		Enterprise Requirements Definition	Nominate BEP candidates; identify Business Capabilities for improvement	Nominate Enterprise programs	Coordinate and approve BEA inputs and ETP Enterprise content inputs	Monitor Enterprise programs	Monitor Enterprise programs
		Architecture Development	Provide BEA context	Review	Build BEA and integrate with ETP	Monitor	Monitor
		Transition Planning	Define transformation product format/guidance	Define ETP target solution entry/exit criteria	Build ETP and integrate with BEA	Monitor	Oversee and escalate issues
		Communication Support	Communicate priorities	Communicate accountability	Communicate BEA and ETP	Communicate decisions	
		Federation Support			Provide strategy for architecture and transition plan federation	Provide strategy for federation of the business operating environment	
		Warfighter Requirements Support	Identify problems, needs		Provide feedback and recommend scope		Identify quick fixes
		Enterprise/Component Integration Support		Collaborate in ERP system acquisition process	Assist Components with implementing BEA requirements Serve as BTA/Component communication link	Leverage BEA best practices, processes, and standards Integrate enterprise requirements with Component programs (e.g. ERP systems)	Support Business Capability integration across DoD Collaborate with Components for consistent enterprise implementation
		Investment Management Support				Support certification Support ERAM process	Support ERAM process
	Components/PCAs	Nominate BEP candidates; define/set Component priorities	Assign Component programs	Build Component architecture/transition plans; define ETP Component content	Pre-certify; oversee/advocate Component programs	Manage	
Program Managers		Provide information	Participate in enterprise architecture; build program architecture	Define	Implement		

Section 5 first discusses the first four steps of the approach, which relate to transition planning activities from the perspective of transformation planners and managers (both functional and technical), and provides context for DoD business transformation governance bodies, architects, and related personnel. The approach aligns with the existing Integrated Defense Acquisition Technology and Life Cycle Management Framework, including DAS and PPBE, to define programs (by engineering a solution) and secure program funding for

transformation. An alternative business system acquisition approach (the Business Capability Lifecycle (BCL)), is being proposed to focus on faster delivery of Business Capabilities by identifying and mitigating program risk early.

The byproduct of performing each planning activity is a set of products that provide details to support Step 5, *Execute and Evaluate*. The discussion in Section 5 addresses the process to manage execution and use of the program baseline during this process.

Transformation requires a disciplined management process with appropriate controls and the program baseline information in the ETP provides the basis for this process. The critical activity of program management is shown in Figure 4-1 as an ongoing activity spanning the entire DoD Business Transformation Approach.

5 Planning the Transformation and Executing the Plan

Planning transformation and execution occurs in multiple tiers — at the DoD Enterprise, Component, and program levels. Steps for planning transformation and execution are worked simultaneously at all three levels, each as an end-to-end process. The principal outcomes of transformation are compliant processes, policies, and systems that improve DoD Business Capabilities, and ultimately improve support to our warfighters.

Planning for business transformation (steps 1 – 4 below) encompasses establishing the priorities, goals and objectives for the organization; determining what the organization aspires to be; identifying necessary improvements to business processes, policies, roles, and systems to meet these goals; targeting specific Business Capability improvements, approving solutions, developing architecture and transformation plans, and funding programs. The outputs from planning for business transformation become useful inputs to Step 5 below, *Execute and Evaluate*. These five steps are used to structure Section 5.

Planning Steps

- 1) **Set Priorities**: The purpose of this step is to determine and revise Business Enterprise Priorities and Component priorities and to identify the required outcomes that will be achieved through Business Capability improvements.
- 2) **Analyze and Approve Solution**: The purpose of this step is to analyze the problem, define functional scope and organizational span of solutions, approve solutions, and assign responsibility.
- 3) **Build/Refine Required Architecture and Transition Plan**: The purpose of this step is to develop architecture and transition plans that document the blueprint for DoD's desired outcomes and the roadmap for how to achieve them.
- 4) **Define and Fund Programs**: The purpose of this step is to engineer the solution, develop required acquisition documentation, certify that programs align with priority objectives and capabilities, and align resources with PPBE.

Execution Steps

- 5) **Execute and Evaluate**: The purpose of this step is to manage execution in an organized and responsive fashion to ensure the goals of the transformation are met, and any variance from those goals (including cost, schedule, and performance) is identified.

A set of national and DoD planning documents define strategic direction and priorities for the Department (e.g., National Security Strategy (NSS), National Military Strategy (NMS), Strategic Planning Guidance (SPG), Joint Programming Guidance (JPG), and Quadrennial Defense Review (QDR)). For business transformation, these high-level strategic plans and priorities are supported by corresponding business priorities. The mission of the Business Transformation Agency, the strategic objectives described earlier, the priorities described in the next sub-section, and the metrics that support them are contained in the ETP.

More detailed guidance for these steps is contained in Appendices A, B, and C.

5.1 Set Priorities

1. Set Priorities

- **Determine / Revise Business Enterprise Priorities and Component Priorities, gaps and desired outcomes to provide:**

- Support for joint warfighting capability
- Better information for strategic resourcing decisions
- Reduced cost of business operations
- Improved stewardship to the American people

- **Document problem and identify Business Capability improvements and approach**

The *Set Priorities* step of the transformation approach includes sub-activities to: *Determine/Revise Priorities; Identify Business Capability Improvements; Establish Performance Metrics*, and *Identify Planning Gaps*. This step represents the starting point for DoD business transformation. The purpose of this step is to translate business requirements into actionable priorities in order to transform DoD business operations. The approach recognizes that since requirements may be identified concurrently at Enterprise and Component levels, the process of setting priorities must be worked collaboratively. This will result in a set of Enterprise and Component priorities that support the mission and eliminate stove-piped organizational or functional solutions.

Figure 5-1 illustrates relationships at multiple levels among Business Enterprise Priorities, Component priorities, goals, objectives, Business Capability improvements, and programs. Figure 5-1 extends beyond key concepts of *Set Priorities* to show how these concepts tie to *Analyze and Approve Solution* (with assignment of accountability to programs) in Step 2. Each PSA uses a similar structure by performing the following activities:

- Establish objectives. Objectives are met by realizing Business Capability improvements
- Determine the Business Capability gaps and document the problem statements.
- Specify improvements. Improvements for each Business Capability are realized by fielding one or more systems or initiatives, managed as programs, supported by corresponding changes to Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities.

The priorities will evolve and be supported by successive versions of architectures, plans, and solutions. Objectives that fall beyond the scope of the existing priorities may lead to the creation of new priorities. The BEA and ETP will contain the cumulative content for all Enterprise priorities as they are defined.

Components similarly document Component goals, priorities, targeted outcomes and Component programs in their Component transition plans. These Component transition plans align with and help to achieve DoD Enterprise priorities. This transformation approach requires coordinated participation among all players to deliver an integrated solution and to properly reflect it in the ETP.

After defining the priorities, goals, and objectives, the PSA or Component then identifies the Business Capability gaps (e.g., unsatisfied mission needs, unanswered questions, material weaknesses, and other problems), and determines the Business Capability improvements required. Business Capability gap identification represents an entry point for architecture improvements.

Transformation within the BMA is a continual process in which priorities are in various stages of identification and implementation. The process is performed at multiple tiers, as depicted in Table 5-1.

Table 5-1, Roles for Step 1: Set Priorities

	Identify Priorities	Identify Business Capabilities
Enterprise	<ul style="list-style-type: none"> Assign lead PSA Define and set BEPs Review Component priorities 	<ul style="list-style-type: none"> Identify Business Capabilities requiring improvement (use BEA definitions) Define and approve Business Capabilities requiring improvement
Component	<ul style="list-style-type: none"> Define and set Component priorities Nominate BEP candidates 	<ul style="list-style-type: none"> Identify Business Capabilities requiring improvement (use BEA definitions when possible) Define new Business Capabilities only when required

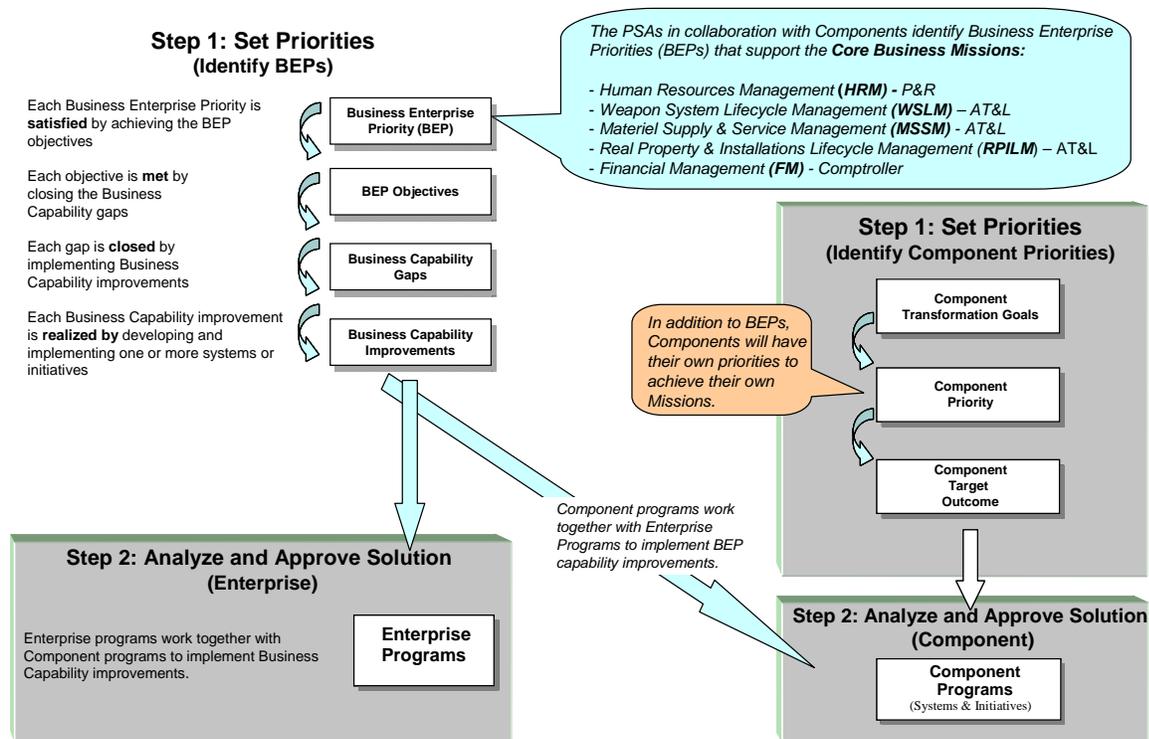


Figure 5-1, BEP and Component Relationships

Appendix A includes details and tips on the *Set Priorities* process.

5.1.1 Determine/Revise Priorities

Determine/Revise Priorities begins with understanding desired outcomes and Business Capability gaps (unsatisfied mission needs, unanswered questions, material weaknesses, and other problems) as viewed by the warfighters, Components, PSAs, and the BTA. These Business Capability gaps are addressed by architecting, planning, and implementing solutions to achieve the “To Be” or target state that closes the gap. Certain Business Capability gaps can be characterized by unanswered questions that exemplify the inability for senior leaders to obtain accurate, reliable, and timely information for decision making. Questions include:

- Who are our people? What are their skills? Where are they located?
- Who are our industry partners, and what is the state of our relationship with them?
- What assets are we providing to support the warfighter, and where are these assets deployed?
- How are we investing our funds to best enable the warfighting mission?

Figure 5-2 shows how the Department draws on knowledge of its “As Is” condition to identify Business Capability gaps and desired outcomes. Usually, these problems, needs, weaknesses, and questions can be identified directly (based on inspection, audit, or management knowledge):

- Business problems and requirements from legislative and oversight bodies as specified in material weaknesses and other relevant independent assessments
- Unfulfilled information needs of DBSMC decision makers (e.g., “the four Golden Questions” above)
- Unrealized mission needs as documented through performance management activities (Business Capability outcome metrics)

Sometimes it is necessary to derive these gaps from “As Is” architecture products. When developing “As Is” architecture products, DoD’s approach is to develop *just enough* “As Is” architecture to complete the Business Capability gap analysis, propose Business Capability improvements and corresponding metrics based on the current set of priorities. Subsequent portions of this process, shown in Figures 5-3, 5-4, and 5-8 detail how DoD diagnoses root causes, and links these gaps to architecture and planning products. The architecture priorities then describe solutions to these problems in “To Be” architecture products (discussed in Step 3). This is done *just in time* to leverage this information in the appropriate step of the transformation process (i.e., just prior to defining and funding the corresponding program). This information provides the ability to guide solutions and verify the implemented solutions address Business Capability gaps.

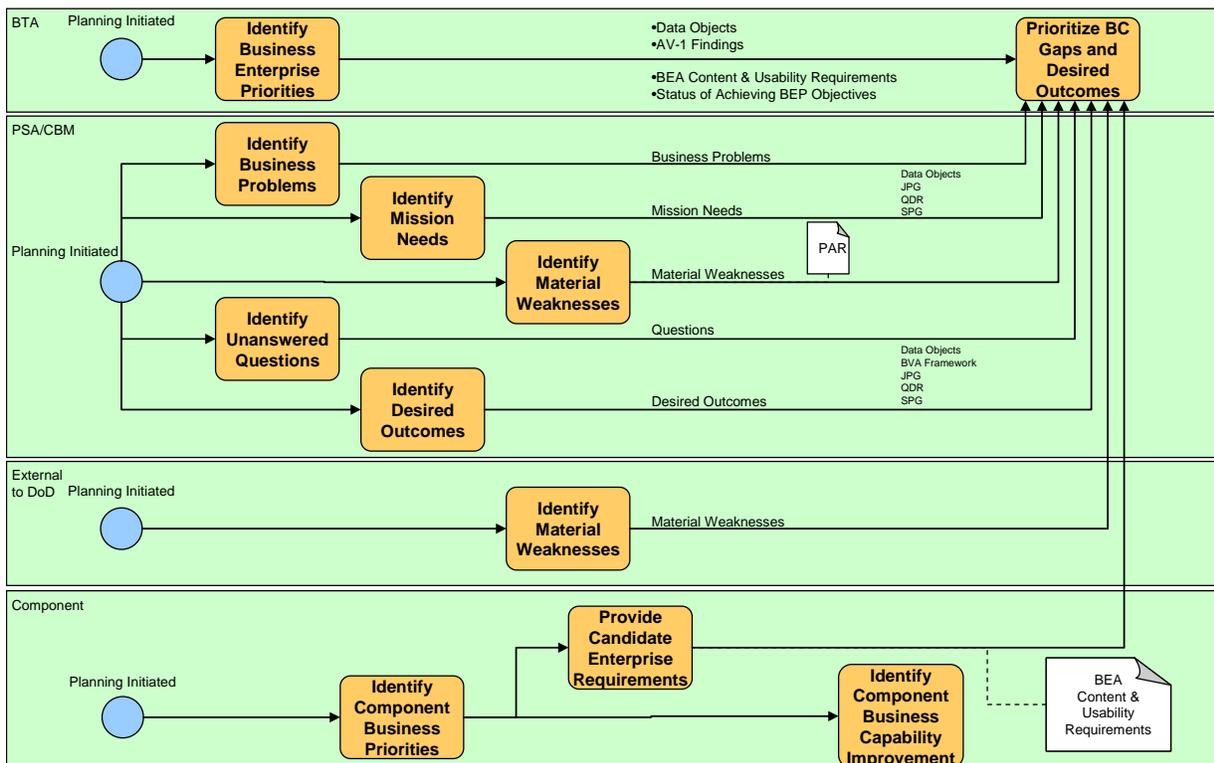


Figure 5-2, Prioritizing Gaps and Desired Outcomes

The BTA uses this process to help identify priorities for business transformation at the DoD Enterprise level. The DoD Business Transformation Approach at the DoD Enterprise level is based on a set of Business Enterprise Priorities from definition, to architecture development and transition planning, and finally through

implementation. Each Component follows a similar process and defines priorities based on its mission-specific requirements. When setting priorities, PSAs and Components collaborate to align their efforts to address the collective needs of the Department.

5.1.1.1 Identify Business Enterprise Priorities

PSAs, in collaboration with Components, define specific priorities for business transformation that address the needs, problems, or questions and help define the target state. This same leadership then determines those Business Capabilities associated with the priority that require improvement to accomplish the priority’s goal, objectives, and requirements. The current set of Business Enterprise Priorities includes: Personnel Visibility, Acquisition Visibility, Common Supplier Engagement, Materiel Visibility, Real Property Accountability, and Financial Visibility.

What are BEPs? Business Enterprise Priorities represent shared priorities for business transformation across the Department at the Enterprise level. Each priority has goals, objectives, and capabilities that collectively represent its focus and its targeted outcomes to improve warfighter support, inform decision making, reduce costs, and improve regulatory compliance. For example, Personnel Visibility represents the Department’s priority to support leadership with information on “Who are our people? What are their skills? Where are they located?” Business Enterprise Priorities can usually be addressed by improving Business Capabilities but in rare instances may require a new Business Capability (enabled by a new technology or business practice).

Business Enterprise Priorities address DoD Enterprise-wide needs or problems with Enterprise-wide and Enterprise-level solutions that may include the use of Component systems. As such, Business Enterprise Priorities become priorities for each affected Component, but remain centrally managed. Each Component will have priorities unique to its mission or in areas not yet addressed by Business Enterprise Priorities (see Component priorities in Section 5.1.1.2).

How Are BEP Candidates Determined? The BTA, with input from PSA staffs, coordinates the definition of Business Enterprise Priority candidates. PSAs approve the Business Enterprise Priorities; the DBSMC reviews approved Business Enterprise Priorities. Business Enterprise Priorities must have sufficient scope and magnitude to be addressed at the DoD Enterprise level. Considerations in choosing Business Enterprise Priorities include: 1) complexity of the need/problem or solution; 2) potential benefit by improving one or more Business Capabilities; 3) level of risk; 4) breadth of the elements of the perceived solution; and 5) speed of capability improvement. Business Enterprise Priorities must be achievable within the management capacity and resource constraints of the PSA. Questions identified in Table 5-2 are used as criteria.

Table 5-2, Determination of BEP Candidates

Question	Answer
Can the need be provided or problem solved with changes to process, standards, data, and systems?	YES: Candidate for BEP NO: Address with other transformation mechanisms (e.g., organizational changes via the Quadrennial Defense Review or facilities changes via Base Realignment and Closure)
Can the need be satisfied or problem solved by a quick fix (e.g., a policy change) or by one program?	YES: Address directly (does not require BEP) NO: Candidate for BEP
Can the need/problem be articulated by a single goal or small set of tightly related goals?	YES: Candidate for BEP NO: Address with more than one BEP
Can the need/problem be solved by a single Component?	YES: Address with Component priority NO: Candidate for BEP
Can the CBM deliver measurable improvement in the next 2 years?	YES: Candidate for BEP NO: Re-scope as less complex priority
Is the total solution set of sufficient size (e.g., estimated cost) and potential business benefit to be considered a priority?	YES: Candidate for BEP NO: Address with other transformation mechanisms

Question	Answer
Is there sponsorship, commitment, accountability, and resources (including funding) to address the priority at the DoD Enterprise level?	YES: Candidate for BEP NO: Re-scope as more supportable priority

How are BEPs Used? Business Enterprise Priorities are a mechanism used to frame a manageable portion of the transformation to ensure the Enterprise, Components, and programs all work in concert to achieve the targeted outcome. Targeted outcomes are framed by questions that are considered during BEA development. The results are then incorporated into the ETP. As such, Business Enterprise Priorities are used to scope updates to the BEA (e.g., goals, Business Capabilities, and processes). Business Enterprise Priorities define the scope to the ETP at the Enterprise level and provide the structure for tracking progress to goals, objectives, metrics, and related items.

What Roles Do the Participants Play? Note: **E** = Enterprise; **C** = Component; **P** = Program

E PSAs, in collaboration with Components, identify needs and problems for which new Business Enterprise Priorities are identified or existing Business Enterprise Priorities are updated. The BTA Warfighter Support Office (WSO) is a conduit for understanding short-term and long-term warfighter needs. WSO communicates warfighter requirements to the appropriate DoD Enterprise- or Component-level organization. The BTA nominates Business Enterprise Priorities to CAs, who approve, reject, or modify them. The DBSMC will conduct a final review of Business Enterprise Priorities and associated goals and objectives. PSAs provide leadership to ensure each Business Enterprise Priority is adequately depicted in the BEA and ETP to support decision-making, control investment, and guide program management. Ultimately, the lead PSA is accountable for achievement of Business Enterprise Priority objectives.

C Components nominate Business Enterprise Priority candidates, review them, and provide additional input to help define each Business Enterprise Priority. When Business Enterprise Priorities are identified at the DoD Enterprise level, each Component aligns the appropriate systems, standards, architectures, and plans to support achievement of Business Enterprise Priority objectives.

5.1.1.2 Identify Component Priorities

In addition to Business Enterprise Priorities, Components define priorities to improve their mission support. Some Component priorities may become Business Enterprise Priorities if they can be expanded to have broader applicability and thereby address a Department-wide need or problem.

What are Component Priorities? Component priorities are areas where transformed business operations will provide improved support to Component missions, reduced costs, and better regulatory compliance. Component priorities target Component-specific mission needs or problems that either complement Business Enterprise Priorities or are not addressed by them.

How are Component Priorities Determined? Component priorities are determined by Component leadership to achieve a set of outcomes. In determining their priorities, Components consider the scope and magnitude of the transformation effort, including: 1) complexity of the need/problem or solution; 2) potential benefit by improving one or more Business Capabilities; 3) level of risk; 4) breadth of the elements of the perceived solution; and 5) speed of capability improvement. To be realistic, Component priorities should be achievable given competing resource demands.

What Roles Do the Participants Play?

E Enterprise leadership (e.g., PSAs, BTA) review Component priorities to ensure integration of DoD Enterprise-wide transformation and look for commonalities that would be better addressed at the DoD Enterprise level.

- Components define Component priorities to address Component-specific mission needs or problems that either complement Business Enterprise Priorities or those not addressed by them.

5.1.2 Identify Business Capability Improvements and Revise Priorities

The objectives of each Business Enterprise Priority or Component priority determine the Business Capability improvements necessary to achieve the goals of the priority. As shown in Figure 5-3, prioritized gaps are analyzed to determine their root cause and this information used to determine the correct Business Capability improvement. This additional information can be used to revise priorities if necessary, and then used to develop a problem statement and approach for a solution.

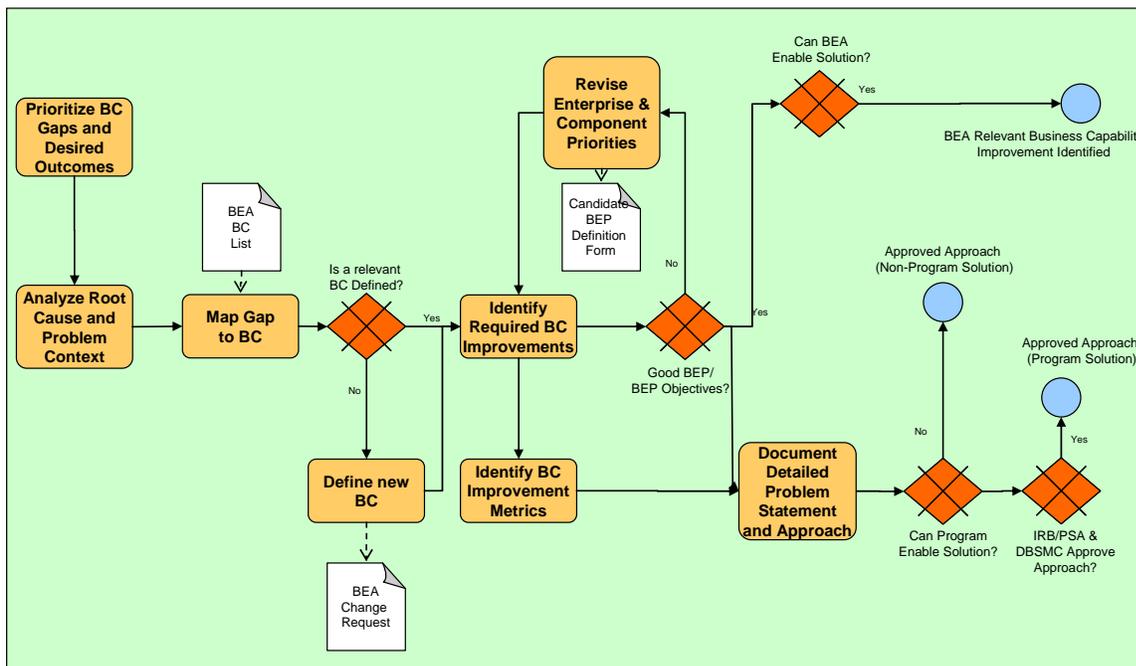


Figure 5-3, Identifying Business Capability Improvements and Metrics

What Are Business Capabilities? A Business Capability is the ability to execute a specific course of action. It can be a single business enabler or a combination of business enablers (e.g., business processes, policies, people, tools, or systems information) that support transformation by attaining specific objectives of their associated priorities). Business Capabilities are discrete logical partitions of the DoD Enterprise or Components that represent semi-autonomous, self-contained pieces of the business. For each priority, there is a requirement for improvements to Business Capabilities or, on a more limited basis, for new Business Capabilities. A Business Capability may be associated with more than one priority; however, the milestones and metrics for improving each Business Capability will be shown under one priority.

Business Capabilities should be modular, which means they are self-contained with well-defined boundaries and interfaces. Modularity allows individual Business Capabilities to be implemented in phases, deploying at different points in time and employing separate solutions that enable portions of the DoD Enterprise to transform with minimal impact on other operations. They provide an organizing and unifying structure for architecture, transition planning, and investment management used to measure business transformation progress. In an architecture, Business Capabilities are represented by activities and associated processes, roles, data, and systems to be transformed or created.

Business Capability attributes include quality, focus, granularity, and modularity (see Appendix A for details).

How Are Business Capabilities Improvements Determined? As priorities are defined or revised, leadership identifies the Business Capabilities improvements to achieve the targeted outcomes and close the

gaps necessary to realize transformation. This step helps focus the changes and is key in developing specific plans. Alignment of the Business Capabilities and supporting architectural products to the other architectures across the GIG mission areas helps to avoid overlap and ensure integration.

What Roles Do the Participants Play?

E The BTA works with the lead PSA staff to identify Business Capability improvements that are necessary to achieve Business Enterprise Priority objectives. The lead PSA and functional sponsor of the improvement collaborate to develop an initial draft of the improvements based on guidance received from the BTA and an analysis of the business processes that address the attainment of those objectives. The BTA reviews the initial draft and determines whether it satisfies the criteria provided in the guidance or recommends changes before it becomes part of the ETP and BEA.

C Components identify Business Capability improvements that are necessary to achieve Component priority, goals, and objectives. Where these Business Capabilities are defined in the BEA, Components use standard BEA definitions. Where the BEA does not portray the required Business Capabilities to achieve these Component priorities, these Business Capabilities will be defined in the Component architecture (until such time that the Business Capability is specifically addressed in the BEA).

5.1.3 Establish Performance Metrics at the Enterprise Level

Business Value Added (BVA) outcomes are used to help DoD leadership more accurately assess the value of Business Capability improvements relative to investment costs. The Department is beginning to experiment with the BVA concept to help ensure that target programs produce the desired transformation outcomes. DoD leadership can identify at a glance which systems and initiatives have impact on enterprise outcomes.

The September ETP describes this framework as: "...a BVA Framework that DoD is using to drive transformation progress at the Core Business Mission level through tangible, measurable outcomes that impact the warfighter and create transparency to the taxpayer. Accountability for metrics falls to the appropriate management level (DoD Enterprise, Component, or program), with metrics at all levels aligned to the Core Business Missions. DoD has associated its business systems with these ten outcomes, with most systems impacting more than one outcome." Table 5.3 provides examples of business value outcomes.

Table 5-3, Business Value Outcomes Example

Business Value Outcomes	
On Time Customer Request	An improvement in the number of requisitions that are delivered by the Required Delivery Dates (RDD)
Cash-to-Cash Cycle Time	A reduction in time from when funds are obligated to when a product or service is delivered to the end customer
Time to IOC/FOC for Acquisition Category (ACAT) 1 and ACAT 2 Systems	An improvement in the time it takes to bring major acquisition systems to Initial and Full Operational Capability
Time to IOC/FOC for Urgent Combatant Command Requests	A reduction in the time it takes to initially or fully realize an urgent request from a deployed Combatant Command

How is the BVA Framework Determined? The BVA Framework was originally developed by a consulting team with BTA leadership and presented to the DBSMC. This resulted in an initial set of BVA outcomes that was associated with systems and initiatives that have an impact on improving the outcomes. Currently there are no plans to update the BVA outcomes, but stakeholders will update the associations periodically.

What Roles Do the Participants Play?

E Enterprise stakeholders define and update associations between their systems and initiatives and the BVA outcomes to ensure valid associations and to provide meaningful impact statements.

- C** Components define and update associations between their systems and initiatives and the BVA outcomes to ensure valid associations and to provide meaningful impact statements.

5.1.4 Identify Planning Gaps for *Set Priorities*

At the conclusion of this step, priorities may contain gaps that must be addressed before the capability improvements can be achieved, such as:

- An incomplete list of the required Business Capability improvements when compared to Business Enterprise Priority objectives
- Business Capabilities that are identified but incompletely defined or are too broad
- Business Enterprise Priority or Component priority goals and objectives that are too broad or generic to develop good architecture, plans, or metrics

Gaps in Business Capability completeness, definitions, and targets (as well as clarification of goals and objectives) can be addressed concurrently with the assignment of accountability and the development of architecture and transition plans (Steps 2 and 3); however, they must be completed prior to funding programs to provide these improvements (Step 4). To ensure clarity, goals of the priority must be sufficiently defined before assigning responsibility for Business Capability improvements.

5.2 Analyze and Approve Solution

2. Analyze and Approve Solution

- **Determine functional scope and organizational span for Business Capability improvements**
- **Analyze alternatives and identify options to provide necessary Business Capability improvements**
- **Approve solution and assign responsibility to provide solution (or identify need for new program)**

Analyze and Approve Solution includes sub-activities to: *Determine Functional Scope and Organizational Span; Analyze Program Alternatives and Identify Options; and Approve Solution and Assign Responsibility.*

The purpose of this step is to analyze the problem, define Business Capability improvements, and approve solutions. For system solutions, the first part of this step is to determine the improvement's scope (in terms of system functions) and span (DoD organizations that will employ the solution). Next, OSD PSAs and Components conduct an analysis of alternatives of existing and new options. Finally, DoD approves the solution and assigns a program with the responsibility for providing proposed Business Capability improvements. Solutions that provide capability improvements may include: 1) initiatives that become programs to provide systems, 2) initiatives that provide policy changes such as data standards, 3) Component systems that become DoD Enterprise systems; 4) Component systems that remain Component systems; and 5) Enterprise systems with expanded scope to deliver the Business Capability improvements.

This approach leverages business transformation efforts in progress and builds upon existing DoD programs that are able to deliver solutions to improve Business Capabilities and close existing Business Capability gaps by utilizing both IT system and non-system solutions. (Non-system solutions are typically initiatives that implement data standards, policy, and organizational changes.) When such a program does not exist, PSAs must create a new program (Step 4) or designate clear organizational responsibility to deliver the solution.

Figure 5-4 describes the process of analyzing and approving solutions (the top flow describes the process for non-program solutions; the bottom flow describes the process for programs). For non-program solutions, the process is to determine a recommended solution, get it approved, and assign responsibility for implementing it. For program solutions, there are additional steps for determining scope and span, developing the business case, getting funding, and planning the acquisition.

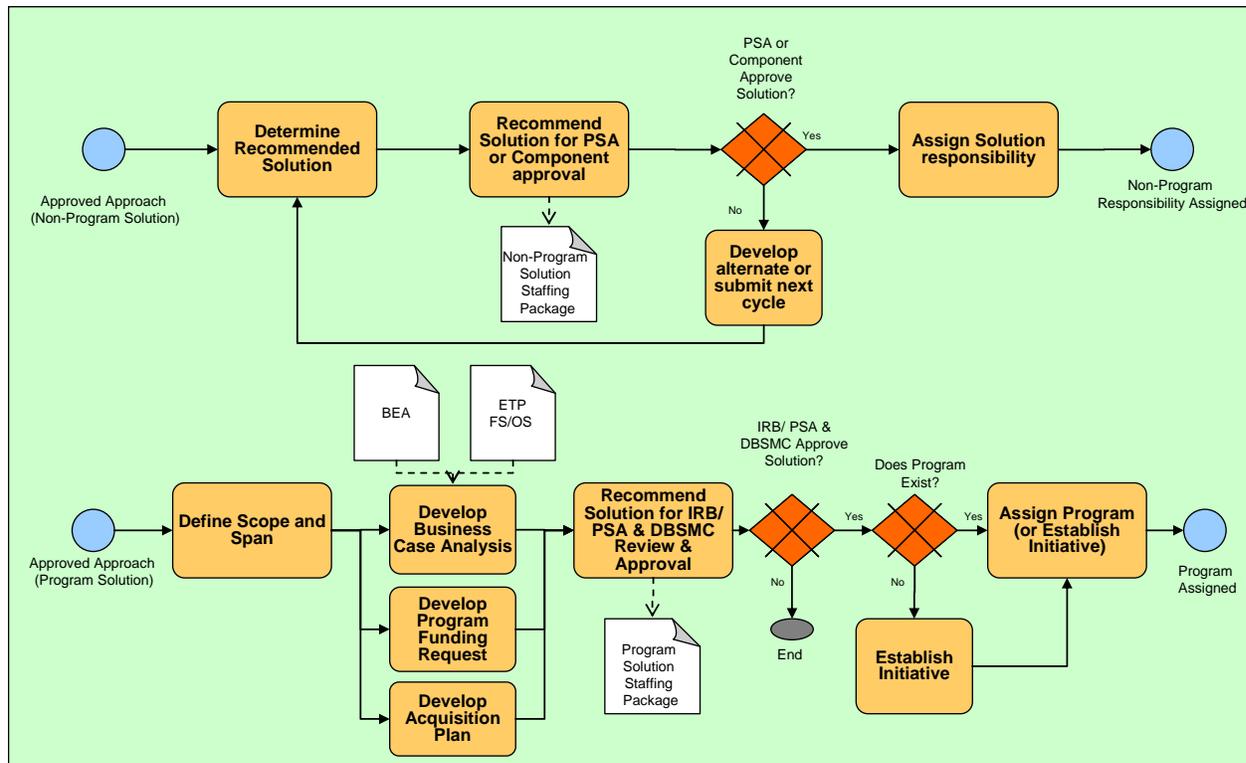


Figure 5-4, Analyzing and Approving the Solution

What is the Determination of Scope and Assignment of Responsibility? This step includes assigning responsibility to designated programs, thereby granting them the authority for assigned tasks, and accountability for results. When assigned, these programs provide input to enterprise architects and transition planners to develop architectural and planning products. Input from these key programs will improve the quality of the BEA and ETP. The authority to execute the Business Capability improvements (i.e., to expend funds) is assigned as part of the *Define and Fund Programs* step.

How are Scope and Assignment of Responsibility Determined? For each priority, the PSAs, Components, and BTA collaborate to determine functional scope and organizational span of the solutions and develop and evaluate candidate program alternatives. Note that while the actual information technology, application, or system may not be known in this step, the assigned program must have the ability to execute the required functional scope and organizational span. For initiatives, scoping and assignment of responsibilities will depend on the type and scale of the planned Business Capability improvement. Small teams within PSA, BTA, or Component staffs run some of these efforts (e.g., data standard initiatives such as Real Property Inventory Requirements). Other efforts will eventually require standing up or designating a program management office (e.g., initiatives leading to major acquisition programs such as Defense Business Sourcing Environment). After the best set of candidate programs have been determined, recommendations are forwarded to the corresponding governance for approval.

What Roles Do the Participants Play?

- E** Based on their understanding of the goals and objectives of Business Enterprise Priorities, PSAs, working with their respective IRBs and the BTA, define required functional scope and organizational span. They then identify candidate programs to be accountable for implementing each Business Capability improvement. The IRBs, working with the BTA representatives from the CBMs, assess candidate programs and, in some cases, determine that new programs are needed. CAs assign the programs; the DBSMC reviews program assignments. Once a program is assigned, PSAs, the BTA, and program managers work together to plan next steps.
- C** When Business Enterprise Priorities need a Component program to meet their objectives, Components work with the BTA to define requirements, identify candidates, and provide information on existing and new programs. For Component priorities, Components define required functional scope and organizational span and then identify candidate programs to be accountable for implementing Business Capability improvements.
- P** Program managers provide program information to enable informed accountability assignment. When selected, program managers begin planning for next steps by working with the BTA for Enterprise systems, the BTA for Enterprise initiatives, or their Components for Component systems or initiatives.

Table 5-4 further defines roles for the primary activities associated with the assignment of responsibility.

Table 5-4, Roles for Step 2: Analyze and Approve Solution

	Determine Functional Scope and Organizational Span	Analyze Alternatives and Identify Options	Approve Solution and Assign Responsibility
Enterprise	Define functional scope and organizational span of program	Define alternatives and options	Approve solution, assign responsibility, and review program assignments
Component	Participate in defining functional scope and organizational span of program	Participate in defining DoD Enterprise-level alternatives and options Define Component alternatives and options	Assign responsibility and approve program assignments
Program		Report program information	

To balance economies of scale, implementation risk, and the specialized needs of customers, PSAs determine whether the solution will be DoD Enterprise-wide, DoD Enterprise level, or Component level:

- **EW (Enterprise-wide) Solution:** Refers to a single solution that all of DoD uses.
- **S (Enterprise-wide) Standard:** Defines a common standard across all of DoD (Note that, generally, standards are implemented Enterprise-wide.)
- **EL (Enterprise-level) Solution:** Refers to a single solution used by DoD leadership, usually an aggregation of Component system information for oversight or external reporting
- **C (Component) Solution:** Refers to multiple solutions, with each Component providing its own solutions

5.2.1 Determine Functional Scope and Organizational Span

The PSAs, in conjunction with their respective IRBs, Components, and the BTA, determine the functional scope and organizational span of solutions that can best provide desired Business Capability improvements. The functional scope refers to particular activities (and associated processes, roles, and systems) to be transformed by a solution. The organizational span refers to those Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs that are expected to use that solution.

For each Business Capability improvement, the desirable scope and span of solution alternatives are considered in terms of functional and organizational depth and breadth. To minimize implementation risk, prevent scope creep, and maximize modularity, functional scope and organizational span should remain consistent with the core functions and users intended for the program. Generally, most solutions to improve Business Capabilities fall into one of the following categories:

- **Initiatives that become Enterprise-wide systems:** These initiatives are designed to address a particular need that over time result in creation of automated systems. The Defense Acquisition Management Information Retrieval (DAMIR) is an example of an initiative that became a system.
- **Initiatives that become Enterprise-wide data standards:** These initiatives help define DoD data naming conventions, size, format, length, or conformance to external bodies (e.g., Institute of Electrical and Electronics Engineers (IEEE)). The Standard Financial Information Structure (SFIS) is an example of an initiative that produced a data standard.
- **Component systems that become DoD Enterprise-wide systems:** Sometimes a system created by one Component for its internal use is adopted and expanded for use at the DoD Enterprise level. The Federal Technical Data Solutions (FedTeDS) is an example of a Component (Air Force) system that became a DoD Enterprise system.
- **Component systems that remain Component systems:** These systems are developed or acquired by a Component for its specific mission needs. The Navy Enterprise Resource Planning (Navy ERP) system is an example of a Component system that remains a Component system.
- **Enterprise systems with expanded scope:** Systems that are created to address a particular need DoD Enterprise-wide or Enterprise level can be expanded to address other needs. The Standard Procurement System (SPS) is an example of an Enterprise-level system with expanded scope to support additional warfighter and integration requirements.

5.2.2 Analyze Program Alternatives and Identify Options

Based on the functional scope and organizational span that has been determined, PSAs, Components, and BTA collaborate to identify, analyze, and evaluate candidate program alternatives and formulate options to achieve target Business Capability improvements. Programs that are viable candidates are assessed based on the following types of criteria:

- The functional and technical scope of the program aligns closely to needed Business Capability improvements, as defined in Step 1 (e.g., standards from the TV-1 are being addressed)
- The program has implemented (or is capable of implementing) the required technology base
- The skills of the program office match required skills for this magnitude of transformation
- The program has sufficient scale to support the organizational span
- The degree to which the program's current objectives are transformational (versus maintenance)
- The adequacy of the program's current budget
- The alignment of currently planned activities or milestones to the schedule of desired improvements
- The alignment of current scope to the Business Mission Area (rather than to the Warfighter Mission Area or Enterprise Information Environment Mission Area)
- The degree to which the program exists (rather than a more abstract concept or policy effort)

In some cases, no program meets these criteria, and a new program will be required. Additional information is available in Appendix A to assist in identification of viable programs.

5.2.3 Approve Solution and Assign Responsibility

PSAs and Components (working with the BTA) determine which organization is best qualified to accomplish the Business Capability improvement. In some cases, they determine that a new program is needed.

For system solutions, they then forward their recommendations through the investment review process to the IRB. Modifications or procurement of new systems is governed by the Defense Acquisition System (DoD 5000 series), which provides management principles and mandatory policies and procedures for all acquisition programs. Appendix A includes additional details on selecting a program.

Figure 5-5 illustrates how the steps lead from the analysis of a Core Business Mission, including identifying key issues that surface Business Enterprise Priorities, to the assignment of responsibility for providing an improved Business Capability to a particular system or initiative (program).

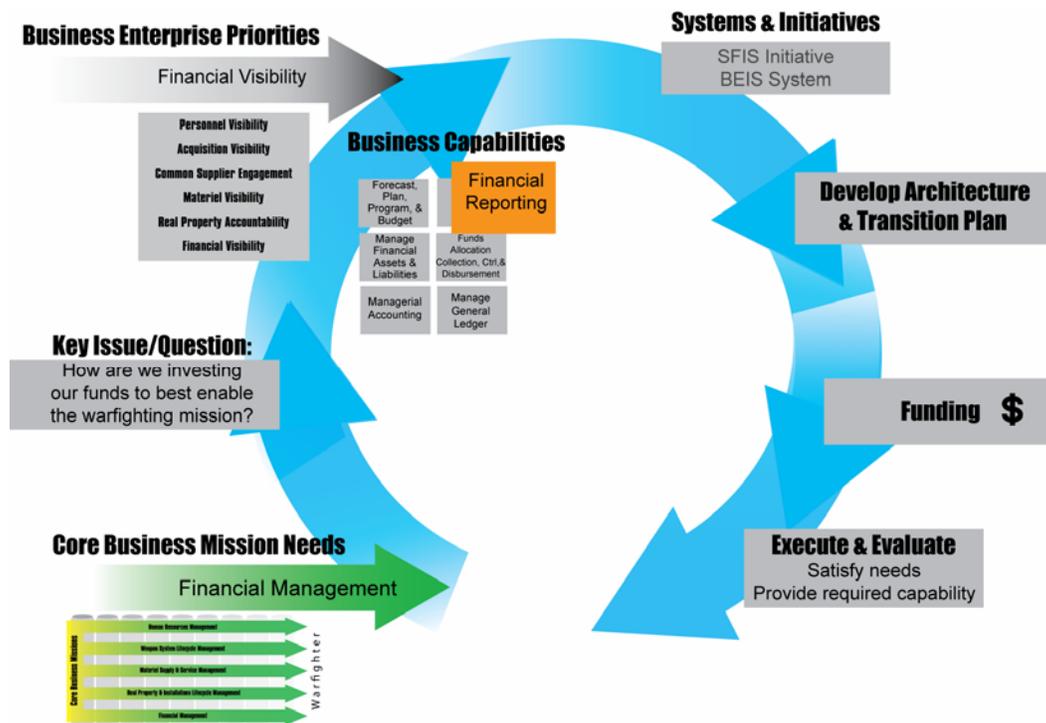


Figure 5-5, Selecting a Program to Provide a Solution

5.2.4 Identify Planning Gaps for Analyze and Approve Solution

At the conclusion of this step, responsibility assignment may contain gaps that must be addressed before the capability improvements can be achieved, such as:

- Business Capability improvements for which functional scope and/or organizational span of solutions are not determined
- Required Business Capability improvements with no satisfactory program identified to provide that capability
- Candidate programs that must be expanded significantly to completely cover the functional scope or organizational span of the required Business Capability improvements

Functional scope and organizational span for the programs providing Business Capability improvements must be determined prior to developing architecture and transition plans (Step 3). Gaps in assigning

responsibility can be addressed concurrently with development of architecture and transition plans (Step 3). However, responsibility must be assigned before the associated portions of the architecture and transition plan can be completed. The BTA coordinates definition or re-scoping of required DoD Enterprise-level programs. Components define or re-scope Component programs as necessary.

5.3 Build/Refine Required Architecture and Transition Plan

<h3>3. Build / Refine Required Architecture and Transition Plan</h3> <ul style="list-style-type: none">• Develop and refine architecture<ul style="list-style-type: none">• Build / refine architecture products required to support identified Business Capabilities• Define requirements, rules, and standards• Develop and refine transition plan<ul style="list-style-type: none">• Develop strategies• Identify schedule and milestones, resource needs, performance metrics• Integrate Enterprise and Component plans• Integrate the architecture and transition plan	<p>This step includes sub-activities to: <i>Develop and Refine Architecture; Develop and Refine Transition Plan, Integrate the Architecture and Transition Plan, and Identify Gaps.</i></p> <p>The purpose of this step is to develop architecture and transition plans that document the blueprint for DoD’s desired outcomes and the roadmap for how to achieve them. The first part of this step builds the BEA and Component architectures that document the blueprint for business activities, system functions, rules, relationships, and standards for specific Business Capabilities. The second part of this step creates an ETP and Component transition plans to serve as a roadmap for</p>
<p>improving the Business Capabilities to achieve the Business Enterprise Priorities and Component priorities.</p>	

A key purpose of the BEA is to define clear linkages among CBMs, Business Enterprise Priorities, Business Capabilities, and systems/initiatives (programs). To succeed, implementation of systems and initiatives must be tightly and precisely focused on their associated Business Enterprise Priorities, Business Capabilities, and targeted outcomes for improvements. Business Capability improvements are implemented via new or modified systems/initiatives using a solution encompassing people, process, and technology. The associated activities, system functions, rules, and standards provide the benchmark against which a solution is measured for compliance with the BEA.

The BEA aligns with Warfighter, Intelligence, and Enterprise Information Environment architectures through federation across DoD’s GIG architecture. To support this federation, the DoD CIO, in DoD Directive 4630.5 (and 4630.8), DoD Information Technology (IT) and National Security Systems (NSS) must ensure that “...integrated architectures, underpinned by the GIG Architecture, are defined, developed, integrated, coordinated, validated, synchronized, and implemented” by each DoD Component. Similarly, to promote commonality across the federal government, the BEA aligns to the Federal Enterprise Architecture via the DoD Enterprise Architecture Reference Models.

The approach to using enterprise architecture to facilitate transformation of the BMA has evolved. Under the new strategy, the approach is now capability-driven, program-enabled, and architecture-guided. The current DoD Business Transformation Approach consists of setting priorities based on warfighting needs and financial accountability, assigning programs to provide the capabilities of those priorities, refining the architecture and transition plan to support those particular decisions, funding approved programs, and then implementing transformation. In other words, DoD business transformation applies a “form follows function” principle: The architecture evolves and matures as the Department’s priorities are defined, viable programs emerge, and DoD-wide standards are instituted. This approach of identifying Enterprise-level systems that reflect DoD’s priorities in their Business Enterprise Architecture will result in fewer overlapping and outdated business systems.

Table 5-5 specifies sub-activities to develop and refine the architecture and transition plan and indicates various roles within the three levels — Enterprise, Component, and program.

Table 5-5, Roles for Step 3: Build/Refine Required Architecture and Transition Plan

	Develop/Refine Architecture		Develop/Refine Transition Plan		
	Build/Refine Architecture Products	Identify Requirements, Rules, and Standards	Develop Strategies	Identify Schedule, Milestones, Resource, Metrics	Integrate DoD Enterprise-level and Component-level Plans
Enterprise	Build, review, approve architecture products: <ul style="list-style-type: none"> • DBSMC approves BEA • PSAs define BEPs and Business Capabilities and assign accountability to address capability gaps • IRBs use BEA to support system certification • BTA coordinates content input to BEA • BTA builds BEA 	Define, manage, review, approve DoD Enterprise requirements	Define DoD Enterprise strategies	Review and approve schedule	Define ETP (integrating DoD Enterprise-level and Component plans): <ul style="list-style-type: none"> • DBSMC approves ETP; PSAs define BEP and Business Capability improvements and assign responsibility for addressing Business Capability gaps • BTA coordinates content input to ETP • BTA produces ETP
Component	Align to DoD Enterprise Architecture products Build, review, approve Component architecture products Use BEA to align with Enterprise requirements	Define, manage, review, approve Component requirements Nominate requirements to DoD Enterprise level	Define Component strategies	Review and approve schedule	Define Component transition plans
Program	Align with architecture products Build, review, approve Program architecture products	Define requirements Nominate requirements to DoD Enterprise/Component levels	Align to Enterprise /Component strategies	Define, manage, report, schedule, and perform related activities	

Public and private organizations worldwide use enterprise architectures to plan and guide the evolution and maintenance of their business processes and supporting IT systems to more efficiently and effectively achieve tactical and strategic goals. This process provides another opportunity to identify gaps and overlaps in identified solutions and may lead to revisiting the choice of a solution in the previous step.

The BEA depicts the “To Be” or target environment. The corresponding depiction of the “As Is” environment includes architectures and databases that are distributed and maintained across the BMA. The BTA will not centrally document the “As Is” or current environment of non-standard, non-integrated processes and systems across the hundreds of DoD organizations. The DoD will maintain an inventory of IT business systems to help manage the Enterprise, recognizing that capturing this inventory is a daunting task in such a large, distributed organization. In addition, detailed “As Is” products are developed *just in time* for their intended use (just prior to the corresponding development of “To Be” architecture products). These “As Is” products are a valuable source of reference during architecture development, both for revealing the root causes of material weaknesses and linking these root causes to the BEA and ETP objects most heavily influencing them. This approach not only enables greater visibility into links between gaps and BEA/ETP objects addressing the gaps but also surfaces missing links where the BEA/ETP does not address a gap.

Tiered accountability for developing and implementing architectures means that the organizations that will use these “As Is” and “To Be” architecture products will develop those products, in conjunction with the process owners. At the DoD Enterprise level, the BTA will document “As Is” DoDAF architecture products for Enterprise programs that have been integrated into the BTA portfolio. These newly captured “As Is” products are used to develop a more integrated, net-centric, target architecture that eliminates redundancies and improves efficiency and effectiveness of DoD Enterprise Business Capabilities.

5.3.1 Develop and Refine Architecture

DoD is using a federated approach to develop and refine business architectures. This federated approach for architecture contrasts with an attempt to manage a single, centralized architecture spanning the full range of functions and activities of the Department. The DoD will use a federated approach to define and enforce the interfaces between each tier, ensuring interoperability and information flow to support decision making at the appropriate level. This approach will focus architecture development on providing tangible outcomes for a specific set of priorities relevant to the applicable tiers and will produce architectures that are linked, realistic, and actionable. Organizations managing architectures in the federation (i.e., the BTA, Components, and programs) participate in producing sections of an interoperable, effectively integrated Business Enterprise Architecture Federation.

Each Component is responsible for developing its Component architecture while complying with BEA policies and requirements at the DoD Enterprise level. BEA and Component architectures together provide the required guidance as part of a federated approach (as defined in Section 3.4). In addition, the BEA is federated with the Federal Enterprise Architecture (FEA) and other external architectures.

This section provides information on how business architectures at the Enterprise, Component, and program levels are developed, refined, and integrated. Architecture refinement supports the desired outcomes, Business Capability gaps, improvements, and decisions defined in Step 1 and 2. Architecture can often help close these Business Capability gaps by depicting revised laws, regulations, policies (LRP, processes, rules, data standards, or systems to support Business Capability improvements. In addition to Business Capability gaps, the architecture also must address requirements generated from architectural usage gaps identified by users of the architecture (e.g. Program Managers, System Integrators, and Component Architects).

5.3.1.1 Develop the Business Enterprise Architecture

DoD Enterprise-level leadership collectively builds the BEA to set the overarching rules of the federated BEA for the BMA. The BEA provides the architectural framework for the Department’s business information infrastructure. The BEA is being built in successive releases to support identified improvements for selected Business Capabilities. The BEA:

- Defines the target state and tiered accountability for planning and implementing transformation
- Clarifies system functional scope and provides criteria for IT investments in the IRB process
- Enables interoperability, data accuracy, and data reliability by providing policy, process, data, business rules, and other types of standards

- Provides context to help everyone from policy makers to system developers understand implications of requirements and business rules

What is the BEA? The BEA is a tool to capture the DoD Enterprise vision of the “To Be” state in the form of detailed products that describe each Business Enterprise Priority. The BEA is a blueprint to guide and constrain investments in DoD organizations and systems as they relate to business operations. It provides the basis for planning, development, and implementation of business management systems that comply with external laws and requirements, federal mandates, policies, and standards and produces accurate, reliable, timely, and compliant information for DoD staff. The BEA serves as a critical benchmark against which the DBSMC and IRBs assess and certify proposed business systems. As the BEA evolves, it will depict additional net-centric concepts such as authoritative data sources and enterprise services.

How is the BEA Developed? In order for the BEA to support the intended uses it must contain the right balance of technical integration and standardization content, Business Capability content, and enterprise system and services framework content to describe the target environment. As a result, the BTA is adopting a “top-down and bottom-up” approach to architecture development as shown in Figure 5-6 below.

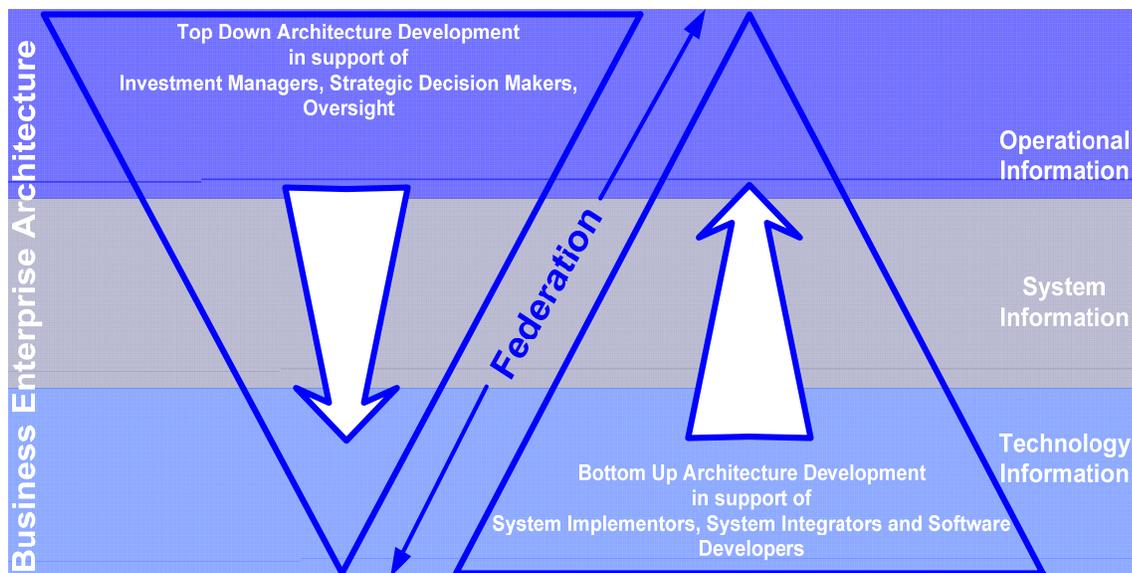


Figure 5-6: BEA Development Approach

The “top-down” portion of the approach pertains to architecture development from a strategic perspective. It entails the identification of Business Capability gaps and improvements and using these gaps and improvements to guide architecture content for a particular release. In this context, architecture content is developed starting with the Business Capabilities and builds out the necessary operational, system, and technical view information to support the appropriate stakeholders.

The “bottom-up” portion of the approach pertains to architecture development and implementation from a tactical perspective. As previously mentioned, this provides support to engineering of solutions through alignment to BEA requirements. The solutions being engineered and architected equate to the systems developed and implemented at the Component level and at the Enterprise level (i.e., Defense Business Systems Acquisition Executive (DBSAE) systems). In this approach, the systems are being used to drive the proper Systems View (SV) information and products that complement the Operational View (OV) information generated via the “top down” portion of the approach. This information will be used to determine the appropriate structure of architecture content from the systems or bottom up perspective ensuring that the BEA is moving toward becoming an implementable architecture. Finally, this SV architectural information shall be federated to the BEA and owned and maintained by the respective Components and DBSAE thus enforcing tiered accountability.

For the “top-down” portion of the approach, the BTA works with the lead PSA staff to identify and define the Business Capability improvements to be included in each BEA release. This information is provided in the form of Business Enterprise Priority Definition and Business Capability Profile forms (see Appendix A) as input to detailed BEA release planning and development activities. Integrated product development teams comprising content providers and architecture builders are then established for each Business Enterprise Priority or planned Business Capability improvement and work collaboratively in architectural workshops to assemble and integrate BEA products. This approach, defined by the Business Enterprise Priorities and associated Business Capability improvements, enables the BEA to develop and expand in a controlled and consistent fashion. The framework and architecture products developed for the BEA have the potential to be extended to all Defense business systems and initiatives as priorities as their associated capabilities evolve. For more detail, see the *BEA Architecture Development Methodology*, associated *Architecture Product Guides*, and Appendix B.

For the “bottom-up” portion of the approach, the BTA works with the DBSAE and Enterprise program managers, system integrators, and Component architects to determine the architecture usability improvements required.

BEA products are developed using a spiral approach to architecture development. Figure 5-7 presents the necessary and sufficient set of DoDAF products to meet BEA objectives and the development sequence deployed during each BEA release. A spiral approach allows the architecture to evolve through the successive application of business analysis and modeling. Cycles of analysis occur, each building on the previous one, until development is complete. A cycle equates to the development of the products for an individual Business Enterprise Priority or planned capability improvement. These products are then integrated across Business Enterprise Priorities and the current BEA baseline is updated. Although the DoDAF allows for 26 architecture products, the BEA uses a selected set of DoDAF architecture products. Over time, this product set may be extended.

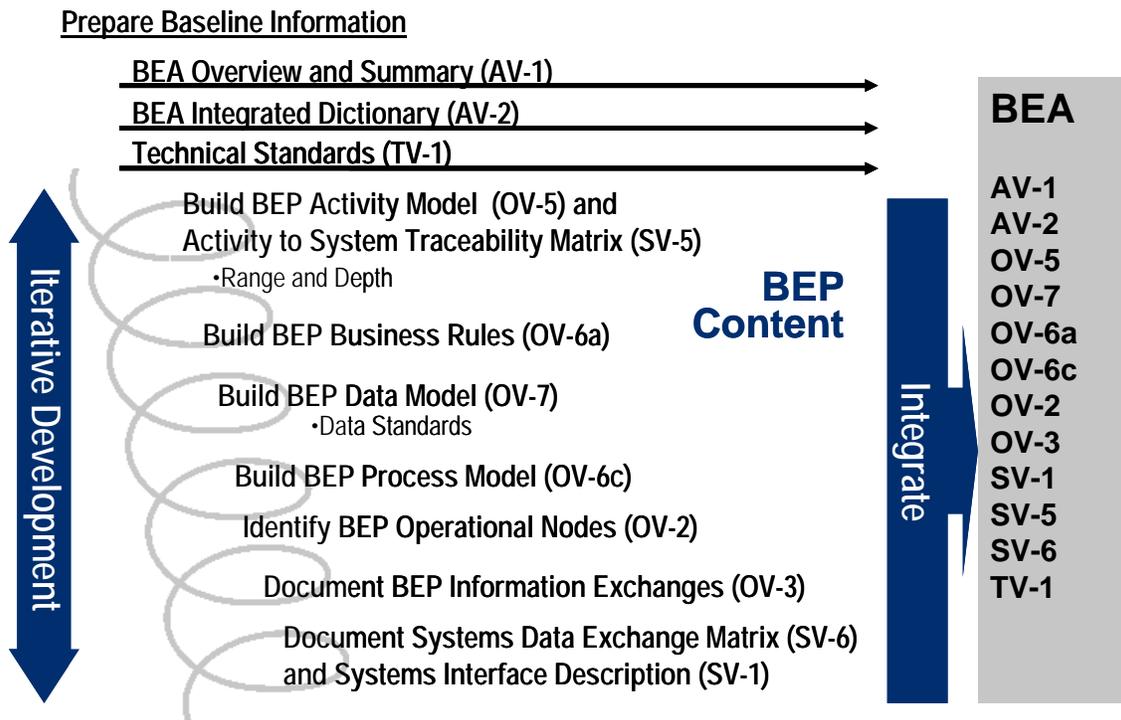


Figure 5-7, BEA Spiral Development

Figure 5-8 provides the types of information available within each of the BEA products by showing the questions that each product is designed to answer.

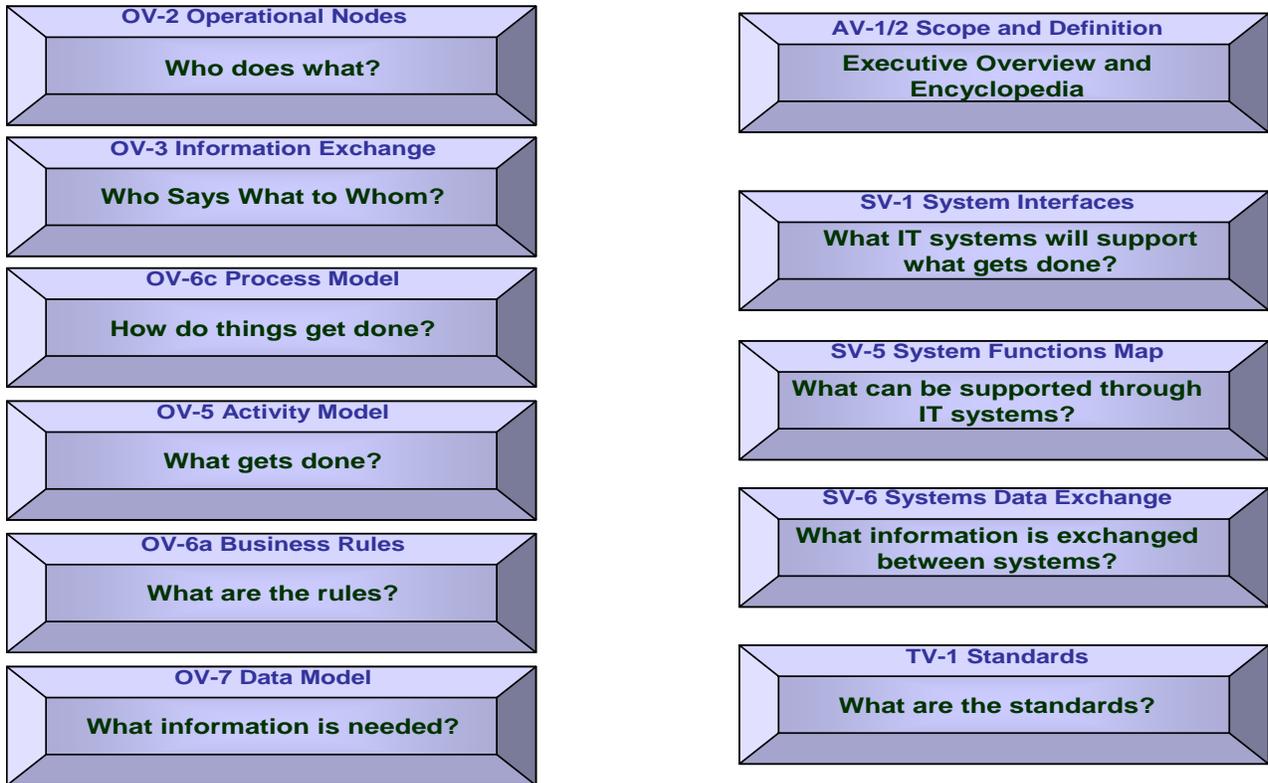


Figure 5-8, Uses of BEA Products to Answer Questions

The seven steps for creating the BEA are known as the “End-to-End” Development Approach. Figure 5-9 depicts the seven step process that is employed for each release of the BEA.

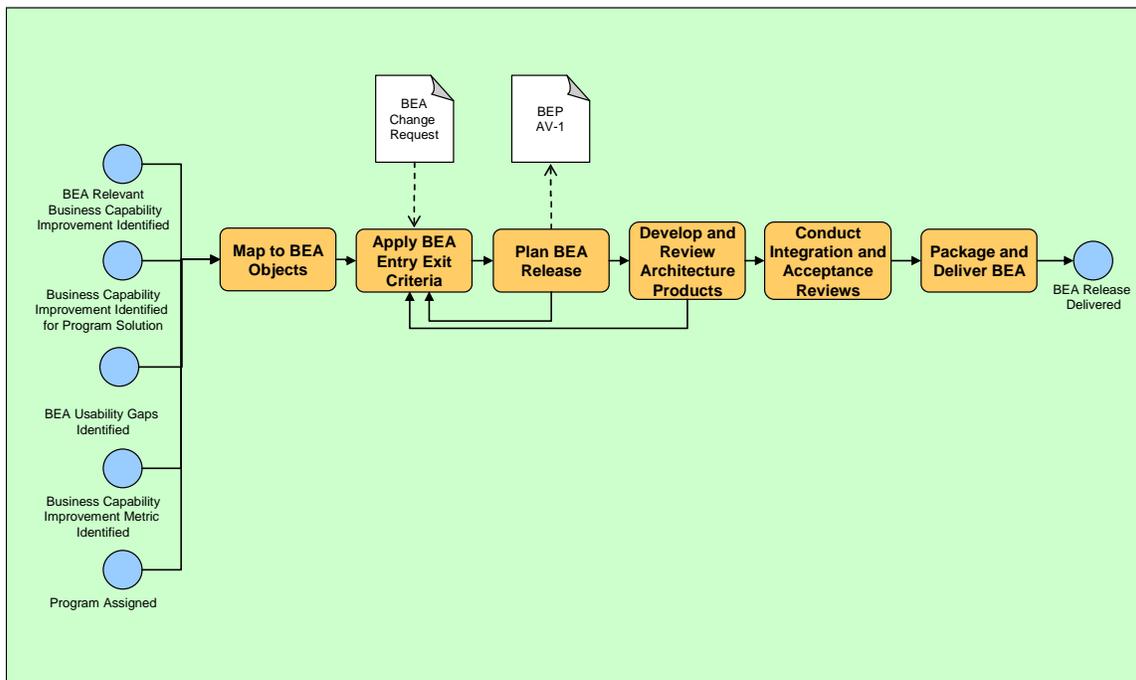


Figure 5-9, BEA End-to-End Development Approach

BEA Step 1 — Map to BEA Objects: Translate the candidate requirements into specific architecture changes that would address the requirement.

BEA Step 2 — Apply BEA Entry and Exit Criteria: Complete an architecture change request and follow entry/exit criteria process to get the change prioritized and approved. From a top-down perspective, the entry and exit criteria ensure that BEA content is based on new Business Capabilities being added or existing Business Capabilities being improved as a result of the proposed changes. This ensures that each version of the BEA is progressing toward supporting the Department’s transformational goals. From a bottom-up perspective, the entry and exit criteria ensure that other proposed content (not Business Capability improvement related) is based on improving the BEA’s ability to support implementation (i.e., does it support federation, system implementation, system integration, or incorporation of better system-level requirements).

BEA Step 3 — Develop Scope for the BEA Release: Starting with the Business Capability improvements identified for the release, a Business Enterprise Priority Scoping Overview and Summary Information (AV-1) document is developed to describe the scope of planned changes with respect to each Business Enterprise Priority. The release scope or content to be added or refined during the release is characterized as one or many planned capability improvements.

BEA Step 4 — Plan BEA Release: The architecture products that need to be updated to implement each planned capability improvement are identified. A project plan is developed that allows each architecture product to stabilize with updates from one planned capability improvement before updates begin in support of another planned capability improvement. The OV-5, OV-6c, and OV-7 must stabilize to enable finalization of the OV-2 and OV-3. SV products are finalized after development is complete on the OV products (see the *BEA Architecture Development Methodology* for a sample BEA release timeline.)

BEA Step 5 — Develop and Review Architecture Products: To close Business Capability gaps, the BTA works with policy makers to address underlying problems, then enhances the BEA to re-engineer processes, create data standards, and depict the improvement. To close architectural usage gaps, the BTA works with architecture users to depict information in the BEA at more useful levels and formats. In both the top-down and bottom-up approach, the impacted architecture products are developed for each planned capability improvement in workshop environments using the spiral development approach depicted in Figure 5-7.

The top-down approach for product development for each BEA deliverable takes into account the dependencies among products so that core products are developed and stabilized prior to starting on derived products. In order to accomplish this, the general rule of thumb is:

- The OV-5 is generally the first product to be developed (or updated) in the workshops for each planned capability improvement.
- Once the OV-5 is stabilized, development of the OV-6a, OV-7, OV-6c, and SV-5 begins.
- Once these core products are stabilized, the derived products (the OV-2, OV-3, SV-1, and SV-6) are developed and integrated into the architecture.

The bottom-up aspect of the approach entails the use of the systems implemented via commercial-off-the-shelf (COTS) software, systems owned by the DBSAE and services implemented within Components/ programs as the foundation of the System View information for future BEA releases. The Federation and Enterprise Integration (EI) Teams will identify opportunities for common data and enterprise services using the DBSAE systems and systems implemented using COTS software. Information gleaned from the research conducted on these systems will be used to shape BEA content from the system level back through to the Business Capabilities supported by the systems. This type of bottom-up approach emphasizes the need for a lower level of detail within the architecture content. It also requires earlier and more frequent collaboration with the Components. The approach also places additional requirements on architecture content such as:

- Tighter linkage between systems, data exchanged between systems and the enterprise data of the logical data model
- Key business rules standardized across the enterprise
- Federation of DBSAE systems which drives content leveling
- Information assurance attributes to be added to information exchanged between systems
- Future addition of new systems view information

These products are then integrated across Business Enterprise Priorities and the current BEA baseline is updated. A product review is conducted on the changes to ensure the updated product meets the intent of the planned capability improvement. The product is also checked for intra-product integration and consistency with the *Architecture Product Guidelines*.

BEA Step 6 — Conduct Integration and Acceptance Reviews: As products are stabilized, they enter a formal review process. Draft HTML is generated and reviewed along with the updated architecture. Links to the Draft ETP are developed and tested. During this period, the BEA is socialized with appropriate stakeholders, such as PSA organizations, CBM leadership, and Component representatives.

BEA Step 7 — Package and Deliver BEA: At this point in the release cycle, the BEA has been accepted by the Business Enterprise Priority leads and is pending DBSMC acceptance. The BEA HTML is then integrated with other deliverables, including the ETP, and tested. At the successful conclusion of testing, the BEA is delivered to the DBSMC for approval. Upon approval, it is posted to the BTA web site.

What Roles Do the Participants Play? The BTA is responsible for developing, maintaining, aligning, and federating the BEA, while the Components are responsible for their own Component architectures, in accordance with a tiered accountability approach.

B BTA functional experts, architects, and integrators develop the BEA, with input from PSAs, BTA leadership, and Components. IRBs approve the BEA Compliance Guidance, which specifies how the BEA serves as criteria for investment review. The DBSMC approves the BEA.

C Components provide BEA inputs in the form of requirements, best practices, rules, and standards. Components review and provide feedback on BEA and proposed BEA changes. Components maintain their own Component architectures, which are integrated with the BEA.

5.3.1.2 Component Architecture

Components are responsible for defining a Component architecture associated with their own tier of responsibility while complying with BEA policy and requirements at the DoD Enterprise tier. A Component's architecture provides a single authoritative strategic map of future business practices, systems, and organizations for their Component.

5.3.1.3 Program Architecture

Programs Managers are responsible for developing program-related architecture products in alignment with the BEA and appropriate Component architecture. Based on the assigned program's accountability to provide specific capabilities, the designated program takes the lead in establishing the necessary architecture products, working with the BEA and Component architecture products.

5.3.1.4 BEA Federation

Each organization develops its architecture in alignment with the Enterprise view and overarching rules of the federation. The BEA is itself federated with the FEA and other external architecture. Each Component

and program focuses on its respective mission and on building out architecture that supports that mission while aligning to the BEA. The extended BEA, or BEA Federation, is created by mapping the Component architectures and program architectures to the BEA as described in the *BMA Federation Strategy (Draft Version 1.0, May 31, 2006)*.

The DoDAF is DoD's architecture framework. DoD develops BEA products based on DoDAF Version 1.0 and references drafts of DoDAF Version 2.0. Table 5-6 lists DoDAF-based architecture products at the Enterprise, Component, and program levels. The BMA has selected the subset of products to provide guidance and context for Business transformation.

Additional columns identify the minimal set of Component and program-level products expected, based on the essential DoDAF products and the products that are required at the program level for new acquisition programs, based on CJCSI 6212.01C, *Interoperability and Supportability of Information Technology*. Note the program architecture column represents the full list as specified in the JCIDS instruction and does not attempt to relate to specific stages of program maturity.

Table 5-6, Tiered Architecture Products

Product	Product Name	BEA	Component EA*	Program Architecture **
AV-1	Overview and Summary Information	X	X	X
AV-2	Integrated Dictionary	X	X	X
OV-1	High-level Operation Concept Graphic			X
OV-2	Operational Node Connectivity Description	X	X	X
OV-3	Operational Information Exchange Matrix	X	X	X
OV-4	Operational Relationships Chart			X
OV-5***	Operational Activity Model	X	X	X
OV-6a	Operational Rules Model	X		
OV-6c	Operational Event-Trace Description	X		X
OV-7	Logical Data Model	X		
SV-1	Systems Interface Description	X	X	X
SV-2	Systems Communications Description			X
SV-3	Systems-Systems Matrix			X
SV-4	Systems Functionality Description			X
SV-5***	Operational Activity to Systems Function Traceability Matrix	X		X
SV-6	Systems Data Exchange Matrix	X		X
SV-8	Systems Evolution Description	X (in ETP)		
TV-1***	Technology Standards	X	X	X
TV-2	Technology Standards Forecast		X	

* DoDAF essential

** Required by CJCSI 6212.01C, dated November 20, 2003

*** Required by IRB Concept of Operations, June 2005

5.3.1.5 Define Requirements, Rules, and Standards

The BEA development process applies engineering rigor to guide the achievement of priorities through Business Capabilities that encompass authoritative requirements, rules, and standards. Compliance requirements are the mandatory laws, regulations, and policies with which DoD people, processes, and

systems must be in compliance. Such compliance requirements are both federal-wide and/or DoD-specific and are not discretionary. The BEA Laws, Regulations and Policies (LRP) Repository includes constraints mandated by various offices within the OSD that apply to the entire enterprise. They may be in the form of regulations (e.g., Treasury Financial Manual (TFM), U.S. Standard General Ledger (USSGL), OMB Circulars, Memoranda, Federal Acquisition Regulations, and the DoD Financial Management Regulation (FMR)), DoD Instructions or Directives, or policies issued in memoranda or other issuances. As the DoD reference model for business processes and systems development or modifications, the Business Process Model (BPM) contained in the BEA must identify the mandatory laws, regulations, and policies and the alignment of such constraints with specific business processes. The BPM also must identify other relevant architecture products such as business activities, system functions, or information exchanges. These constraints are documented in various architecture products, including the OV-5 Operational Activity Model, the OV-6a Business Rules, the OV-7 Logical Data Model, and the TV-1 Technical Standards.

The BEA reflects laws, regulations, and policies imposed from both internal and external sources that pertain to the Business Enterprise Priorities. These constraints are not static; therefore, a process is required to maintain the BEA's conformance with authoritative changes as they evolve over time. This process must monitor for changes in external and internal authoritative sources and incorporate validated, relevant changes into the architecture. Laws, regulations, and policy changes must be properly represented in their relevant architecture products, categorized, and recorded in the BEA baseline LRP Repository. The LRP Repository information and its mappings identify the policy constraints to DoD activities and business processes. This information is used to derive business rules in the architecture. Both the constraints and business rules are used as criteria for investment review.

Capturing policies, procedures, and instructions at the appropriate level to support "To Be" architecture development and transition planning activities is a key enabler of transformation. The "To Be" enterprise architecture development effort leverages knowledge of the "As Is" environment to address capability gaps, material weaknesses identified by government audits, and authoritative constraints with which the BEA must comply and to capture leading practices. This information guides the definition of target business practices, associated roles, and the system functions to support them. The defined target environment guides identification of relevant technical standards and associated GIG Enterprise-level services.

BEA requirements, rules, and standards fall into three broad categories:

BEA LRP Repository Sources (DoD Enterprise requirements for which the BEA provides context)

- U.S. Title Code or Executive Orders that direct action by the Secretary of Defense
- Regulatory guidance applicable to DoD (e.g., OMB, GAO audits, etc.)
- Secretary of Defense guidance issued to DoD

BEA Architecture Sources (DoD Enterprise requirements to which all levels of architecture must conform)

- New or changed architecture standards and guidance (e.g., GIG, DoDAF)
- Proposed new or modified BEA artifacts, that is, files and objects within the architecture's OV-SV-TV products, including OV-6a Business Rules

BEA Technical Sources (DoD Enterprise technical requirements)

- Proposed new or modified BEA TV-product technical standards
- Technically oriented system functional requirements

5.3.2 Develop and Refine Transition Plans

DoD's approach for transition planning follows the steps described earlier: Step 1) selecting priorities and identifying the Business Capabilities improvements necessary to achieve the goals; Step 2) assigning program responsibility for implementing Business Capability improvements; and Step 3) defining the target architecture to support these improvements, along with the required program resources, milestones, and metrics – documenting Business Capability gaps during all three steps.

Transition planning takes place at the Enterprise, Component, and program levels. Transition plans at all tiers of the BMA are aligned to the Core Business Missions of the Department. The ETP summarizes all levels of transition planning information (milestones, metrics, resource needs, and system migrations) as an integrated product for communicating and monitoring progress --- resulting in a consistent framework to set priorities and evaluate plans, programs, and investments. Each Component develops its own transition plan, providing the details to achieve the “To Be” vision for its unique mission. Programs assigned in Step 2 also develop plans to meet their program objectives. Program plans must align with the ETP and Component transition plan milestones and performance targets.

What is a Transition Plan? A transition plan is a roadmap from the current to the target state. For DoD business transformation, transition plans are developed at DoD Enterprise, Component, and program levels to describe the “who, what, how, when, and how much” of improving Business Capabilities to achieve priorities. Transition plans describe and guide transformation for each capability.

Transition plans document the high-level transformation decisions made in Steps 1 and 2 and articulate a vision for the overall transformation effort. The transition plan tells a story about what has already been accomplished, what the impact of those accomplishments are, and what is planned for the future.

- At the DoD level, plans focus on the achievement of Business Enterprise Priorities, associated Business Capabilities, and the Enterprise systems and initiatives targeted to improve capabilities.
- At the Component level, plans focus on achievement of Component priorities, associated Component Business Capabilities, and the Component systems and initiatives targeted to improve those capabilities. Additionally, Component transition plans indicate how Component efforts support the Business Enterprise Priorities and associated Business Capabilities.
- At the program level, transition plans provide details on program objectives, risks, milestones, costs, system migrations, metrics, and other planning information.

How are the Transition Plans Developed?

The scope of a transition plan is based on decisions made in Steps 1 and 2. Once that scope is set, transition planners determine what elements will help to tell their story, such as success stories, objectives, accomplishments, impacts, benefits, and near-term plans. At the Enterprise level, the BTA transition planning team sends out formats to ensure that Business Enterprise Priorities and Components tell their stories in a consistent manner. Components may follow a similar process to collect and present information across that Component.

In addition to telling the story through narrative, the transition plan includes detailed program information. The following steps describe DoD’s generic process for gathering and consolidating that information:

1. Document the milestones, metrics, resource needs, and system migration information, drawing from authoritative sources.
 - For example, use the DITPR as the source for system descriptions and functions and SNaP-IT for program budget information.
2. Identify dependencies among programs, shortfalls in planned capability improvements, discrepancies, and integration issues between Enterprise and Component planning. Resolve discrepancies and issues with owners of this information via authoritative sources.
 - For example, when programs provide a shared service such as a required function or key element of data, that shared service must be deployed prior to other systems’ use of that service.
 - When existing program plans have less comprehensive capability improvements or otherwise incompletely address the architected target state, identify and address these shortfalls.
3. Consolidate plans into a single transition plan for each Component and an integrated Enterprise Transition Plan that summarizes all levels of transition plans.

Appendix B contains additional details on transition planning product development.

To better manage achievement of priorities and to organize milestones, resources, and metrics, transformation includes the full spectrum of DOTMLPF activities defined in JCIDS. Organizations and programs use DOTMLPF activities to help ensure a comprehensive approach for achieving Business Enterprise Priority objectives. For example, DOTMLPF activities help determine scope and evaluate alternative initiatives to support the solution. Table 5-7 depicts the JCIDS DOTMLPF activities and examples of corresponding business transformation activities.

Table 5-7, Business Transformation and Corresponding DOTMLPF Activities

DOTMLPF Activities	Business Transformation Activities (Examples)
Doctrine	<ul style="list-style-type: none"> • Update policies, directives, and instructions
Organization	<ul style="list-style-type: none"> • Restructure OSD business transformation organization • Align Enterprise and Component organizations as necessary to achieve capabilities
Training	<ul style="list-style-type: none"> • Reflect business transformation changes in course curricula
Materiel	<ul style="list-style-type: none"> • Acquire and implement system solutions, modify systems, terminate systems
Leadership	<ul style="list-style-type: none"> • Communicate how business transformation is vital to DoD’s warfighting mission • Balance the overall needs of DoD with the individual Component needs • Apply incentives for change and enforce accountability for change at all levels
Personnel	<ul style="list-style-type: none"> • Change personnel roles • Provide incentives for desired behavior
Facilities	<ul style="list-style-type: none"> • Align with Base Realignment and Closure (BRAC) decisions • Assess impact of business transformation changes on facilities requirements

What Roles Do the Participants Play? The PSA organizations, Components, and BTA share joint responsibility for preparing inputs for the ETP. Individual responsibilities are described below.

E Conduct transition planning to provide the information (including specifics on Enterprise systems and initiatives to achieve Business Enterprise Priorities) to be incorporated in the ETP. Each PSA works with Components to integrate Component aspects of Business Enterprise Priority plans into the ETP. If discrepancies exist among Component and Enterprise plans, the PSA is responsible for resolving these issues, and the BTA is responsible for rendering a synchronized plan. The BTA and the appropriate PSAs define milestones and coordinate status updates for milestones. IRBs and CAs review ETP criteria. The BTA integrates Enterprise and Component transition planning inputs to create the ETP. The DBSMC reviews and approves the ETP.

C Components develop their own transition plans to implement the “To Be” vision documented in their Component architectures. Components create and maintain Component transition plans that present the transformation vision and goals for that Component. Component transition plans identify their own Component priorities and capture information on how transformational systems and initiatives support Component priorities and Business Enterprise Priorities. Components provide information on schedules, milestones, resource requirements, metrics, and related items to integrate into the ETP.

P Programs develop their own plans to implement their objectives. For programs assigned a role in DoD business transformation, the program managers provide specific cost, schedule (milestones), performance, and migration information to the appropriate Component for Component programs or to the Acquisition Executive in the PSA or the BTA as appropriate for Enterprise programs.

Table 5-8 identifies key categories of transition planning products across the BMA. It shows where Component and program transition plans provide the details (and additional products) that augment the

ETP. For each category, the table indicates the appropriate levels at which the data are developed, maintained, and delivered.

Table 5-8, Tiered Transition Plan Products

Product	Enterprise Transition Plan			Component Transition Plans *	Program Plans *
	DoD Enterprise	Component	ETP Locations		
Narrative overview of transformation	X	X	Narrative	X	X
Definition of priorities	X	X	Narrative	X	
Business Capability definitions	X	Future	Appendix E	X	X
Strategy for implementing Business Capability improvements	X	X	Narrative Appendix E	X	X
System objectives	X	X	Appendices A, B, and System Dashboards	X	X
Summary charts per system/initiative (covering objectives, benefits, and milestones)	X	X	App A, B, and System/Initiative Dashboards	X	X
Transformation schedule / milestones	X	X	Narrative Appendices A, B, C, D, G, H, J and System/Initiative Dashboards	X	X
System migrations/terminations	X	X	Narrative Appendices G and H	X	X
Resource requirements/Summary budget information	X	X	Narrative Appendices A, B, and I	X	X
Actual costs	X	X	Narrative Appendices A, B, and I	X	X
Business Capability metrics	X		Narrative Appendix E	X	X
Performance metrics (Component)			Appendix F	X	X
Performance metrics (System)	X		Appendix K	X	X
Cost/Benefit analysis			N/A		X
Risks			N/A		X
Master List of Systems and Initiatives	X	X	Master List of Systems and Initiatives	X	X
Data strategy*			N/A	X	X
“As Is” to “To Be” gap analysis *	X		BEA/ETP HTML	X	X

Product	Enterprise Transition Plan			Component Transition Plans *	Program Plans *
	DoD Enterprise	Component	ETP Locations		
Compliance Plan*			N/A		X
Incentive Plan*			N/A	X	
Education and Training Plan*			N/A	X	X
Change Management Plan*			N/A	X	X
Data Migration Plan*			N/A	X	X
Infrastructure Migration and Application Integration Plan*			N/A	X	X

* Recommended to develop; not submitted to BTA

5.3.2.1 Enterprise Transition Plan

The Enterprise Transition Plan lays out a roadmap for achieving DoD's business transformation by implementing changes to technology, process, and governance. The ETP contains time-phased milestones, performance metrics, and a statement of resource needs for new and existing systems that are part of the BEA. The ETP also includes a termination schedule for those legacy systems that will be replaced by systems in the target BEA environment. Consistent with tiered accountability, the DoD Enterprise-level transition planners focus on programs at the DoD Enterprise level that support the Business Enterprise Priority and on Component programs that play a role in achieving the Business Enterprise Priority. Programs that are outside the current scope and organizational span of the BEA are managed within Component transition plans and summarized in the ETP. A current copy of the ETP can be found at:

http://www.dod.mil/dbt/products/Sept-06-BEA_ETP/index.htm

Each September the BTA publishes the ETP, which, consistent with tiered accountability, contains the DoD Enterprise-level program baseline for the upcoming fiscal year. The ETP includes the planned costs, schedule, and performance for DoD Enterprise and Component-level business transformation programs. Each year, the September ETP provides the starting point against which the Department measures progress during the fiscal year. The March Congressional Report reflects updates to the previous September ETP and provides a status against the September ETP.

5.3.2.2 Develop Strategies

Developing transition strategies is a top-down process. At the DoD Enterprise level, these strategies will be developed by the PSAs. Each Component will develop complementary strategies for Business Capabilities that will be managed at the Component level. The ETP reflects both the strategies developed for implementing each Business Capability and each solution (system or non-system) at the DoD Enterprise level as well as complementary Component strategies. These strategies reflect the functional scope and organizational span of each solution, the programs assigned to deliver the solution, the description and objective of the system/initiative, its approach, and its benefits.

5.3.2.3 Identify Schedule and Milestones, Resource Needs, and Metrics

The ETP presents an overview and details for transition schedules and milestones, resource needs, and metrics. The ETP captures cost, schedule, and performance information that the Department is using for planning purposes to implement specific capabilities. It includes the overarching strategy for acquiring each new business system. The ETP lists legacy systems (with milestones), including those systems that are scheduled for termination and those that will migrate to a viable legacy or new system. The ETP includes

metrics and resource needs for systems that are new or undergoing modification for those systems identified in the plan as target transformational. The ETP also identifies various non-system solutions to achieve business transformation and the resources for implementation.

The ETP employs the concept of tiered accountability for this information. The BTA will oversee DoD Enterprise-level systems and report their cost, schedule, and performance information. Components will produce transition plans that capture schedules, including key milestones for Component-wide solutions, their resource needs, and high-level performance metrics.

The ETP will mature over time as more transformation decisions are made and more accurate cost, schedule, performance, and migration information is obtained. The following are primary catalysts for ETP revisions:

- **DBSMC decisions** on new or expanded Business Enterprise Priorities
- **IRB decisions** on IT investments
- **Component decisions** on new or expanded Component priorities
- **Component decisions** on IT investments and program scope
- **Program decisions** on milestones for systems migrations and terminations

Appendix D depicts specific types of information located in the ETP and its appendices. Appendix D provides a synopsis of the ETP work products with a focus on how each product in the appendices is used. The products in the ETP contain the details of the transition, including:

- Milestone charts for each key Enterprise- and Component-level system/initiative and BTA management
- Business Enterprise Priority relationship to the BEA
- Business Capability improvements and metrics
- Systems/initiatives mapped to Business Capabilities
- System/initiative “Quad Charts” that include a description and objective of the system/initiative, its approach, its benefits, and near-term milestones
- A list of DoD Enterprise and Component target business systems and initiatives
- The System Evolution Description (SV-8), showing migration of legacy systems and key milestones
- Summary budget information for Enterprise- and Component-level systems and initiatives, as well as budgets for Enterprise transformation support

5.3.2.4 Component Transition Plans

Component transition planning undergoes similar stages of definition and development as those described for the ETP. Although the specifics of a Component transition plan will differ from one Component to the next, the typical products are presented in Table 5-7.

5.3.2.5 Integrate DoD Enterprise-Level and Component-Level Plans

To integrate DoD Enterprise and Component plans, transition planners at Enterprise and Component levels will collaborate to eliminate discrepancies and to identify:

- Well-defined priorities between Enterprise and Components to ensure they are complementary and not overlapping
- Specific Component systems required to achieve Business Enterprise Priority objectives
- Well-aligned metrics
- Explicit dependencies between programs where they exist
- Consistent functional scope and organizational span for planned systems ensuring no user will have two systems performing the same function

5.3.3 Integrate the Architecture and Transition Plan

At the DoD Enterprise level, it is essential that the BEA and ETP are coordinated during development in order to be integrated and consistent. Integration is performed as an ongoing process to continuously build and refine both key products in a synchronized fashion. Essentially this is a process to ensure the following:

- BEA AV-1 (Overview and Summary Information) and ETP reflect consistent goals and objectives.
- Business Capabilities as defined in the BEA and ETP are identical and support both the ETP and BEA goals and objectives.
- Business Capability improvement metrics as defined in the ETP support the ETP and BEA goals and objectives.
- Business Capabilities are appropriately represented in the BEA via the OV-5 (Operational Activity Model) and the SV-5.
- Systems identified in the ETP and the BEA SV-5 (Operational Activity to System Function Traceability Matrix) are identical and support the appropriate Business Capabilities.

The integration of the architecture and transition plan is accomplished via collaboration and integration tools. The Round Trip Matrix and Transition Element Matrix are integration tools that facilitate alignment between various elements of the BEA and ETP. The Round Trip Matrix links the CBMs, Business Enterprise Priorities, Business Capabilities, Enterprise programs (systems and initiatives), and the required DOTMLPF activities. This matrix represents an end-to-end linkage of key elements in achievement of Business Capabilities. The Transition Element Matrix compares the goals/objectives, Business Capabilities, and systems in the ETP and BEA. Further BEA/ETP integration details can be found in Appendix C.

Component architecture and transition plan integration processes will be similar.

5.3.4 Identify Planning Gaps for *Build/Refine Required Architecture and Transition Plan*

At the conclusion of this step, the architecture and transition plan may contain gaps that must be addressed before the full capability improvements can be achieved, such as

- Incomplete or non-integrated architecture products required to describe the Business Capability improvement
- Incomplete requirements, rules, or standards
- Incomplete, non-integrated, or missing transition planning data, such as program milestones, metrics, and resource needs
- Incongruent information between the architecture and transition plan
- Incongruent information between the DoD Enterprise level and the Component level (architecture or transition plan)

Gaps in development of architecture and transition plans are addressed over a series of architecture and transition plan releases. To close these gaps, the BTA works to eliminate discrepancies, de-conflict incongruent information, and reflect synchronized Component and Enterprise information in the BEA and ETP. Components close gaps in an analogous process.

5.4 Define and Fund Programs

4. Define and Fund Programs

- Engineer the solution aligning with BEA Requirements
- Develop required acquisition documentation
- Review / certify that programs align with priority objectives and capabilities (IRBs)
- Align resources with PPBE
- Integrate definition and funding processes

Define and Fund Programs includes sub-activities to: *Engineer the Solution; Develop Required Acquisition Documentation; Review and Certify Selected Programs; Align Resources with PPBE; Business Capability Lifecycle; Integrate the Definition and Funding Processes; and Identify Gaps.* The goal of this step is to leverage DoD transformation and acquisition processes to engineer solutions that will meet targeted outcomes and to optimize investment decisions.

What Does it Mean to Define and Fund Programs? This step uses information from previous steps (priorities, decisions on functional scope and organizational span, architecture products, and transition plans) to develop executable programs and begin the process of delivering Business Capability improvements. Programs that produce systems and initiatives to create such programs must follow Acquisition, IRB, and PPBE processes. Step 4 identifies key elements of these processes up to the Test and Evaluation phase.

Non-system initiatives are not subject to many of these requirements (Acquisition, IRB, and PPBE) but must follow an analogous process described in this section; however, the focus of these initiatives is on project plans, requirements documentation, Concept of Operations, and similar artifacts.

How Are Programs Defined and Funded? Programs are defined through DoD Enterprise, Component, and program engagement in existing Defense acquisition management processes of the Department. This complex but essential interaction is depicted in Figure 5-10. This figure shows that to obtain the necessary funding to improve Business Capabilities, OSD and the Components will develop acquisition documentation required by the Defense Acquisition System in parallel with PPBE activities.

OSD and the Components submit budgets and budget change proposals as part of the Budgeting phase of DoD's PPBE, using a similar process beyond the budget year with programming (Program Objective Memorandum (POM) development) and program change proposals. The PPBE also establishes Enterprise performance outcome measures and tracks execution against budget.

Note: Some programs are already in progress and will begin this transformation approach at the stage or milestone at which they are currently performing.

What Roles Do the Participants Play? Roles for the *Define and Fund Programs* step are discussed in more detail and then represented across each step of the process in Table 5-9. Table 5-9 illustrates roles in defining and funding programs, including the integration of definition processes (especially JCIDS and DAS) with funding processes (especially PPBE).

Integration of Major DoD Business Processes During Transformation

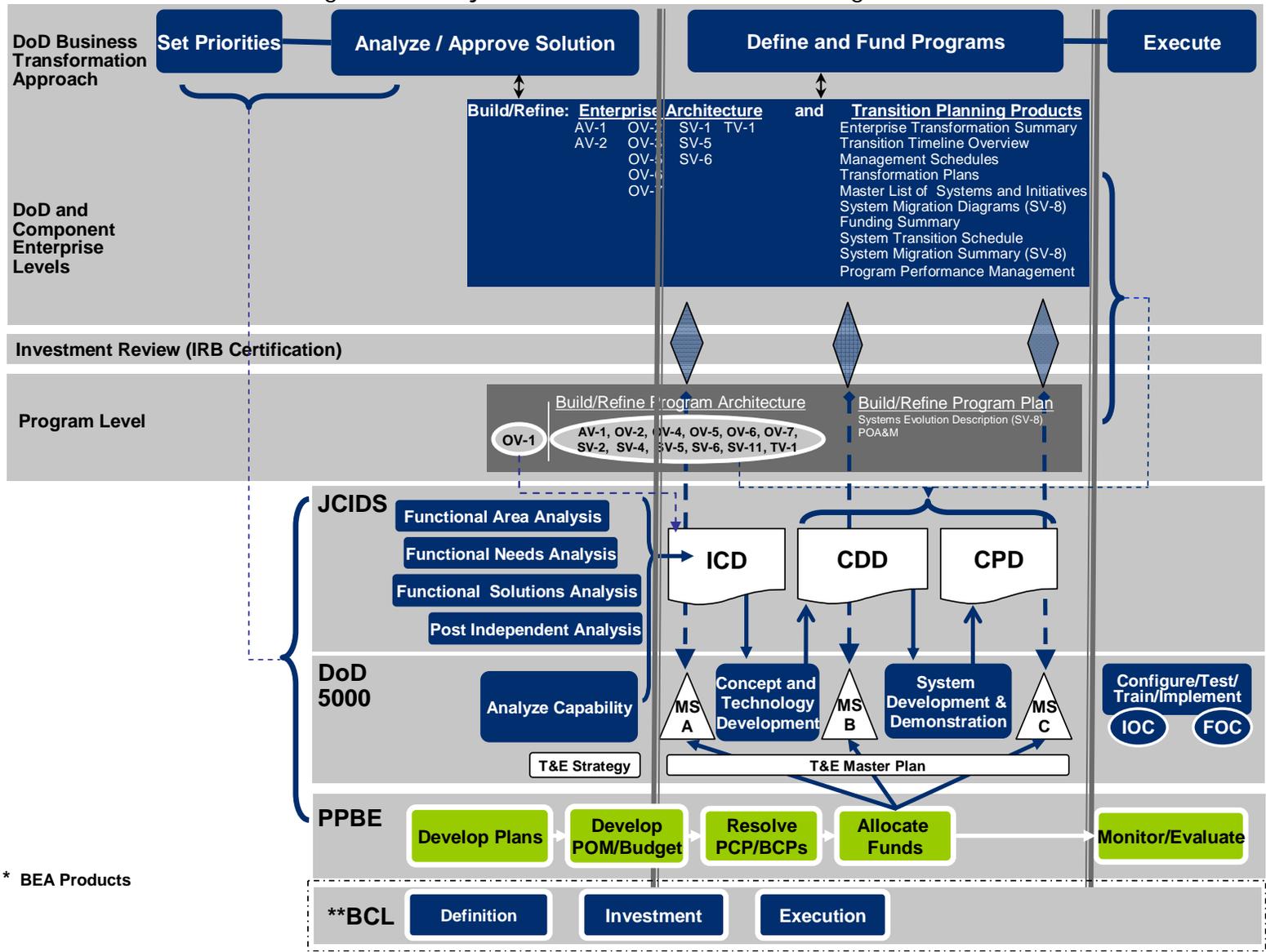


Figure 5-10, Integration of Major DoD Business Processes During Transformation

Table 5-9, Roles for Step 4: Define and Fund Programs

	Engineer the Solution	Develop Required Acquisition Documentation	Review and Certify Selected Programs	Align Resources with PPBE	Integrate the Definition and Funding Processes
Enterprise	Approve solution Assist Components to understand BEA requirements	Approve documentation for Enterprise-level programs	Approve and certify programs	Approve and certify resources	Refine policy and guidance for integration
Component	Approve solution	Approve documentation for Component-level programs	Approve and pre-certify programs	Manage, assign, and pre-certify resources	Review and approve the integration
Program	Define solution	Develop documentation			Define and manage the integration

Note: the DBSAE functions as Component Acquisition Executive and MDA for specific Enterprise programs; therefore, the BTA will perform functions for these programs similar to those of the Components.

E The BTA advocates key target Enterprise and Component programs for certification and approval. The BTA also oversees progress of Enterprise programs through the acquisition and certification processes and advocates for program resources in the PPBE process. IRBs review pre-certification packages and recommend programs for certification to CAs. CAs certify investments in those program solutions, and the DBSMC approves the investments. The BTA updates BEA and ETP based on IRB and budget decisions.

As part of the Enterprise integration function, the BTA promotes best practices across DoD Enterprise Resource Planning (ERP) implementation initiatives, DoD Enterprise-wide process and data standards (as defined in the BEA) are adopted, and processes are eliminated that hinder deployment of ERP capabilities within the Components. The BTA also assists Component programs in understanding BEA requirements, thereby ensuring the solution is adequately designed (and resourced) to provide required capability.

C Component-level managers pre-certify that program solutions align with the BEA and ETP as well as Component architectures and transition plans. Components oversee program progress through the acquisition process and advocate for program resources in the PPBE process.

P Program managers use the BEA and ETP while defining their solutions to ensure compliance and to develop additional architecture and planning products. PMs also provide information via the BTA or Component CIO to support ongoing development of the BEA and ETP. PMs fulfill the DoD acquisition and PPBE documentation and reporting obligations.

The following sections provide additional details on each activity within *Define and Fund Programs*.

5.4.1 Engineer the Solution

Programs assigned to deliver Business Capability improvements will use BEA and Component architectures as a basis for developing solution architecture products. Similarly, each program will use the ETP and Component transition plans as a basis for developing planning products. Program managers then specify the operational and technical requirements and assess design alternatives. Operating within this foundation, program managers can select, develop, model, and test solutions. This part of the process often includes pilots, demonstrations, prototypes, or proofs-of-concept to mitigate risk and provide early benefits to DoD in the form of improved Business Capabilities. This step applies equally to new or modified system (and non-system) solutions. Note, the BEA specifies only the high-level requirements and standards for Enterprise-wide interoperability and achievement of Business Enterprise Priority objectives. Most requirements are identified as the solution is designed. Some of the requirements identified during this engineering process become potential candidates for the BEA. Potential candidates are selected for the BEA based on alignment with objectives, ability to address capability gaps, and magnitude of potential benefits.

Solution providers address each Business Capability for which they have responsibility and draw on the BEA to develop elements of the solution. Components are responsible for Component solutions and ensuring these solutions fulfill their role in the overall DoD Enterprise solution. For each Business Capability improvement required to achieve a priority, program managers leverage the BEA and Component architecture by:

- Using background and context information from the Overview and Summary Information (AV-1), applicable activities in the OV-5, tracing activities to the applicable processes in the OV-6c, and system relationships in the SV-1 and SV-5 to see how their program supports each Business Enterprise Priority and fits into the larger picture
- Employing the information flows and data models of the OV products to produce a more interoperable system
- Achieving BEA investment review compliance by using the context above to identify the investment review criteria found in the data entities of the OV-7, the business rules of OV-6a, and the activity controls of the OV-5
- Satisfying a wide range of other compliance requirements by using the context above to more easily identify the business rules of OV-6a and the laws, regulations, and policies encompassed in the activity controls of the OV-5
- Using technical standards from TV-1 to produce a more net-centric and interoperable system

Solution providers review available systems and initiatives potentially able to support the Business Capability improvements. For programs with solutions that are relatively mature (e.g., detailed requirements, detailed specification of data, or those that are operational), analysts delve deeper into target solution business rules and data models to ascertain level of compliance. Enterprise- and Component-level programs:

- Identify gaps between current capabilities and established requirements (aspects of the required capability for which there is no support in the candidate solution)
- Conduct benefit analysis and rank order program alternatives
- Present candidate solutions for decision by the acquisition and IRB processes
- Define and advocate new program or system modifications (when no system is operational or in development to be economically modified to provide required Business Capability)

5.4.2 Develop Required Acquisition Documentation

Acquiring solutions to support Business Capabilities is a highly integrated process that includes interaction among DoD acquisition and PPBE processes. In an effort to provide better, faster Business Capability improvements and involve key leadership early in the acquisition process, the BTA continues to evolve its investment review process and refine a new process called the Enterprise Risk Assessment Methodology (ERAM). ERAM (previously known as the Enterprise Risk Assessment Model) is used to improve acquisition process outcomes and enhance the effectiveness of DoD business systems.

Table 5-10 summarizes key aspects of each major transformation process.

Table 5-10, Summary Overview of Key Aspects of Each Major Transformation Process

	Primary Functions	Thresholds	Differentiators
DoD 5000	<ul style="list-style-type: none"> Acquisition process Tracks new initiatives, enhancements, and modifications 	ACAT IA: Major Automated Information Systems (MAIS) > \$32M single year > \$126M total program ACAT III: < MAIS*	Used for acquisition of both weapons and business systems
JCIDS	<ul style="list-style-type: none"> Applicable to acquisition of weapons systems and of MAIS designated as Acquisition Category IA (ACAT IA) Tracks new initiative only 	MAIS programs are > \$32M in FY 2000 dollars	Management bodies focused on Weapons Systems but concepts and processes also applicable to business system acquisition
ERAM	<ul style="list-style-type: none"> Applicable to designated business system investments 	Currently MAIS, will expand	
PPBE	<ul style="list-style-type: none"> Primary resource management system for DoD 	DoD budget	Evaluates actual output against planned performance and adjusts resources as appropriate

* DoD 5000, JCIDS, and ERAM thresholds shown here include only those relating to MAIS programs.

Recognizing the limitations of current practice, the BTA, as part of its business process reengineering efforts, is concurrently working to improve the PPBE, Acquisition, ERAM, and JCIDS processes to enable a more flexible, agile, and efficient process.

5.4.2.1 Execute the Enterprise Risk Assessment Methodology (ERAM)

ERAM is a collaborative review process, bringing the functional sponsors, the program office, and experts from the acquisition community together. An ERAM team begins by reviewing existing program documentation, and then conducts face-to-face interviews with a cross-section of key program stakeholders and managers. Based on this information, the ERAM team evaluates program risk in seven key areas and delivers a risk mitigation plan as quickly as possible (ideally, within five to six weeks). The seven risk areas are:

- Strategy
- Scope/Requirement
- Contract
- Technical
- People
- Process
- External

The quick turnaround is important, because the goal is to give the sponsor and program manager targeted, actionable advice in time for them to act to keep the program focused on delivering capability.

ERAM adheres to DoD Directive 5000 Series principles that govern Defense acquisition activities. Ultimately, it is expected that ERAM will help the Department improve its acquisition of capabilities by achieving several key outcomes:

- Providing the right information needed to make sound optimized investment decisions.
- Creating a clear path for the rapid delivery of capability.
- Reducing (or removing) burdensome Overarching Integrated Process Team (OIPT) documentation and meeting requirements.
- Identifying program risks early enough so they can be avoided or mitigated.

The overall vision for ERAM is to provide a common vehicle for collaboratively managing program risk with a focus on rapid delivery of capability at reduced cost and schedule.

5.4.2.2 Execute the Joint Capabilities Integration and Development System (JCIDS)

MAIS programs not covered by the ERAM process must execute the JCIDS process. Because the JCIDS process is executed at the program level, DoDAF products referenced in this section are part of solution architectures developed by program managers. Alignment of program-level architectures with BEA and Component architectures is a critical aspect of presenting an interoperable solution to the Joint Staff that is consistent in the Enterprise context. As a candidate solution is conceived, program sponsors provide initial JCIDS documentation. JCIDS is not limited to weapons or other warfighting systems, and requirements apply to programs of any size (although only major systems require all formal reviews and certifications). JCIDS analysis includes four steps that draw on and support the BEA:

Functional Area Analysis (FAA): Analysis across capabilities and systems to identify Business Capabilities and operational tasks and standards to support objectives. Along with AV-1 and OV-1, FAA supports development of Measures of Effectiveness (MOEs) critical to the Functional Needs Analysis step. FAA is a collaborative effort engaging the BTA, PSAs, and CA/IRB.

Functional Needs Analysis (FNA): Uses information from FAA to assess current Business Capabilities and focuses on defining capability gaps. Enabling products include Business Capabilities, functional and technical requirements, and various data and technical strategies.

Functional Solutions Analysis (FSA): Focuses on assessing material and non-material approaches to close capability gaps using the OV-5, OV-6a, OV-6c, and OV-7.

Post Independent Analysis (PIA): Confirms the optimal approach for closing identified gaps using all BEA and ETP products.

The FNA and FSA steps involve defining gaps and analyzing solutions based on the factors of DOTMLPF. The required DOTMLPF analysis is designed to prevent premature adoption of a material solution prior to determining whether more efficient, non-material changes can solve the problem. Table 5-6 shows the relationship of this approach to DOTMLPF.

Documents submitted within JCIDS articulate problems and proposed solutions. Each has a supporting set of DoDAF products that illustrate the program's ability to address a problem. They are also integrated with the acquisition milestones outlined in the DoD 5000 series as well as PPBE, as illustrated in Figure 5-10. The following discussion demonstrates how major JCIDS documents support business transformation:

Initial Capabilities Document (ICD): The BEA, ETP, and other capability-related documents inform and guide the ICD development process, which is the responsibility of program managers. The ICD utilizes Business Capabilities to define capability needs in context of the overall transformation environment, summarizes the FSA, and guides the Concept and Technology Development phase within DoD 5000. The program OV-1 is referenced in preparing the ICD.

Capability Development Document (CDD): The CDD expands on the ICD providing information on architecture and attributes of the systems targeted to achieve capabilities and establishes Key Performance Parameters (KPPs). As Components work through the JCIDS process, PSAs and the IRB participate on the appropriate Functional Capabilities Board (FCB) to ensure concurrence. During this participation, the IRB will resolve any requirements-based questions. The AV-1, OV-1, OV-2, OV-4, OV-5, OV-6c, SV-2, SV-4, SV-5, SV-6, and TV-1 represent a minimum requirement for JCIDS and provide the material solution details that define measurable, testable capabilities as input to the System Development and Demonstration phase.

Capabilities Production Document (CPD): The CPD addresses production attributes and fielding quantities for one increment of the evolutionary acquisition strategy. It presents performance attributes, including KPPs, to guide the production and deployment of the current increment. The architecture product set for the CPD expands from the CDD to include the OV-7, SV-11, and TV-2.

As part of business transformation, JCIDS information provides good reference materials for selecting programs to provide solutions and to align program architectures with the BEA. For example, as programs undergo certification, the document content and architecture products developed for JCIDS can be used to illustrate compliance with the Component architecture and the BEA. Program-level architectures are aligned with the BEA and Component architectures through the mapping of Business Capabilities, activities, processes, standards, and data. The alignment of Business Capabilities at all levels of architecture will assist programs undergoing JCIDS certification and will illustrate improved support to the warfighter.

5.4.2.3 Execute Defense Acquisition System (DoD 5000 Series) Process

The Defense Acquisition System DoD Directive (DoDD) 5000.1, DoD Instruction (DoDI) 5000.2, and the Interim Defense Acquisition Guidebook provide management principles and mandatory policies and procedures for managing all Defense acquisition programs. It establishes a management framework that emphasizes developing integrated requirements and acquisition across DoD through collaborative efforts to achieve joint integrated architectures for Business Capability areas. These integrated architectures lead the development of integrated plans to conduct Business Capability assessments, guide systems development, and define associated investment plans. These inputs are the basis for aligning resources via PPBE.

BEA and ETP products directly support several aspects of DoD 5000 to optimize business IT investments. The BEA, Component architectures, and program architectures, where available, can also be used to support acquisition. BEA products used to align with DoD 5000 are outlined in Table 5-11 and are grouped within major DAS activities.

Table 5-11, Defense Acquisition Use of BEA and TP Products

Defense Acquisition Activity	Milestone	BEA and ETP Enabling Products
Concept Refinement	MS A	
Program Definition		Includes OV-5, OV-6a, OV-7, SV- 8, and Business Capabilities
Program Approval		Include OV-6a, SV-8, and the Business Capabilities
Technology Development	MS B	
Interoperability		Includes OV-3, OV-5, OV-6a, OV-7, SV-1, SV-6, and TV-1
Program Architecture Alignment		Includes OV-6a, OV-7, SV-1, SV-6, and TV-1
Source Selection		Includes OV-5, OV-6a, OV-6c, OV-7, SV-1, SV-5, SV-6, SV-8, and TV-1
System Development & Demonstration	MS C	
Systems Design and Development		Includes OV-5, OV-6a, OV-6c, OV-7, SV-1, SV-5, and SV-6
Test and Evaluation		Includes OV-5, OV-6a, OV-6c, OV-7, SV-1, SV-5, SV-6, and TV-1
Production & Deployment	IOC, FOC	
Technology Evolution		Includes OV-5, OV-6a, OV-6c, OV-7, SV-1, SV-5, SV-6, and TV-1
Operations and Sustainment		Enabling products include TV-1

DoD 5000 is marked by major decision points or milestones that separate phases of an acquisition program. The milestones and the products that support them are described here.

Milestone A: For a business transformation solution to achieve MS A, these activities must be complete:

- Required Business Capability improvements are defined in BEA and Component architectures
- Program alignment with BEA and ETP are demonstrated within IRB process
- JCIDS programs have an ICD

Milestone B: For a business transformation solution to achieve MS B, these activities must be complete:

- Program-level OV-2, OV-3, OV-4, OV-5, OV-6, SV-4, SV-5, SV-6, and TV-1
- Program alignment with BEA and ETP are demonstrated within IRB process
- JCIDS programs have a CDD

Milestone C: For a business transformation solution to achieve MS C, these activities must be complete:

- All program-level architecture products
- Program alignment with BEA and ETP is demonstrated within IRB process
- JCIDS programs have a fully refined CPD

5.4.3 Review and Certify Selected Programs

The review and certification of selected programs is part of a process that culminates with the Investment Review Board, but involves the broader concepts of portfolio management and net-centric assessment. The IRB will use the BEA and ETP as key parts of the investment decision criteria.

5.4.3.1 Investment Review Board

The DoD investment review process provides oversight and review of Defense business systems modernization efforts exceeding \$1 million, as well as those designated as programs of interest by the Certification Authority. Detailed information on the IRB review and approval process is outlined in the Investment Review Process Overview and Concept of Operations for Investment Review Boards (IRB CONOPS). IRBs, as described in the IRB CONOPS, are expected to “enable transformation by ensuring investments align with DoD strategic mission, goals, and objectives and with Core Business Mission (CBM) capabilities.” The investment review process requires any Defense business system modernization effort exceeding that threshold to obtain Service or Agency pre-certification, review approval from the appropriate IRB, and certification from the corresponding Certification Authority.

Four IRBs are specifically chartered by a CA designated by the Secretary of Defense:

- Financial Management IRB
- Human Resources IRB
- Real Property & Installations Management IRB
- Weapons Systems & Materials Supply Management IRB

Each CA certifies systems and forwards approved certification packages to the DBSMC for approval. Systems that cross CBMs are assigned a lead CA/IRB. The investment review process has four parts: determination of requirement for review and certification, program manager preparation, Component review and pre-certification, and OSD-level review and certification.

Each IRB performs the appropriate level of review using a “tiered process,” as described in the IRB CONOPS and depicted in the table, which links the level of review to scope, complexity, cost, and risk:

TIER 3	TIER 2	TIER 1
Modernization/Investment	Modernization/Investment	Systems designated as
Greater than \$1M* to less than \$10M	\$10M* to less than MAIS Threshold (Currently \$32M) or CA Interest¹ or Enterprise Level¹	ACAT IAM ACAT IAD, and ACAT 1C
Note: If a delegated (i.e., ACAT IAC), program, Tier 2 applies	NOTE ¹ : If ACAT IAM or 1AD, Tier 1 applies	

* Based on investment costs over the lifecycle of the modernization.

The *Investment Certification and Annual Review Process: User Guidance* contains elements of the certification that include: 1) justification (what role does the program play in DoD business transformation?); 2) transition plan (is the system/initiative identified in the ETP as part of the modernization effort?); and 3) architecture, which requests identification of the activities and processes at the DoD Enterprise or Component level supported by the system/initiative.

To support the investment review process, the BTA has developed the Business Enterprise Architecture Compliance Guidance document, which provides the process for assessing BEA compliance. This document aligns to the DoD IT Business Systems Investment Certification and Annual Review Process User Guidance, and the IRB CONOPS. The BEA Compliance Guidance document is to be used by PMs, PCAs, and IRBs to execute their roles and responsibilities related to BEA compliance assessments.

To improve the investment review process, DoD is strengthening the IT business systems inventory. The goal is to establish one authoritative, accurate inventory of all DoD IT business systems using the DoD Information Technology Portfolio Repository (DITPR). The DITPR will evolve into a net-centric repository, eliminating duplicate data entry, creating central accessibility, and reducing errors. The DITPR supports: 1) assembling documentation packages, which provide full details of all modernization efforts submitted for investment certification and 2) tracking these packages through the IRB and DBSMC processes.

5.4.3.2 BEA Criteria for IRB Certification

Per the FY05 National Defense Authorization Act (NDAA), IRBs certify system compliance with the Business Enterprise Architecture, and federal and DoD guidance require programs to be aligned with the Federal Enterprise Architecture. To facilitate this alignment, the BEA has incorporated elements of the FEA directly and aligned with other elements of the FEA via the DoD Enterprise Architecture Reference Model (DoD EA RM). The DoD EA RM provides the highest level of taxonomy for describing the characteristics of DoD IT systems and initiatives. The DoD EA RM and BEA were developed using other DoD architecture products, including the Net-Centric Operations and Warfare Reference Model (NCOW-RM) and the DoD IT Standards Registry (DISR). This set of standards provides the architectural-based criteria for managing IT investments.

Individual models in the DoD EA Reference Model are linked to and extended by their DoDAF counterparts within the BEA (activities, data models, system functions, and technical standards), providing additional detail about the “To Be” vision. This detail introduces more finely grained criteria for the investment review process, such as specific roles, business rules, and processes. System migration information (SV-8) and Business Capability improvements found in the ETP provide additional criteria.

Solutions designed to provide Business Capability improvements are aligned to the BEA and ETP via several architectural objects. The Business Capability alignment establishes the architectural boundaries by which each program will be planned and assessed.

5.4.3.3 Portfolio Management

DoD Directive 8115.01, Information Technology Portfolio Management, was signed on October 10, 2005. The companion instruction (DoDI 8115.01) has been drafted to complement this directive and will provide information on how IT PFM is to be implemented at the DoD Enterprise level.

Portfolio management is the management of IT investments using integrated strategic planning, integrated architectures, measures of performance, risk management techniques, transition plans, and portfolio investment strategies. The core activities associated with portfolio management are analysis, selection, control, and evaluation.

Business Mission Area (DoD Enterprise) Portfolio Management

As described in DoDD 8115.01, portfolios will be nested and integrated at the DoD Enterprise-wide, Mission Area, and Component levels. The Enterprise portfolio will be divided into Mission Area portfolios, which are defined as Warfighting, Business, the DoD portion of Intelligence, and the Enterprise Information Environment. Mission Area and Component portfolios may be divided into sub-portfolios (e.g., domains) or capability areas that represent common collections of related or highly dependent information capabilities and services.

At the BMA DoD Enterprise level, portfolio management decisions on IT investments are based on compliance with the BEA, mission area goals, risk tolerance levels, potential returns, and performance.

DoDD 8115 indicates that the Under Secretary of Defense for Acquisition, Technology, and Logistics will:

- Serve as the lead and manage the BMA portfolio, in coordination with the Assistant Secretary of Defense (ASD) (NII)/DoD(CIO), the Under Secretary of Defense (Comptroller), and the Under Secretary of Defense for Personnel and Readiness
 - Establish the BMA portfolio and designate responsibilities for BMA portfolio management
 - Leverage or establish a governance forum to oversee the BMA portfolio activities
 - Present the BMA portfolio recommendations to the proper officials in the Department's decision support systems for consideration
- Ensure portfolio management policies are incorporated into and integrated with the policies and procedures of the Defense Acquisition System
- Ensure portfolio management policies are incorporated into the Defense Acquisition University's education and training curriculum, in coordination with the ASD(NII)/DoD CIO
- Participate in the cross-Mission Area and other governance forums

DoDD 8115 also indicates that the Under Secretary of Defense (Comptroller) and the Under Secretary of Defense (Personnel and Readiness) will:

- Participate in BMA governance forums with the goal of identifying commonality in BMA portfolio management processes and providing solutions that are in the best interest of the Enterprise
- Review, approve, and oversee planning, design, acquisition, deployment, operation, maintenance, and modernization of the BMA portfolio of IT investments with the primary purpose of improving financial management and human resource management activities respectively across the Department.

Component Portfolio Management

Component PfM supports DoD's approach to managing IT investments as portfolios to ensure that those investments support the Department's vision, mission, and goals; ensure efficient and effective delivery of capabilities to the warfighter; and maximize return on investment to the Enterprise.

DoDD 8115.01 indicates that the heads of DoD Components will:

- Establish the Component portfolio so that IT investments align with the Mission Area and sub-portfolio or Business Capability area portfolios, as appropriate
- Issue guidance for managing the Component portfolio and designate responsibilities for Component PfM
- Leverage or establish a governance forum to oversee Component portfolio activities
- Manage the Component portfolio
- Ensure Component IT investments are consistent with Mission Area and the sub-portfolio or capability area portfolio guidance
- Participate in Mission Area governance forums with the goal of identifying common problems in PfM processes and providing solutions that are in the best interest of the Enterprise

The directive indicates that Component CIOs will:

- Support Component sub-portfolio and capability area activities.
- Ensure and provide verification to the leads of the Mission Areas and the ASD(NII)/DoD CIO that Component IT investments are consistent with Mission Area, sub-portfolio, or capability area portfolio guidance. Verification includes ensuring that Component resources are applied to Mission Area and the sub-portfolio or capability area recommendations that have been approved through the Department's decision support systems.
- Identify portfolio issues to the relevant governance forum(s).

5.4.3.4 Net-Centric Assessment

In addition to other certification criteria, systems must demonstrate a net-centric design. OSD(NII) provides a Net-Centric Checklist (current version is 2.1.4). The checklist assists program managers in understanding the net-centric attributes their programs need to implement as part of the service-oriented architecture (SOA) in the Global Information Grid. An SOA is a design style for building adaptable distributed-computing environments and promotes sharing and reuse of functionality across diverse applications.

The checklist reflects DoD standards and industry best business practices. As standards and protocols are approved in the DoD IT Standards Registry (DISR) Architecture or the Net-Centric Operations Warfare Reference Model, they are added to this checklist. Programs must address DoD's Net-Centric Data Strategy for the following:

- Ensuring data is visible, available, and usable when and where needed to accelerate decision making
- "Tagging" of all data (intelligence, non-intelligence, raw, and processed) with metadata to enable discovery of data by users
- Posting all data to shared spaces to provide access except when limited by security, policy, or regulations
- Advancing the Department from defining interoperability through point-to-point interfaces to enable "many-to-many" exchanges typical of a network environment

To implement the Information Assurance (IA) strategy to transition to a net-centric environment, programs must:

- Provide integrated identity management, permissions management, and digital rights management
- Ensure adequate confidentiality, availability, and integrity

The Net-Centric Operations Warfare Reference Model represents the target viewpoint of the Department's Global Information Grid. This viewpoint is a service-oriented, inter-networked, information infrastructure in which users request and receive services that enable operational capabilities across the range of (1) military operations, (2) DoD business operations, and (3) Department-wide Enterprise management operations. As programs plan, the Reference Model must be included in the program planning.

5.4.4 Align Resources with PPBE

In response to performance-based budgeting, the Planning, Programming and Budgeting System has been modified to PPBE to emphasize a long-term view of DoD's planning process that requires identification and consideration of requirements beyond the budget year, establishes corporate performance outcome measures, and requires the tracking of execution against budget. Based on performance results, the planning, programming, and budgeting cycle will provide a longer-term framework for decision support.

The BEA and ETP products directly support the four phases of the PPBE process outlined below.

Planning Phase: Enabling BEA products for this phase include the AV-1, AV-2, and OV-1; the Business Capabilities; and the appendices for the ETP, including Enterprise and Component transformation summaries, transition timelines, CBM and Business Capability metrics and the budget/cost plans.

Programming Phase: Business Capabilities, the ETP and Component transformation plans, transition schedules (milestones), and budget/cost plans support the creation and submission of the POM and subsequent Program Decision Memoranda as reference documents and useful attachments.

Budgeting Phase: Comparison of BEA and the ETP to current program plans supports the creation and submission of Program Budget Decisions that ultimately shape the President's Budget Submission.

Execution Phase: As programs are executed and reviewed, adjustments are sometimes needed based on performance. Adjustments are made via Budget Change Proposals (BCPs) and Program Change Proposals (PCPs). ETP references for performance evaluation and BCP/PCP input include the Business Capabilities and all ETP appendices, particularly the performance metrics, transition schedules, and budget/cost plans.

5.4.5 Business Capability Lifecycle

In the past, the Department's typical approach to solving a business problem began with establishing an acquisition program, then having the program determine the requirements to address. Thus, the development phase of the program became, in effect, the discovery phase for identifying the root cause of the problem and selecting options for resolution (instead of the execution phase for delivering capability). This, in turn, caused delays in implementation (sometimes significant) and created conditions that resulted in cost growth and scope creep.

The Department has proposed a new approach, the Business Capability Lifecycle that will increase the focus on requirements early in the acquisition process. This framework will manage how the Department achieves a new capability, addressing the main roadblocks to rapidly delivering new or improved Business Capabilities by changing how the Department defines, structures, and delivers these capabilities. The BCL has three phases:

Definition - The BCL approach requires the PSA and the functional sponsor to collaborate to identify and clearly describe the root cause of a business problem, long before a vendor is involved in the process. The PSA and functional sponsor are asked to clearly explain why solving the problem will benefit the Department and (importantly) validate there is no existing solution. This problem statement and supporting justification become the basis of the business case for the proposed capability, which will be reviewed and approved by the appropriate IRB. It is during this phase of the BCL that the Defense Acquisition Executive decides whether a new program start will be approved for funding, based on the recommendations of the IRB and members of the DBSMC.

Investment - After the decision is made to fund a program start, the business case for the capability is expanded by the functional sponsor and the candidate program office to identify the scope of the materiel capabilities needed to solve the problem. The business case will also define the desired outcomes for the capability, including objectives and metrics, solution constraints and dependencies. A detailed analysis of alternatives is conducted during this phase and included in the business case document, which is augmented by a proposed acquisition approach and contracting strategy.

Execution - During the execution phase, responsibility for developing and fielding the capability is formally assumed by the program manager. However, the BCL concept requires that the functional sponsor remain heavily engaged with the program office to address any issues, requests or changes to the scope. In particular, the BCL requires that the functional sponsor re-validate the business case (including problem definition, expected outcomes, metrics, and costs) before each acquisition milestone or investment decision point, such as an initial test or the completion of the definition of a program baseline.

Initially, the DBSMC/IRB will assume oversight for MAIS programs that have been identified as being primarily business systems. Eventually, all new Business Capability programs will be managed from problem definition through program delivery via the BCL process.

5.4.6 Integrate the Definition and Funding Processes

A successful system migration will require Certification Authorities to determine which systems are retained and what additional functionality is required in the target state. Based on factors such as functionality, technology, and age, assessments will determine the disposition of current systems; how the functionality converges with the new architecture; whether a system should be eliminated, modified, or migrated; and whether a new acquisition is authorized.

As implementation of the BEA occurs, all investment decisions will require PPBE coordination across the BMA. These strategic investment decisions are based on architectural compliance, business decisions, and performance. Entering the PPBE cycle with detailed, strategic plans fosters alignment of budgeting decisions with strategic goals.

5.4.7 Identify Planning Gaps for *Define and Fund Programs*

This step involves activities in a number of well-established DoD business processes, especially DoD acquisition and PPBE processes. Those processes have existing means for identifying and addressing gaps; therefore, gaps resulting from those activities are not covered here.

Potential gaps that may be identified within the remaining activities in this step include:

- Programs that submitted incomplete or inadequate certification documentation
- Programs that do not align to the architecture and transition plan
- Solutions that encounter requirements that conflict with the BEA

Gaps in definition and funding must be addressed before a program can begin the *Execute and Evaluate* step. Based on the certification gap, CAs will either certify or non-certify the program (e.g., programs that do not meet architecture criteria will not be certified or will be conditionally certified until they address areas of non-compliance.) To close the alignment gaps (with architecture and transition plan) at the DoD Enterprise level, the BTA determines whether the gap will be closed by changing the program definition or will require a change to the BEA/ETP. If a change is required to the BEA or ETP, the Business Enterprise Priority planners work across the PSA, Components, and BTA to recommend architecture or ETP changes. Component acquisition executives and transformation managers close gaps in an analogous process.

5.5 Execute and Evaluate

5. Execute and Evaluate

- **Manage execution**
- **Transform via Program implementation**
 - Test and Evaluation
 - Deployment
 - Track Cost / Schedule / Performance
- **Assess using DoD process checkpoints**
 - Acquisition
 - IRB
 - PPBE
- **Evaluate improvements and capability gaps with IRB / DBSMC reviews**

Execute and Evaluate includes sub-activities to: *Manage Execution; Transform via Program Implementation; Assess using DoD Process Checkpoints; Evaluate Improvements and Capability Gaps with IRB/DBSMC Reviews, and Identify Gaps.* The goal of this step is to manage execution in an organized and responsive fashion to ensure transformation goals are met, and variance from those goals (including cost, schedule, and performance) is identified.

What Does it Mean to Execute and Evaluate? Executing refers to the process in which the DoD Enterprise- and Component-level programs implement the Enterprise and Component transition plans. The *Execute and Evaluate* step includes managing execution (using the program baseline at the DoD Enterprise level); transforming via implementation (testing, deployment) of designated programs (IT and non-IT solutions); and evaluating and assessing progress using performance metrics, other DoD process checkpoints, as well as IRB and DBSMC reviews.

How is Execution and Evaluation Accomplished? Execution of activities to achieve DoD business transformation is performed as an integrated process that involves implementation by Enterprise and Component program managers; oversight at DoD Enterprise and Component levels; and coordination with DoD acquisition and PPBE processes.

What Roles Do the Participants Play?

Participants assume various roles as described below; however, common to all participants is the importance of keeping the ETP updated as actions in the *Execute and Evaluate* step are taken. As systems and initiatives progress, schedule, cost, and performance changes impact the ETP. Most significant is the achievement of capability improvements as solutions are fielded. These achievements are tracked in both Enterprise and Component transition plans.

E The BTA provides, tracks, and updates DoD Enterprise-level and Enterprise-wide information. The BTA works with Enterprise-level programs to gather appropriate data for Enterprise-level reviews and certifications. The BTA works with Components to ensure Enterprise requirements are being implemented consistently and effectively and to be a conduit for best practice solutions, optimal configurations, and lessons learned. The BTA leverages performance metrics to support the certification (IRB/DBSMC) process and to sponsor reviews of key programs. The DBSMC, PSAs, and the BTA monitor execution of the transformation.

C Components manage execution of Component-level programs as well as track, update, and provide Component program information in alignment with Enterprise-level and Enterprise-wide solutions. Components work with Component-level programs to gather appropriate data for Component-level reviews and certifications.

P Program managers implement transformational systems and initiatives. These PMs provide accurate, complete, and usable program execution data critical to evolving the ETP over time. PMs are responsible for Test and Evaluation, deployment, and tracking of their transformation solutions.

Table 5-12 further defines roles for the primary activities associated with execution and evaluation.

Table 5-12, Roles for Step 5: Execute and Evaluate

	Manage Execution	Transform via Program Execution			Assess Using Checkpoints Evaluate Improvements/Gaps		
		T&E	Deploy	Track Cost/ Schedule/ Performance	Acquisition	PPBE	IRB/ DBSMC Reviews
Enterprise	Manage, monitor	Monitor	Certify, monitor	Monitor	Monitor	Monitor	Monitor
Component	Manage	Certify	Certify	Monitor	Monitor	Monitor	Monitor
Program	Implement	Implement	Implement	Report	Report	Report	Report

5.5.1 Manage Execution

The Department’s business transformation involves the synchronization of dozens of programs and business improvement initiatives across the DoD BMA. To do this requires a disciplined management process with appropriate controls. It is critical that the management process ensure that each program is delivering the Business Capability improvements targeted to achieve the objectives for each priority (from Step 1). Where possible, existing life-cycle acquisition processes are utilized to minimize the need for new procedures. While current regulations and guidance documents are integrated into the approach, some new structures, methodologies, and resources are required to underpin transformation of the BMA.

Program managers charged with implementing the transformational systems and initiatives are the primary sources of program execution data. The accuracy, completeness, and usability of the data are dependent on the participation of program managers and the senior leadership that are charged with oversight.

5.5.1.1 Manage Against Program Baselines

The BMA maintains program baselines at the individual program level and Enterprise level (DoD or Component). These program baselines provide a linkage between the bottom-up realities of execution and the top-down imperatives for transformation.

Each September the BTA publishes the ETP that, consistent with tiered accountability, contains the DoD Enterprise-level program baseline for the upcoming fiscal year. The ETP baseline includes the planned costs, schedule, and performance for DoD Enterprise-level business transformation programs. Each year, the September ETP provides the starting point against which the Department measures progress during the fiscal year. The March Congressional Report reflects updates to the previous September ETP and provides a status against the baseline reflected in the September ETP. The Enterprise program baseline is a tool to:

- Assess the performance and progress of Enterprise programs toward their stated goals and objectives
- Monitor current and emerging trends

- Identify high-risk programs
- Allow IRBs, PSAs, and the DBSMC to make trade-off decisions or provide additional oversight for high-risk Enterprise programs.

Components will create and maintain similar program baselines at their Component level.

Each individual acquisition program develops a program baseline for assessing program-level cost, schedule, and performance. Although each Component or individual program may choose to re-baseline at any time during the year, the BTA will only compile and report on a single annual baseline in September of each year as part of the ETP.

The annual Congressional Report released each March provides a status update on the Department's business transformation efforts. Appendix J of the Congressional Report will reflect the latest status and changes to milestones measured against the September baseline.

5.5.2 Transform via Program Implementation

Implementation is the responsibility of DoD Enterprise- and Component-level programs accountable for achieving Business Enterprise Priorities and/or Component priorities. The major functions in this phase are Test and Evaluation (T&E), deployment, and performance management.

5.5.2.1 Test and Evaluation

The fundamental purpose of T&E is to identify the areas of risk to be reduced or eliminated. During the early phases of the lifecycle, T&E participation helps to demonstrate the feasibility of conceptual approaches, evaluate design risk, identify design alternatives, compare and analyze tradeoffs, and estimate satisfaction of operational requirements. The iterative process of testing moves gradually from a concentration on Developmental Test and Evaluation (DT&E), which is concerned mainly with attainment of engineering design goals, to increasingly comprehensive Operational Test and Evaluation (OT&E), which focuses on questions of operational effectiveness, suitability, and survivability. The Test and Evaluation Strategy describes how T&E activities provide information and data to support the planning, scheduling, and budgeting decisions for architectures and systems.

Aligning with the Acquisition Management Framework, the Test and Evaluation Strategy promotes a structured approach for managing program risk by determining, through testing and evaluating, how well (effectiveness) system solutions achieve capability, reliability, testability, measurability, suitability, and maintainability. By adhering to the Acquisition Management Framework, event-driven and capability-driven approaches will ensure alignment with the BTA's approach to business transformation and acquisition guidelines.

Consistent with DoD 5000, the DoD Business Transformation Approach to T&E includes these main points: 1) System engineering principles must be applied; 2) program managers must engage the test community early on; 3) continuous testing must occur to minimize risk, cost, and schedule as in Test-Analyze-Fix-Test (TAFIT); 4) test cases, scenarios, and results should be reused when possible; and 5) T&E artifacts (cases, scenarios, and results) must be made available to all decision makers. T&E results figure prominently in the decisions reached at architecture development and extension, system design and development, technical reviews, and system milestone reviews.

Assessment and test results, documented throughout the lifecycle of architectures and system solutions, need to be collected, shared, and reviewed by stakeholders and decision makers (e.g., IRBs) to support the acquisition and deployment of successful Business Capability improvements.

5.5.2.2 Deployment

For system solutions, this activity involves deploying new systems, migrating existing systems to a new architecture that meets compliance criteria, and retiring systems that do not. For all solutions, deployment involves implementing process and policy changes, training staff, implementing any necessary facility improvements, and realigning organizations and roles with the target solution to increase business value.

Deployment results in BEA-compliant systems that when coupled with new organizational roles, standards, processes, data, and policies will collectively result in achievement of Business Enterprise Priority objectives and improvements to associated Business Capabilities. Throughout the lifecycle, assessments are made and requirements traced to ensure deployed systems achieve functional and technical targets. The next section outlines how appropriate feedback is provided to the IRBs, CAs, DBSMC, and all levels responsible for achievement of the Business Enterprise Priority.

5.5.2.3 Track Transformation Cost/Schedule/Performance

Performance Measurement (metrics) Approach

DoD is transforming the Department through Business Capability improvements within the larger context of the five Core Business Missions. A cross-functional impact to the Core Business Missions results from improving Business Capabilities and meeting the objectives of the Business Enterprise Priorities. The following metrics categories inform senior leadership of business transformation at several levels:

- Business Value Added impact statements represent transformation progress at the Core Business Mission level.
- Business Capability improvement metrics report the extent to which expected outputs have been produced and outcomes achieved.
- System level outcome metrics show progress towards meeting system and initiative expected outcomes.
- As DoD moves closer to a net-centric environment, infrastructure metrics will progress toward achieving the envisioned GIG infrastructure.

Figure 5-11 illustrates the relationship among these elements.

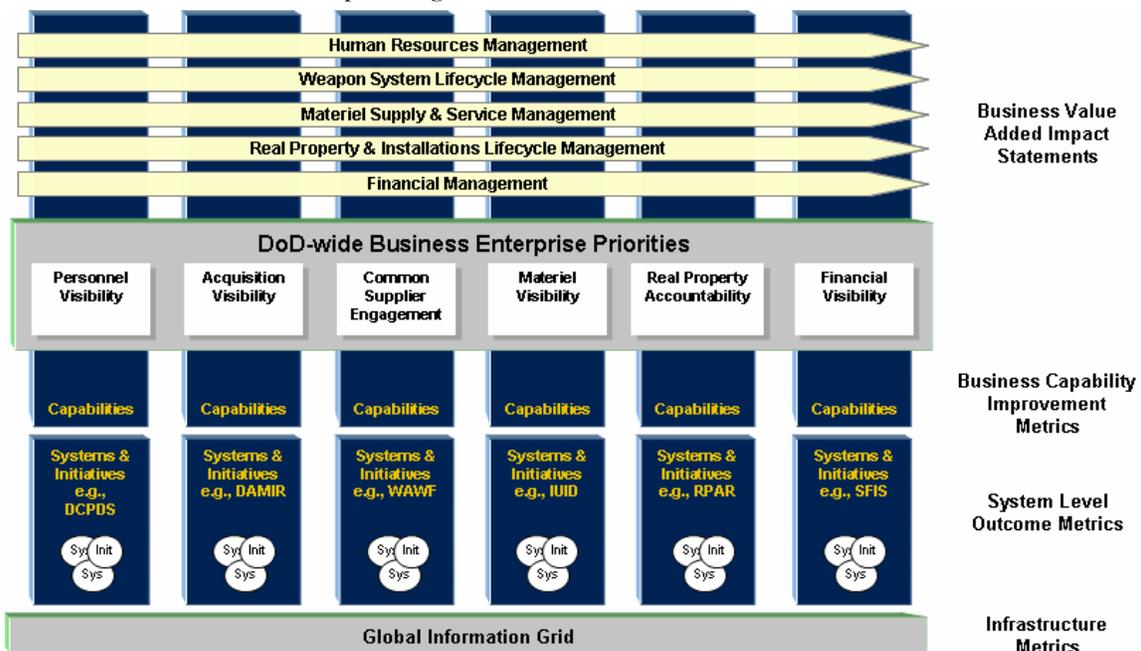


Figure 5-11, Performance Metrics

The audience that will receive these metrics varies across the DoD. Their specific needs for information drive the kinds of metrics to take. In summary:

- Congress, GAO, and OMB provide federal oversight, and use metrics for major funding decisions, status of the overall transformation effort, and compliance with the BEA.
- The DBSMC, PSAs, and IRBs provide DoD Enterprise leadership and use metrics for business transformational funding decisions, strategic direction, and oversight.
- The DBSAE, as the Enterprise Component Acquisition Executive and MDA, uses metrics to make acquisition decisions related to DoD Enterprise-level business systems and initiatives.
- Other Component Acquisition Executives use metrics to make acquisition decisions.
- The Component functional leadership and CIOs use metrics to make funding decisions within their own functional areas.

5.5.3 Assess using DoD Process Checkpoints

Business transformation is monitored throughout the acquisition lifecycle; however, several key checkpoints provide critical insight. Existing DoD checkpoints (e.g., Initial Operational Capability (IOC)) and business transformation targets (e.g., Full Operational Capability (FOC)) can be leveraged by the DBSMC, IRBs, and CAs to assess the progress of program implementations toward achievement of transformation objectives.

Acquisition

ERAM

The Enterprise Risk Assessment Methodology (ERAM, previously known as the Enterprise Risk Assessment Model) is being implemented by the BTA to improve business system acquisition process outcomes and enhance the effectiveness of DoD business systems.

JCIDS

JCIDS defines multiple checkpoints to ensure sound program development and execution. Defense business transformation will leverage the CPD to ensure readiness for the formal Production and Deployment phase. While the CPD must be complete prior to Deployment, it will be referenced during the preceding Configuration, Test and Evaluation, and Training phases. The JCIDS process determines during Deployment and at the time of FOC, if the joint capabilities targeted are in fact achieved.

DoD 5000 Milestones

The Defense Acquisition System, defined by DoD Instruction 5000.2, defines multiple decision points within the full acquisition lifecycle. Defense business transformation will leverage Milestone C to ensure readiness for Production. DoD 5000 includes two milestones specifically related to the status of Production: IOC and FOC. A recent modification to the DoD 5000 process includes conducting a Post-Deployment Performance Review (PDPR). This review specifically targets determination of whether or not the deployed system or initiative has met its objectives.

The DBSMC has begun institutionalizing a streamlined business system acquisition process in response to the inability of DoD to rapidly field Business Capabilities when it comes to MAIS programs. In order to foster rapid delivery of capability, the new ERAM process, described in Section 5.4.2, will eliminate the requirement for Integrating Integrated Product Team/Overarching Integrated Product Team (IIPT/OIPT) documentation. Historically, it required 6 – 12 months to create and brief the required documentation for each milestone, which was costly (estimated at \$1M per milestone) and often impacted the ability to meet schedule. The ERAM process is designed to be completed in 48 days, thus streamlining the acquisition process and reducing cost.

PPBE

Planning, Programming, Budgeting and Execution includes as its final phase an Execution Review during which an assessment is made of actual output against planned performance. Adjustments are made as necessary to achieve the desired performance goals. Throughout the Execution phase and at least quarterly, USD Comptroller (C) and the Director, Program Analysis and Evaluation (DPA&E) review program performance using metrics that were integrated into the budget during the Programming and Budgeting phases. To the extent that a program fails to meet performance goals, recommendations may be made either to replace the program or to adjust funding as appropriate. As a result, programs are adjusted throughout the year to meet emerging conditions. At mid-year, comprehensive reviews of all performance indicators are conducted throughout DoD, and programs are adjusted as required.

5.5.4 Evaluate Improvements and Capability Gaps with IRB/DBSMC Reviews

As DoD business transformation proceeds, the PSAs, IRBs, and DBSMC conduct reviews of the following areas to ensure that the outcomes of the execution process meet the capabilities targeted in the initial and ongoing investment review process. Business Capability gaps will be measured with the following mechanisms:

- Achievement of Transformation Goals and Planned Business Capability Improvements: Aggregated system and initiative metrics will provide insights into the progress being made toward improving Business Capabilities in support of the warfighter and toward meeting the goals of business transformation. The aggregation of these metrics at the Business Capability and BVA levels provides insights into how much transformation is occurring at those levels and the nature of that transformation.
- Achievement of Targeted Business Capability Outcomes: A BTA metrics team will work with designated representatives from PSAs and Components to define Business Capability outcome metrics. As the metrics process evolves, measures will indicate the relative capability maturity level.
- Solutions to the Initially Identified Business Capability Gaps: Determine whether the gaps identified (initial problems, needs, material weaknesses, and unanswered questions) are closed.

5.5.5 Identify Execution Gaps for *Execute and Evaluate*

Execution gaps will be identified by the Acquisition, PPBE, and IRB/DBSMC processes. The BTA and Component transformation managers also identify gaps based on monitoring performance metrics. Analysis of program execution will reveal gaps, including:

- Programs with missed major milestones or with unacceptable schedule variance
- Programs exceeding budget burn-rates or with unacceptable cost variance (with respect to schedule)
- Migration and termination of systems not accomplished on schedule
- Outcomes of the execution process do not achieve capability improvements targeted

Gaps during the execution step should be addressed as soon as identified. Gaps identified at the completion of the execution step (after program completion) should be formally documented as business problems when setting priorities (Step 1). To close these gaps at the DoD Enterprise level, the DBSAE provides guidance to program managers or revisits program definition and funding (Step 4). Programs with unacceptable cost or schedule variance will be flagged during the annual IRB review process and may be subject to non-certification until an acceptable plan is proposed to the IRB. These programs may be escalated for detailed review by an IRB and/or the DBSMC. Component acquisition executives and transformation managers close gaps in an analogous process.

6 Relationship to Other Initiatives

Other efforts in DoD affect business transformation either directly or indirectly, and the BTA will continue to assess their impacts.

6.1 Quadrennial Defense Review (QDR)

Every 4 years the Secretary of Defense conducts a comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies with a view toward determining the U.S. Defense strategy and establishing a Defense program for the next 20 years. The purpose of the Quadrennial Defense Review is to 1) delineate a military strategy consistent with the most recent National Security Strategy, 2) define the defense programs to successfully execute the full range of missions assigned the military by that strategy, and 3) identify the budget plan necessary to successfully execute those missions at a low-to-moderate level of risk. To address the cross-Component actions, DoD created eight QDR execution roadmaps, one of which (the Institutional Reform and Governance (IR&G) roadmap) focuses on QDR business improvements. The current QDR can be viewed at: <http://www.dod.mil/qdr/>

6.1.1 Institutional Reform and Governance (IR&G)

The QDR established foundational principles and directed governance and management reforms and the roadmap provides further guidance for implementation of those specific reforms. The IR&G focuses on implementing a portfolio-based approach to defense planning, programming and budgeting. The objective of the IR&G road map is to streamline and improve Department governance, including its processes, tools, data, and organization, and its relationship to management and execution to meet the needs of the joint warfighter in an effective, timely, and transparent manner.

DoD has developed a three-pronged approach for addressing all the issues associated with the roadmap objective. This approach recognizes that reforms included in QDR direction were in different stages of development. Some efforts were completed and approved for implementation; others were completed but the final course of action was not approved; and others reached a desirable conceptual level but need further shaping before they are brought before leadership for decision on a course of action. The IR&G effort will address each type of reform.

DoD's business transformation effort will leverage improvements identified in the IR&G roadmap to improve support to the joint warfighter by improving Business Capabilities throughout the CBMs. As with all the other initiatives described in this section, the BTA will monitor decisions and guidelines resulting from these initiatives for their impact on business transformation.

6.2 Base Realignment and Closure (BRAC)

Base Realignment and Closure is the congressionally authorized process DoD uses to reorganize its base structure to more efficiently and effectively support our forces, increase operational readiness, and facilitate new ways of doing business. BRAC recommendations can influence how DoD is organized to do business and impact both the Enterprise and Component levels.

As part of consolidating facilities, DoD is likely to implement changes to business practices to provide improvements in joint warfighting capability. Future releases of the ETP will reflect changes in processes, systems, milestones, and funding that are related to BRAC. Some potential changes resulting from the BRAC are changes to the roles of Defense agencies and their responsibilities with regard to Components; the consolidation and streamlining of financial operations; and modifications to current plans for implementing ERPs. For example, BRAC recommendations are likely to have a significant impact on DFAS, which will see a further reduction in the number of its offices. BRAC recommendations will have a significant impact to the Defense Logistics Agency (DLA) through consolidation of depots and the reconfiguration of supply, storage, and distribution management.

6.3 Defense Acquisition Transformation Report to Congress NDAA 2007 Section 804

The NDAA 2007 directs DoD to produce this biannual report to meet Congressional reporting requirements to summarize implementation plans to reform the Acquisition System in DoD. Per Public Law 109-364, this report takes into account recommendations from: (1) Defense Acquisition Performance Assessment (DAPA); (2) Defense Science Board Summer Study on Transformation; (3) Center for Strategic and International Studies, "Beyond Goldwater Nichols"; and (4) the Quadrennial Defense Review (QDR). The report is organized into six broad categories of Organization, Workforce, Budget, Requirements, Acquisition, and Industry and documents ongoing acquisition transformation activities. In the area of Organization, this report discusses the ETP and notes that its development is based on tiered accountability. It references ETP Business Enterprise Priorities and cites the current six priorities (with more specifics on Acquisition Visibility and associated Business Capability improvements).

6.3.1 Defense Acquisition Performance Assessment (DAPA)

The Defense Acquisition Performance Assessment report reviewed the Department's current acquisition practices, particularly in relation to cost overruns, delays, and other challenges with some development programs. The panel performing the assessment evaluated the structure, process, and governance for acquisitions, in addition to changes in acquisition practices. The panel's report influenced the QDR, as well as DoD business transformation, in terms of scope, specific system and initiative funding decisions, priorities, and other performance-related areas. The ERAM and BCL processes have been created to address some of the challenges with the current acquisition process identified in this assessment.

6.4 Financial Improvement and Audit Readiness (FIAR)

The Financial Improvement and Audit Readiness Plan addresses DoD's Financial Management high-risk area and focuses the Department's efforts for sustaining improvements to financial management processes and internal controls. The FIAR Plan charts a course to sound financial management by improving internal controls, resolving material weaknesses, and advancing the Department's fiscal stewardship. The FIAR Plan details an integrated path for DoD financial improvement for the Military Services or other Components and will confirm these improvements with favorable financial audits. The challenges facing the DoD fall into three broad categories: those that heavily depend on systems solutions; those that depend primarily on process solutions; and those that depend on both systems and process solutions. The focus areas addressed in the FIAR Plan include: Fund Balance with Treasury, Military Equipment, Real Property, Accounts Receivable, Inventory, Operating Material and Supplies, Medicare-Eligible Retiree Health Care Fund, Accounts Payable, and Environmental Liabilities.

For systems solutions, the FIAR Plan relies on the DoD ETP and Component transition plans that were developed to modernize existing systems and develop new systems. While systems solutions are being implemented, much can be done to resolve problems that primarily depend on process improvements. For process solutions, the FIAR Plan capitalizes on work done by the Military Services or other Components to address major deficiencies in the Department's ability to capture and report financial information. Taken together, the FIAR Plan identifies progress to date and provides quarterly milestones and tasks for achieving improved financial information.

The FIAR Plan identifies, coordinates, and prioritizes policy, process, internal control, system, human resource and organization corrective actions, and activities to improve financial and business operations and capabilities—many of the same capabilities addressed by the BEA for business transformation. The FIAR Plan ensures that Component requirements and plans for the deployment of modern financial and business systems are consistent with the ETP. In addition, the FIAR Plan ensures that Component actions are consistent with FIAR priorities and objectives. The FIAR Plan details planning and scheduling implementation of corrective actions across all of DoD. Because of the differences in mission and purpose, the FIAR Plan tracks financial milestones (e.g. POM submission), while the ETP tracks acquisition and

program implementation milestones. The FIAR team and the BTA work together to ensure ETP and FIAR milestones align and to document any critical dependencies.

To view the current FIAR Plan visit: <http://www.dod.mil/comptroller/FIAR/index.html>

6.5 Human Capital Strategy (HCS)

One of the key elements of QDR 2006 is DoD's Human Capital Strategy, discussed in the QDR section entitled, *Developing a 21st Century Total Force*. The HCS provides overarching direction and guidance for the effective and efficient management across the Total Force—active, reserve, civilian, and contractor.

The transition to Total Force management is critical to business transformation, enabling a linkage of human capital strategies to operational strategies supporting the warfighter in achieving the DoD mission. The HCS outlines three strategic initiatives to achieve these objectives, stating that DoD will develop and implement:

- A competency-based occupational planning system to describe work and workers
- An enhanced performance-based management system that uses metrics to evaluate the strengths and weaknesses of DoD organizations and individuals
- Enhanced opportunities for personal and professional growth to provide better access to programs that support the strategic objectives, particularly for civilian employees

A key element of the HCS is DoD's implementation of the National Security Personnel System (NSPS), which is affording the Department a means to transform the personnel system for civilian DoD workers.

6.5.1 National Security Personnel System (NSPS)

In the National Defense Authorization Act for Fiscal Year 2004, Congress granted DoD the authority to implement a new, flexible civilian personnel system. The system, known as the National Security Personnel System, will enable DoD to attract, develop, compensate, and retain a high performing work force that is needed by DoD to meet the national security demands of the 21st Century. NSPS will provide flexibilities to help reduce our reliance on the military to perform jobs that civilians can and should perform, freeing up the military to perform its warfighting duties.

NSPS is a mission-driven, performance based system that motivates, recognizes, and rewards excellence, which will result in an overall improvement to mission effectiveness and enhanced national security. NSPS will serve as a key tool in accomplishing DoD's Human Capital Management Plan by reinforcing the high performing behaviors that are the plan's hallmark. NSPS includes a new labor relations system, a new appeals process, and an enhanced human resources system covering staffing, workforce shaping, recruitment, compensation (pay banding) and performance management (pay for performance). It is a rigorous and broad-based effort to modernize the DoD's civilian personnel system. The NSPS performance management system is designed to foster a high performing culture, encourage employee engagement and robust communication, and enhance the overall effectiveness of the Department. Supervisors will work with employees to establish performance goals and expectations that are aligned with mission-related goals and DoD transformation objectives. NSPS will allow for greater flexibilities in pay for performance that will help to tie the Department's transformation objectives to the compensation of the workforce.

NSPS will create a new framework of rules, regulations, and processes — rooted in the principles of flexibility and fairness — that improves the way DoD hires, assigns, compensates, and rewards its employees while preserving the core merit principles, veterans' preference, and important employee protections and benefits. The BEA does not currently reflect the new rules, regulations, and processes associated with NSPS. Those elements will be incorporated in the BEA as changes to business activities, Business Capabilities, controls, and other necessary changes occur following congressional approval of changes to U.S. Code Title 5, Government Organization and Employees, which are regulations for government organizations and employees.

The implementation of NSPS will affect DCPDS, a system that is part of the BEA and ETP. When Title 5 changes are approved, DCPDS will need business rules and requirements added to the BEA, along with the changes to business activities, Business Capabilities, and controls mentioned above. The implementation of NSPS will affect DoD's business transition plans, and those impacts will be reflected as appropriate in the ETP and BEA.

6.6 Focused Logistics

Focused Logistics is the ability to provide the joint force the right personnel, equipment, supplies, and support in the right place, at the right time, and in the right quantities across the full range of military operations. This will be made possible through a real-time, net-based information system providing accurate, actionable visibility as part of an integrated operational picture that will effectively link the operator and logistician across joint forces, Services, and support agencies. Some of the basic tenets of Focused Logistics include the ability to:

- Strengthen joint operations
- Project and sustain forces in distant anti-access and area-denial environments
- Compress the supply chain
- Reduce cycle time
- Modernize the DoD-wide approach to business information

As part of the Focused Logistics effort, DoD has developed several logistics plans and strategies, including a DoD Logistics Transformation Strategy, Focused Logistics Joint Functional Concept, Focused Logistics Campaign Plan, and Focused Logistics Roadmap. In order to complete development of a comprehensive, integrated logistics strategy, the OUSD (L&MR) and Joint Staff are currently developing a logistics portfolio test case to ensure appropriate capabilities are considered in completion of the logistics strategy.

Because modernization of the DoD-wide approach to business information is of such importance to the success of the Forced Logistics initiative, the DoD business transformation effort impacts and is impacted by Forced Logistics. Essentially, in order to have the right personnel, equipment, supplies, and support in the right place, at the right time, and in the right quantities, the DoD business mission works hand-in-glove with the warfighting mission in support of the warfighter.

6.7 Departmental Reporting

DoD provides a number of reports in response to laws and federal regulations. These include the Secretary of Defense Annual Report to Congress, Performance and Accountability Report (PAR), various Government Performance Results Act (GPRA) reports, OMB requirements, and plans for addressing GAO High-Risk Areas. The transformation priorities, systems, milestones, metrics, and status will drive DoD Business Mission Area inputs to these reporting requirements. At the same time, DoD business transformation may potentially be impacted by the findings in these reports and may need to make adjustments in response to these reports. In the long term, consistent and repeatable processes, authoritative sources of data, and collaboration will help keep DoD transformation planning in synch with these other reporting efforts.

6.7.1 Performance and Accountability Report (PAR)

The PAR provides the President, Congress, other federal departments and agencies, and the American public with an overview of the Department's financial condition and includes an assessment of program performance that covers the 12-month period ending September 30 each year. Section 1: Management's Discussion and Analysis is a high-level summary of the Department's performance and financial information, highlights the Department's annual performance goals and results, and summarizes progress in implementing the FIAR Plan, the ETP, and the President's Management Agenda objectives. The PAR cites weaknesses and gaps in DoD's current financial management picture, while the ETP identifies and tracks systems and initiatives targeted to provide Department-wide financial management solutions.

6.8 Global Information Grid (GIG)

The Global Information Grid is the organizing construct for achieving interoperability within DoD. The term GIG refers to the vision, infrastructure improvements, and representation of Warfighting, Intelligence, Business, and Enterprise Information Environment Mission Areas in enterprise architectures. It is defined as a globally interconnected, end-to-end set of information capabilities and associated processes and personnel for collecting, processing, storing, disseminating, and managing information on demand for warfighters, policy makers, and support personnel. Find out more about the GIG at: <https://standmgt.disa.mil/restricted/ncow.html>

GIG Enterprise Services (GIG ES) will provide DoD and the DoD Intelligence Community a common set of information capabilities for the GIG and will support interoperability across systems. GIG ES will allow warfighters, policy makers, and support personnel to access information on demand. GIG ES will support 1) the BTA, 2) DoD Components of the Intelligence Community, and 3) the warfighters, including the Joint Warfighting Capabilities Assessment (JWCA) Portfolio consisting of Force Application, Battle Space Awareness, Command and Control, Force Protection, and Focused Logistics.

6.9 Net-Centricity

Migration to a net-centric environment is a key enabler of IT support for the Department's business transformation. Net-centricity is the power of leveraging digital networks and information technology to distribute information instantly where needed. OSD(NII) is leading DoD's effort to implement fundamental Net-Centric Enterprise Services to handle the underlying infrastructure needs for net-centricity (e.g., enterprise data storage).

Net-centricity enables transformation by allowing applications to share data and services more effectively and flexibly, thereby allowing more agile, effective business practices to be used at reduced cost. Net-centricity makes information and functionality more accessible. For example, when purchasing a plane ticket via the web, travel web sites access common data and services to check flight availability, assign seats, and validate credit cards. Net-centricity also gives decision makers and analysts a more robust ability to search and access information and understand the meaning of each piece of information. The net-centric approach will enable substantially improved access to business information and dramatically shorten decision cycles.

The DoD transformation effort is employing principles of net-centricity to business transformation. At the DoD Enterprise level, single sources of authoritative business data will be created and then, by using network technologies, data standards, and enterprise information services, information will be ubiquitous to decision makers at all levels throughout the Department. The net-centric approach will make information and functionality currently locked in individual applications more accessible throughout each Core Business Mission's end-to-end process. Similar to the way that the BEA guides the improvement of business practices, the BEA will guide the formation of a net-centric common data framework across the Business Mission Area.

DoD is currently positioning programs to participate in the net-centric environment by helping identify requirements for new initiatives, designating authoritative data sources, and assigning responsibility for developing common services. Some of these services will be made accessible from existing applications, and others will be newly developed. Business systems, in turn, must be ready to take advantage of the services that will be offered. As part of DoD's business transformation, some business services have already been developed and implemented, such as Central Contractor Registration. In the future, the BMA will continue to migrate to a more net-centric approach in developing and delivering solutions to provide Business Capabilities.

Detailed references to key documents to support the reader's understanding are listed in the References section. The key references for net-centricity are the BMA Net-Centric Strategy Version 4.0, DoD Net-Centric Data Strategy, and the Global Information Grid Mission Area Initial Capabilities Document.

7 Conclusion

Transforming the world's largest and most complex organization requires a robust plan to improve the Business Capabilities supporting our warfighters and decision makers. Underpinning the plan is a governance structure that leverages senior leadership direction and involvement across OSD, the Services, Defense Agencies, Field Activities, and COCOMs. The dedicated senior leadership, structured collaboration, and commitment across the DoD will enable successful transformation.

The Business Transformation Guidance provides the approach by which DoD business transformation is analyzed, planned, executed, and controlled. The combination of careful planning and relentless execution will lead to improved Business Capabilities that will provide a more capable military force, a more financially accountable organization, and a more efficient use of taxpayer dollars.

We live in a world of ever-changing threats. As a result, the Department of Defense has committed to a state of continual transformation. The DoD Business Transformation Approach defined here will support this commitment by creating a leaner, more effective and more agile organization that better utilizes DoD assets to quickly respond to threats anywhere in the world.

Acronym List

Acronym	Definition
ACAT	Acquisition Category
ADM	Architecture Development Methodology
AIS	Automated Information System
ASD (NII)	Office of the Assistant Secretary of Defense for Networks and Information Integration
AT&L	Acquisition, Technology, and Logistics
AV-1	All Views
BCP	Budget Change Proposal
BEA	Business Enterprise Architecture
BEP	Business Enterprise Priorities
BMA	Business Mission Area
BRAC	Base Realignment and Closure
BTA	Business Transformation Agency
BTG	Business Transformation Guidance
CA	Certification Authority
CAE	Component Acquisition Executive
CBM	Core Business Mission
CDD	Capability Development Document
CFO	Chief Financial Officer
CIO	Chief Information Officer
CJCS	Chairman, Joint Chiefs of Staff
COCOM	Combatant Command
CONOPS	Concept of Operations
CPD	Capabilities Production Document
DAS	Defense Acquisition System
DAU	Defense Acquisition University
DBSAE	Defense Business Systems Acquisition Executive
DBSMC	Defense Business Systems Management Committee
DEAMS	Defense Enterprise Accounting Management System
DFAS	Defense Finance and Accounting Service
DISR	Defense Information Technology Standards and Profile Registry
DITPR	DoD Information Technology Portfolio Repository
DLA	Defense Logistics Agency
DME	Development/Modernization/ Enhancement
DoD	Department of Defense
DoDAF	DoD Architecture Framework
DoDD	DoD Directive
DoD EA	DoD Enterprise Architecture
DoD EA RM	DoD Enterprise Architecture Reference Model
DoDI	DoD Instruction

Acronym	Definition
DOTMLPF	Doctrine, Organization, Training, Materiel, Leadership, Personnel, and Facilities
DT&E	Developmental Test and Evaluation
EIE	Enterprise Information Environment
ERAM	Enterprise Risk Assessment Methodology (previously Model)
ERP	Enterprise Resource Planning
ETP	Enterprise Transition Plan
FAA	Functional Area Analysis
FCB	Functional Capabilities Board
FEA	Federal Enterprise Architecture
FEAF	Federal Enterprise Architecture Framework
FFMIA	Federal Financial Management Improvement Act
FIAR	Financial Improvement and Audit Readiness
FM	Financial Management
FNA	Functional Needs Analysis
FOC	Full Operational Capability
FSA	Functional Solutions Analysis
FV	Financial Visibility
FY	Fiscal Year
GAO	Government Accountability Office
GAO/AIMD	Government Accountability Office/Accounting and Information Management Division
GAO/ T-AIMD	Government Accountability Office/Testimony - Accounting and Information Management Division
GIG	Global Information Grid
GIG ES	Global Information Grid – Enterprise Services
GPRA	Government Performance and Results Act
HCP	Human Capital Plan
HCS	Health Care System or Human Capital Strategy
HR	Human Resources
HRM	Human Resources Management
IA	Information Assurance
ICD	Initial Capabilities Document
IG	Inspector General
IMA	Intelligence Mission Area
IOC	Initial Operational Capability
IPT	Integrated Process Team
IRB	Investment Review Board
IT	Information Technology
JCIDS	Joint Capabilities Integration and Development System
JPG	Joint Programming Guidance
JROC	Joint Requirements Oversight Council

Acronym	Definition
JWCA	Joint Warfighting Capabilities Assessment
KPP	Key Performance Parameters
MAC	Mission Assurance Category
MAIS	Major Automated Information System
MDA	Milestone Decision Authority
MOE	Measure of Effectiveness
MS&SM	Materiel Supply & Service Management
MV	Materiel Visibility
NCES	Net-Centric Enterprises Services
NCOW-RM	Net-Centric Operations and Warfare Reference Model
NDAA	National Defense Authorization Act
NII	Networks and Information Integration
NII/CIO	Networks and Information Integration/DoD Chief Information Officer
NMS	National Military Strategy
NSPS	National Security Personnel System
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
OSD (NII)	Office of the Secretary of Defense Networks and Information Integration
OT&E	Operational Test and Evaluation
OUSD (L&MR)	Office of the Under Secretary of Defense (Logistics and Materiel Readiness)
OV	Operational View
P&R	Personnel & Readiness
PAR	Performance and Accountability Report
PCA	Pre-Certification Authorities
PCP	Program Change Proposal
PDPR	Post-Deployment Performance Review
PfM	Portfolio Management
PIA	Post Independent Analysis
PM	Program Manager
POM	Program Objective Memorandum
PPBE	Planning, Programming, Budgeting and Execution
PSA	Principal Staff Assistant
PV	Personnel Visibility
QDR	Quadrennial Defense Review
RP&ILM	Real Property & Installations Lifecycle Management
RPA	Real Property Accountability
SFIS	Standard Financial Information Structure
SME	Subject Matter Expert
SNaP-IT	Select and Native Programming Data Input System - Information Technology
SPG	Strategic Planning Guidance

Acronym	Definition
SS	Steady State
SV	Systems View
SV	System Visibility
T&E	Test and Evaluation
TAFT	Test-Analyze-Fix-Test
TDY	Temporary Duty
TP	Transition Plan
TPG	Transformation Planning Guidance (for historical reference)
TSO	Transformation Support Office
TV	Technical Standards View
UAO	Unqualified Audit Opinion
UJTL	Universal Joint Task List
USD	Under Secretary of Defense
USD(C)	Under Secretary of Defense (Comptroller)
USTRANSCOM	United States Transformation Command
WMA	Warfighting Mission Area
WSLM	Weapons System Lifecycle Management

Glossary

Term	Definition						
Acquisition Visibility (AV) BEP	Acquisition Visibility (AV) is defined as achieving timely access to accurate, authoritative, and reliable information supporting acquisition oversight, accountability, and decision making throughout the Department for effective and efficient delivery of warfighter capabilities. AV brings transparency to critical information supporting full lifecycle management of the Department's processes that deliver weapon systems and automated information systems. This goal fully supports the responsibilities, scope, and business transformation requirements of the Weapon System Lifecycle Management (WSLM) Core Business Mission.						
Activity	An activity is an action performed in conducting the business of an enterprise. It is a general term that does not imply a placement in a hierarchy (e.g., it could be a process or a task as defined in other documents and it could be at any level of the hierarchy of the Operational Activity Model). It is used to portray operational actions not hardware/software system functions (DoDAF).						
Architecture-guided	Architecture provides a framework against which new capabilities are identified and within which existing capabilities are arranged. It serves as a critical benchmark against which the DBSMC and IRBs assess and certify proposed systems/initiatives and expenditures.						
Business Transformation Approach	<p>A five-step process that guides planning for the "To Be state" occurs concurrently at the Enterprise and Component levels. The five steps are:</p> <ul style="list-style-type: none"> • <i>Set Priorities</i> • <i>Analyze and Approve Solution</i> • <i>Build/Refine Required Architecture and Transition Plans</i> • <i>Define and Fund Programs</i> • <i>Execute and Evaluate</i> <p>Each step is revisited and improved as necessary during the process.</p>						
Business Capability	The ability to execute a specific course of action. It can be a single business enabler or a combination of business enablers (e.g., business processes, policies, people, tools, or systems information) that assist an organization in delivering value to its customer.						
Business Enterprise Architecture (BEA)	A blueprint to guide and constrain investments in DoD organizations, operations, and systems as they relate to or impact business operations. It will provide the basis for the planning, development, and implementation of business management systems that comply with Federal mandates and requirements and will produce accurate, reliable, timely, and compliant information for DoD staff.						
Business Enterprise Priority (BEP)	<p>An area where transformed business operations will provide improved warfighter support, reduced costs, and better regulatory compliance. A BEP is formulated based on requirements identified by the warfighter, the Components, and the BTA. Initial priorities are:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><i>1) Personnel Visibility</i></td> <td style="width: 50%;"><i>4) Materiel Visibility</i></td> </tr> <tr> <td><i>2) Acquisition Visibility</i></td> <td><i>5) Real Property Accountability</i></td> </tr> <tr> <td><i>3) Common Supplier Engagement</i></td> <td><i>6) Financial Visibility</i></td> </tr> </table>	<i>1) Personnel Visibility</i>	<i>4) Materiel Visibility</i>	<i>2) Acquisition Visibility</i>	<i>5) Real Property Accountability</i>	<i>3) Common Supplier Engagement</i>	<i>6) Financial Visibility</i>
<i>1) Personnel Visibility</i>	<i>4) Materiel Visibility</i>						
<i>2) Acquisition Visibility</i>	<i>5) Real Property Accountability</i>						
<i>3) Common Supplier Engagement</i>	<i>6) Financial Visibility</i>						
Business Mission Area (BMA)	The Global Information Grid Architecture identifies four interdependent entities, or Mission Areas, within the DoD Enterprise Architecture. The Mission Areas are Warfighting (WMA), Business (BMA), DoD portion of Intelligence (DIMA), and Enterprise Information Environment (EIE). The role of the BMA is to deliver products and services required by the WMA to accomplish assigned objectives.						

Term	Definition
Business System	An information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities. These business activities include acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management. (FY05 NDAA) In addition, the DODD 8500.1 further defines a system as a “set of information resources organized for the collection, storage, processing, maintenance, use, sharing, dissemination, disposition, display, or transmission of information.” BTA business systems include: Federal Systems used or supported by DoD; Component (multi-Component) standard systems; major command systems; and data stores. BTA business systems do not include: office automation, data management, information assurance, and other similar types of enabling software.
Business Transformation	A key executive management initiative to align the technology initiatives of an organization more closely with its business strategy and vision. Business transformation is achieved through efforts from both business and IT areas.
Capability Target	A major portion of a capability such as the development and deployment of a system that is part of the implementation of a Capability. “Target” implies that metrics can be identified and taken to assess the progress towards achieving the target.
Capability-driven	Transformation is planned and implemented around the concept of a capability.
Certification Authority (CA)	The designated PSA with responsibility for review, approval, and oversight of the planning, design, acquisition, deployment, operation, maintenance, and modernization of Defense business systems. Primary authorities for certification of the system are: USD (P&R) – Under Secretary of Defense (Personnel & Readiness) USD (AT&L) – USD (Acquisition, Technology & Logistics) USD (C) – USD (Comptroller) ASD (NII) – Assistant Secretary of Defense (Networks and Information Integration) For example, the USD (AT&L) is responsible and accountable for any Defense business system that supports defense acquisition activities, logistics activities, or installations and environment activities of DoD. Others include the USD(C) for any Defense business system that supports financial management activities or strategic planning and budgeting activities; the USD (P&R) for any Defense business system that supports human resources management activities; and the Deputy Secretary of Defense or an Under Secretary of Defense as designated by the Secretary of Defense, for any Defense business system that supports any activity of the DoD not covered by the established four CAs.
Common Supplier Engagement (CSE) BEP	Common Supplier Engagement is the alignment and integration of the policies, processes, data, technology, and people to provide a consistent experience for suppliers and DoD stakeholders to ensure reliable and accurate delivery of acceptable goods and services to support the warfighter.
Component	DoD Components (for BTA purposes) are defined as the Military Services, DoD Agencies, Defense Field Activities, Joint Staff, and Combatant Commands.
Component-level	Within the context of tiered accountability, refers to the programs and solutions managed by the Component.
Component Priority	An area where transformed business operations will provide a Component with improved warfighter support, reduced costs, and better regulatory compliance. These priorities are complementary to Business Enterprise Priorities and address the assigned mission needs of the particular Component.
Constraints	Actions, occurrences, or factors outside the scope or control of the system or initiative that may adversely affect the proposed solution.
Core Business Mission (CBM)	A defined area of responsibility with functions and processes that provides end-to-end support to the warfighter. The five Core Business Missions are: Human Resources Management (HRM) Weapon System Lifecycle Management (WSLM) Real Property & Installation Lifecycle Management (RP&ILM) Materiel Supply & Service Management (MS&SM) Financial Management (FM)

Term	Definition
Defense Acquisition System (DAS) Processes or Activities	The management process by which the Department of Defense provides effective, affordable, and timely systems to the users (DoDD 5000.1).
Defense Business Systems Acquisition Executive (DBSAE)	The Defense Business Systems Acquisition Executive (DBSAE), under the direction of the DBSMC, will drive the implementation of DoD Business Enterprise Priority systems and initiatives in support of DoD business transformation. The DBSAE will serve as the Component Acquisition Executive for DoD-wide business systems and will work with the Components to develop overarching business, acquisition, and contracting strategies that promote interoperability, risk identification and risk management, meaningful performance metrics, and lowest total operating cost. The DBSAE is responsible for managing the cost, schedule, and performance of Enterprise-level systems and initiatives.
Defense Business Systems Management Committee (DBSMC)	Chaired by the Deputy Secretary of Defense, the DBSMC is the highest authority providing top-level governance to coordinate Defense business system modernization and to link improvements in Business Capabilities to the warfighter. The DBSMC is composed of the Deputy Secretary of Defense, the Under Secretaries, and the Chairman of the Joint Chiefs of Staff (CJCS); the Secretaries of the Military Departments and the heads of the Defense Agencies, the Combatant Commanders of United States Transformation Command (USTRANSCOM) and Joint Forces Command; the Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer (NII/CIO); and the Director of Program Analysis and Evaluation (PA&E) in an advisory role.
DITPR	The DoD IT Portfolio Repository is a database directly updated by the Components that contains key information on DoD systems and a limited number of initiatives.
DoDAF	The Department of Defense Architecture Framework (DoDAF), Version 1.0, defines a common approach for DoD architecture description development, presentation, and integration for both warfighting operations and business operations and processes. The DoDAF is intended to ensure that architecture descriptions can be compared and related “across organizational boundaries, including Joint and multinational boundaries” (from the Executive Summary of the DoDAF, version 1.
End-to-end	Complete processes that can cut across systems and organizations.
Enterprise Information Environment (EIE)	As part of the DoD Global Information Grid (GIG), the EIE is one of the four Mission Areas and is overseen by the Office of the Assistant Secretary of Defense for Network and Information Integration (ASD (NII)). The EIE includes any system, equipment, software, or service that meets one or more of the following criteria: <ul style="list-style-type: none"> • <i>Transmits information to, receives information from, routes information among, or interchanges information among other equipment, software, and services</i> • <i>Provides retention, organization, discovery, visualization, information assurance, disposition of data, information, or knowledge received from or transmitted to other equipment, software, and services</i> • <i>Processes data or information for use by other equipment, software, or services</i>
Enterprise-level	Within the context of tiered accountability, refers to programs/solutions managed by OSD
Enterprise Systems	Systems that have been identified as the standard across the DoD
Enterprise Transition Plan (ETP)	Designed to guide and track the business transformation of the DoD Business Mission Area. Includes activities associated with developing the plan and framework for moving from the “As Is” to the “To Be” using strategic plans, Business Capabilities, and architecture information. Key elements include the objectives, schedules, funding, and migration information for the systems and initiatives supporting DoD’s Business Enterprise Priorities.
Federated Architecture	An approach for enterprise architecture development, composed of a set of coherent but distinct entity architectures, with shared responsibilities across members of the federation. The members of the federation participate to produce an interoperable, effectively integrated enterprise architecture. The federation sets the overarching rules of the federated architecture, defining the policies, practices, and legislation to be followed as well as the interfederate procedures and processes, data interchanges, and interface standards to be observed by all members. Each federation member conforms to the Enterprise view and overarching rules of the federation in developing its architecture. Internal to themselves, each focuses on their separate mission and the architecture that supports that mission.

Term	Definition
Financial Visibility (FV) BEP	Immediate access to accurate and reliable financial information (planning, programming, budgeting, accounting, and cost information) in support of financial accountability and efficient and effective decision-making throughout the DoD in support of the missions of the warfighter.
Full Operational Capability (FOC)	Defined in JCS Pub 1-02 as “the full capability to employ effectively a weapon, item of equipment or system of approved specific characteristics, and which is manned and operated by an adequately trained, equipped and supported military force or unit.”
Global Information Grid (GIG)	“The globally interconnected, end-to-end set of information capabilities, associated processes, and personnel for collecting, processing, storing, disseminating and managing information on demand to warfighters, policy makers, and support personnel. The GIG includes all owned and leased communications and computing systems and services, software (including applications), data, security services, and other associated services necessary to achieve Information Superiority. It also includes National Security Systems as defined in section 5142 of the Clinger-Cohen Act of 1996 (reference (b)). The GIG supports all Department of Defense, National Security, and related Intelligence Community missions and functions (strategic, operational, tactical, and business), in war and in peace. The GIG provides capabilities from all operating locations (bases, posts, camps, stations, facilities, mobile platforms, and deployed sites). The GIG provides interfaces to coalition, allied, and non-DoD users and systems.” (Source: DODD 8100.1).
Goal	“Goals are simply a clearer statement of the visions, specifying the accomplishments to be achieved if the vision is to become real.” (Source: <i>Strategic Planning in Nonprofit or For-Profit Organizations</i> , by Carter McNamara, MBA, PhD)
Governance	“The process through which organizations make strategic decisions, determine who they involve and demonstrate accountability for the results of their actions.” (Source: Army Enterprise Integration Oversight Office – Reference Center)
Information Technology (IT) System	Set of information resources organized for the collection, storage, processing, maintenance, use, sharing, dissemination, disposition, display, or transmission of information. Any Acquisition Category (ACAT) system that meets these criteria, anything categorized as a NSS or a Mission Assurance Category (MAC) level is, by definition, considered an IT system.
Initiative	A construct for the management of resources. “All IT/NSS [IT/ National Security Systems] resources must be managed in accordance with appropriations guidance and applicable expense and investment criteria. All resources will be reported within initiatives. Initiatives can be systems, programs, projects, organizations, activities or family of systems.” (Source: FMR Volume 2B, Chapter 18, June 2004.) Within BTA, especially when used in the context of systems and initiatives, the term initiative refers to non-system programs or activities focused on policy changes, data standards, or other business practice changes.
Initial Operational Capability (IOC)	Defined in JCS Pub 1-02 as “the first attainment of the capability to employ effectively a weapon, item of equipment or system of approved specific characteristics, and which is manned and operated by an adequately trained, equipped and supported military force or unit.” Defined slightly differently by each military department but with comparable meaning.
Investment Management (IT)	IT investment management is a process for linking IT investment decisions to an organization’s strategic objectives and business plans. Generally, it includes structures (including decision-making bodies known as IRBs), processes for developing information on investments (such as costs and benefits), and practices to inform management decisions (such as investment alignment with an enterprise architecture). The federal approach to IT investment management is based on establishing systematic processes for selecting, controlling, and evaluating investments.
Investment Review Board (IRB)	Each Certification Authority is required to establish and charter an IRB to provide investment review of its business systems. Each IRB will assess modernization investments relative to their impact on end-to-end business process improvements that support warfighter needs. IRB membership includes representatives from the Components, Combatant Commands, and the Joint Chiefs of Staff.

Term	Definition
JCIDS Process	Policy and procedures that support the Chairman of the Joint Chiefs of Staff and the Joint Requirements Oversight Council in identifying, assessing, and prioritizing joint military capability needs. (CJCSI 3170.01E)
Key Performance Parameter (KPP)	Those attributes or characteristics of a system that are considered critical or essential to the development of an effective military capability and those attributes that make a significant contribution to the key characteristics as defined in the Joint Operations Concepts. KPPs are validated by the Joint Requirements Oversight Council (JROC) for JROC Interest documents, and by the DoD Component for Joint Integration or Independent documents. Capability development and capability production document KPPs are included verbatim in the acquisition program baseline. (CJCSI 3170.01E)
Legacy System	An existing system that is designated for closure when the capability is absorbed by an interim or core system or if the capability is no longer required. No modifications or enhancements are made to legacy systems.
Major Automated Information System (MAIS)	<p>A MAIS is an Automated Information System (AIS) program that is:</p> <ul style="list-style-type: none"> • <i>Designated by the OSD(NII) as a MAIS or</i> • <i>Estimated to require program costs in any single year in excess of \$32 million or total program costs in excess of \$126 million (both in FY 2000 constant dollars)</i> <p>MAIS does not include IT that involves equipment that is an integral part of a weapons system or is an acquisition services program.</p>
Materiel Visibility (MV) BEP	The ability to locate and account for materiel assets throughout their lifecycle and provide transaction visibility across logistics systems in support of the joint warfighting mission
Metric	(See Performance Measurement)
Migration Date	The date of FOC for the final set of functions or final set of users migrating to the target system in a production environment.
Milestone (MS)	A milestone is a significant event. For business transformation, these are events tracked to monitor progress towards or achievement of improved Business Capabilities. In the acquisition sense, a milestone is “the point at which a recommendation is made and approval sought regarding starting or continuing an acquisition program.” (Source: DAU)
National Defense Authorization Act (NDAA) for FY05	With the National Defense Authorization Act of 2005 (NDAA), Congress provided the Department a mandated governance structure to provide oversight and direction of Defense business systems developmental activities.
NDAA Category	<p>The NDAA defines three transition categories as follows:</p> <ol style="list-style-type: none"> 1. New – New systems expected to be needed to complete the DoD Business Enterprise Architecture 2. Legacy – Defense business systems as of December 2, 2002 (known as “legacy” systems), that will not be part of the objective DoD Business Enterprise Architecture 3. Modify – Defense business legacy systems that will be a part of the objective Defense business system by making modifications to those systems to ensure that they comply with the DoD Business Enterprise Architecture <p>Unknown – DoD business legacy systems for which a transition strategy has not been determined (Category of Unknown not defined in the NDAA)</p>
Network-centricity (or Net-centricity)	Net-centricity is a robust, globally interconnected network environment (including infrastructure, systems, processes and people) in which data are shared in a timely and seamless manner among users, applications and platforms. Net-centricity enables substantially improved military situational awareness and significantly shortened decision-making cycles. (CJCSI 3170.01E)
Objective	A “clearer statement of the specific activities required to achieve the goals, starting from the current status.” (Source: <i>Strategic Planning (in Nonprofit or For-Profit Organizations)</i> , by Carter McNamara, MBA, PhD)
Performance Measurement	“Performance Measurement is a means of assessing progress against stated goals and objectives in a way that is unbiased and quantifiable. It brings with it an emphasis on objectivity, fairness, consistency, and responsiveness. At the same time, it functions as a reliable indicator of an organization’s long-term health. Its impact on an organization can be both immediate and far-reaching.” (Source: OSD Comptroller iCenter – web presence)

Term	Definition
Personnel Visibility (PV) BEP	Real time, reliable information that provides visibility of military service members, civilian employees, military retirees, contractors (in theater), and other U.S. personnel across the full spectrum — during peacetime and war, through mobilization and demobilization, and for deployment and redeployment while assigned in a theater of operation, at home base, or into retirement. This includes ensuring timely and accurate access to compensation and benefits for DoD personnel and their families and ensuring that Combatant Commanders have access to timely and accurate data on personnel and their skill sets.
Portfolio Management (PfM)	Management of IT investments using integrated strategic planning, integrated architectures, measures of performance, risk management techniques, transition plans, and portfolio investment strategies. The core activities associated with portfolio management are analysis, selection, control, and evaluation. Decisions on IT investments are based on compliance with the BEA, mission area goals, risk tolerance levels, potential returns, and performance.
Principal Staff Assistants (PSA)	The Under Secretaries of Defense, the Director of Defense Research and Engineering, the Assistant Secretaries of Defense, the General Counsel of the Department of Defense, the Comptroller of the Department of Defense, the Assistants to the Secretary of Defense, and the OSD Directors or equivalents who report directly to the Secretary or Deputy Secretary of Defense. (Source: DoDD 5100.81, Department of Defense Support Activities (DSAs))
Program	A system or initiative development and implementation effort.
Program Baseline	<p>A program baseline establishes a foundation of projected costs, schedules, and performance expectations for Enterprise-level systems and initiatives. This baseline is used to:</p> <ul style="list-style-type: none"> • <i>Monitor execution of transition efforts relative to established plans</i> • <i>Evaluate the alignment of transition efforts</i> • <i>Examine program interdependencies</i> • <i>Assess impacts of the transition efforts</i> <p>It reflects decisions about investments and documents accomplishments. The program baseline works integrally with the Enterprise Transition Plan to provide Department stakeholders with the necessary information to guide and track their transformation efforts.</p>
Program of Interest	A program may be a program of interest based on one or more of the following factors: technological complexity, Congressional interest, a large commitment of resources, or critical to achievement of a capability or set of capabilities. Exhibiting one or more of these characteristics, however, shall not automatically lead to a “program of interest” designation.
Program Level	The level at which a target system and its Business Capabilities will be implemented or managed. BTA program levels are Enterprise or Component.
Program Manager	A military or civilian official who is responsible for managing, through integrated product teams (IPTs), an acquisition program. (Source: Navy Strategic Sourcing Reference Library – Strategic Sourcing Terminology)
Program-enabled	The implementation of architecture-guided, capability-driven systems and initiatives.
Real Property Accountability (RPA) BEP	The Real Property Accountability (RPA) Business Enterprise Priority (BEP) is focused on providing the warfighter and Business Mission Area access to near-real time, secure, accurate, and reliable physical, legal, financial, and environmental information on real property assets to which the DoD has a legal interest.
Risk	Risk is a measure of the potential inability to achieve overall program objectives within defined cost, schedule, and technical constraints and has two Components: (1) the probability/likelihood of failing to achieve a particular outcome, and (2) the consequences/impacts of failing to achieve that outcome. (Source: Risk Management Guide for DoD Acquisition, Fifth Edition (Version 2.0), June 2003)
Risk Management	Risk management is the act or practice of dealing with risk. It includes planning for risk, assessing (identifying and analyzing) risk areas, developing risk-handling options, monitoring risks to determine how risks have changed, and documenting the overall risk management program. (Source: Risk Management Guide for DoD Acquisition, Fifth Edition (Version 2.0), June 2003)
Round Trip Matrix	The Round Trip Matrix presents an end-to-end linkage of key elements in achievement of Business Capabilities which relates CBMs to BEPs; BEPs to Business Capabilities; Business Capabilities to Systems Entities; System Entities to DOTMLPF resources; and DOTMLPF resources back to the CBMs.

Term	Definition
Target System	The system(s) solution targeted to assume some or all of the migrating systems' functionality to achieve a specific Business Capability or set of capabilities.
Termination Date	The date a system is scheduled to be terminated (synonymous with Retirement Date or Sunset Date).
Tiered Accountability	An approach to business transformation that is based on dividing the planning and management of systems and initiatives between Enterprise and Component levels.
Transformation	(See Business Transformation)
Transformation Support Office (TSO)	The DBSMC support organization to integrate the enterprise architecture, the Enterprise Transition Plan, and the program baseline.
Transition Element Matrix	The Transition Element Matrix compares the goals/objectives, Business Capabilities, and systems, in the ETP and BEA.
Transition Plan (as specified by FY05 NDAA)	<p>The FY05 NDAA establishes requirements for a transition plan describing:</p> <ul style="list-style-type: none"> • <i>The acquisition strategy for new systems that are expected to be needed to complete the defense Business Enterprise Architecture</i> • <i>A listing of the Defense business systems as of December 2, 2002 (known as legacy systems) that will not be part of the objective defense Business Enterprise Architecture, together with the strategy for terminating those legacy systems that provides for reducing the use of those legacy systems in phases</i> • <i>A listing of the legacy systems (referred to in subparagraph (B)) that will be a part of the objective Defense business systems, together with a strategy for making the modifications to those systems that will be needed to ensure that such systems comply with the defense Business Enterprise Architecture</i> <p>Each of the strategies shall include specific time-phased milestones, performance metrics, and a statement of financial and non-financial resource needs. (Source: FY05 NDAA)</p>
Vision	View of the end result of the transformation that succinctly describes the changed conditions or environment.

Other Guidance Documents

Ref#	Reference Documents	Date/Version
1.	<i>Accounting and Auditing Procedures Act of 1950</i>	1950
2.	<i>BEA CONOPS (Draft)</i>	
3.	<i>BMA Net-Centric Strategy V 4.0</i>	March 29, 2005
4.	DOD, <i>Enterprise Transition Plan (ETP)</i> Available at: http://www.defenselink.mil/dbt/products/Sept-06-BEA_ETP/etp/ETP.html	September 30, 2006
5.	DoD, March 2007 Congressional Report http://www.dod.mil/dbt/products/March_2007_BEA_ETP/etp/Mar07_Virt_App.html	March 15, 2007
6.	[Chairman of the Joint Chiefs of Staff Instruction 3170.01D, <i>Joint Capabilities Integration and Development System (JCIDS)</i>]; Available at: http://www.dtic.mil/cjcs_directives/index.htm	May 5, 2006
7.	Chairman of the Joint Chiefs of Staff Manual 3170.01B, <i>Operation of the Joint Capabilities Integration and Development System (JCIDS)</i>]; Available at: http://www.dtic.mil/cjcs_directives/index.htm	May 5, 2006
8.	<i>DoD Architecture Framework (DoDAF)</i> Version 1.0 Available at: http://www.dod.mil/cio-nii/docs/DoDAF_v1_Volume_1.pdf	February 9, 2003
9.	DoD Directive 5000.1, <i>Subject: Defense Acquisition System</i> Available at: http://www.dtic.mil/whs/directives/corres/html/50001.htm	May 12, 2003
10.	DoD Directive 8100.1, <i>“Global Information Grid (GIG) Overarching Policy.”</i> Available at: http://www.dtic.mil/whs/directives/corres/html/81001.htm	September 19, 2002
11.	<i>DoD Instruction 5000.2, Subject: Operation of the Defense Acquisition System</i> Available at: http://dod5000.dau.mil/DoD5000interactive/dodinstruction5000.asp	May 12, 2003
12.	<i>DoD Joint Chiefs of Staff, Joint Vision 2020, America’s Military: Preparing for Tomorrow.</i> http://www.dtic.mil/doctrine/jel/jfq_pubs/1225.pdf	June 2000
13.	<i>DoD Transformation Planning Guidance</i> Available at: http://www.oft.osd.mil/library/library_files/document_129_Transformation_Planning_Guidance_April_2003_1.pdf	April 2003
14.	<i>Federal Enterprise Architecture Framework (FEAF)</i> Version 1.1; Available at: http://www.opengroup.org/architecture/togaf8-doc/arch/	September 1999
15.	<i>Federal Financial Management Improvement Act of 1996 (FFMIA), Public Law 104-208, Section 801</i> , Available at: http://www.dod.mil/comptroller/icenter/inforef/ffmia96.pdf	September, 30 1996
16.	<i>Federation Strategy</i> http://www.defenselink.mil/dbt/federation_strategy.html	September 28, 2006
17.	<i>GAO Executive Guide - Information Technology: A Framework for Assessing and Approving Enterprise Architecture Management</i> , GAO-03-584G Version 1.1; Available at: http://www.gao.gov/new.items/d03584g.pdf	April 2003
18.	<i>Global Information Grid (GIG) Mission Area Initial Capabilities Document</i> Available at: http://cno-n6.hq.navy.mil/Director_Net-Centric_Warfare/OPNAV_N71/FORCEnet/documents/GIGMAICD.pdf	November 22, 2002

Ref#	Reference Documents	Date/Version
33.	<i>GAO-05-723T, Sustained Leadership Needed to Address Long-standing Financial and Business Management Problems</i> ; Available at: http://www.gao.gov/new.items/d05723t.pdf	June 8, 2005
34.	<i>GAO-02-873T, DoD Management: Examples of Inefficient and Ineffective Business Processes</i> ; Available at: http://www.gao.gov/new.items/d02873t.pdf	June 25, 2002
OMB Circulars		
35.	<i>OMB Circular A-11, Preparation, Submission and Execution of the Budget</i> ; Available at: http://whitehouse.gov/omb/circulars/a11/current_year/a_11_2006.pdf	November 2, 1995
36.	<i>OMB Circular A-123, Management Accountability and Control</i> ; Available at: http://www.whitehouse.gov/omb/circulars/a123/a123.html	June 21, 1995
37.	<i>OMB Circular A-127, Financial Management Systems</i> ; Available at: http://www.whitehouse.gov/OMB/circulars/a127/a127.html	July 13, 1995
38.	<i>OMB Circular A-130, Management of Federal Information Resources</i> ; Available at: http://www.whitehouse.gov/omb/circulars/a130/a130trans4.html	February 8, 1996
Other		
39.	<i>DoD Transformation Planning Guidance, Secretary of Defense</i> ; Available at: https://www.oft.osd.mil/library/library_files/document_129_Transformation_Planning_Guidance_April_2003_1.pdf	April 1, 2003
40.	<i>Quadrennial Defense Review Report</i> ; Available at: http://www.defenselink.mil/qdr/	February, 6, 2006
41.	<i>Defense Acquisition Performance Assessment Report</i> https://acc.dau.mil/CommunityBrowser.aspx?id=17721	January, 2006
42.	<i>John Warner National Defense Authorization Act (NDAA) for Fiscal Year 2007, Public law 109-364, Section 804</i> , http://www.govexec.com/pdfs/DATR_march7.pdf	February 2007
43.	<i>Department of Defense Performance and Accountability Report Fiscal Year 2006</i> http://www.defenselink.mil/comptroller/par/fy2006	November, 2006
44.	<i>Financial Improvement and Audit Readiness Plan</i> , http://www.defenselink.mil/comptroller/FIAR/documents/FIAR_Plan_Sept_2006.pdf	September 30, 2006
45.	<i>Executive Office of the President, Office of Management and Budget, The President's Management Agenda</i> ; Available at: http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf	August 1, 2001
46.	Joint Staff, Available at: http://www.jcs.mil	
47.	CINC-129 Warfighter Requirements for the Global Combat Support System (GCSS)	
48.	<i>Joint Vision 2020</i> , Available at: http://www.dtic.mil/jointvision/jvpub2.htm , <i>Joint Vision 2020</i> , Published by: US Government Printing Office, Washington, DC	June 2000
49.	<i>16th Chairman of the JCS Planning Guidance (Section IIIB)</i> ; Available at: http://www.jcs.mil/paceguidance02Oct05.pdf	October 1, 2005

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Appendix A Details for Step 1: Set Priorities and Step 2: Analyze and Approve Solution

Appendix A provides details and tips to set priorities, determine scope, and assign responsibility for the target solution at both Enterprise and Component levels.

A.1 Step 1: Set Priorities

Step 1: *Set Priorities* offers more details, tips, and templates to help define clear and actionable Business Enterprise Priorities, Component priorities, and Business Capabilities. Examples do not represent actual information (e.g., requirements, objectives) but exhibit the type and level of details desired.

A.1.1 Defining Priorities

Every priority has a common set of data elements that describe and define its scope. The BEP Definition form in Table A-1 has been developed to collect, track, and manage Business Enterprise Priority data elements to aid DoD senior leadership in establishing and managing Business Enterprise Priorities. After filling out this form, the Business Enterprise Priority will use some of the data elements to complete the BEA Business Enterprise Priority AV-1 (not published in this document). Table A-1 describes the major elements for defining a Business Enterprise Priority. Table A-2 provides a weak example, while Table A-3 provides a strong example for defining a Business Enterprise Priority. Component priorities are defined similarly and tie back to the corresponding Business Enterprise Priority, as appropriate.

A.1.1.1 How to Define a Good Business Enterprise Priority

Table A-1, Candidate BEP Definition Form

Element	Description
BEP Name	Provide a succinct identifier that conveys and bounds the need and problem
BEP Description	Include a sentence or two to describe the business context of the priority and the desired outcome of the priority
Lead PSA	Name of the PSA identified for accomplishing the goal of the priority
Organizations Involved	Identify other PSAs participating in accomplishing the priority objectives
Purpose	Identify significant problems or needs targeted for resolution by the BEP
Questions	List the BEP specific questions formed from the Enterprise-wide “Golden Questions”
Goal(s)	Define a bulleted list of the goal(s) of the BEP
Objectives	Specific, assessable, unambiguous statements of what the BEP must achieve to meet its goal. Objectives differ from goals in that each objective is specific, detailed enough, and expressed in a way that DoD leadership can unambiguously assess whether and how it has been met. Generally, there is more than one objective, and each must target a specific aspect of the outcome. The CBMs leading each BEP are accountable for meeting objectives.
Benefits	Describe the tangible benefits that systems/initiatives will provide towards attaining the goals and objectives of the BEP
Business Capabilities	Name the proposed Business Capabilities and the BEP objectives they enable
Using Component	Identify each Component (customer) that will be a user of identified target systems and initiatives

Table A-2, Candidate BEP Definition (Weak Example)

Element	Data
BEP Name	Systems Visibility (SV)
BEP Description	Systems Visibility enable access to systems information
Lead PSA	USD(AT&L)
Organizations Involved	Participation required by all PSAs
Purpose	The number of systems is unknown
Questions	How many systems currently exist?
Goals	Systems visibility throughout the Department
Objectives	<ul style="list-style-type: none"> • <i>Creation of transparent systems information throughout the enterprise</i> • <i>Alignment of systems and applications with strategic objectives of DoD</i>
Benefits	Better systems visibility
Business Capabilities	Reporting
Using Component	All

Table A-3, Candidate BEP Definition (Strong Example)

Element	Data
BEP Name	<ul style="list-style-type: none"> • Systems Visibility (SV)
BEP Description	Systems Visibility enables immediate access to accurate and reliable IT systems information (applications, solutions, hardware, networks) in support of systems accountability and efficient and effective decision making throughout the Department to support the warfighter mission.
Lead PSA	USD(AT&L)
Organizations Involved	Comptroller, Personnel & Readiness (P&R)
Purpose	Types of problems, needs, and gaps to be identified: <ul style="list-style-type: none"> • <i>Number, size, type of DoD business systems is unknown, resulting in functionality overlap and inconsistencies</i> • <i>No singular, authoritative source or inventory of all DoD business systems</i> • <i>No common set of key elements used for identification across all business systems</i> • <i>No Enterprise-wide definition of a system</i>
Questions	Types of questions for which DoD need answers: <ul style="list-style-type: none"> • <i>How many DoD business systems are operational today?</i> • <i>How much funding is being spent annually to support DoD business systems?</i> • <i>How much funding is being spent annually to develop new DoD business systems?</i> • <i>What systems already exist that provide a capability I need?</i>
Goals	<ul style="list-style-type: none"> • <i>Establish policy and procedures to collect and disseminate IT systems information to enable timely DoD-wide transformation decision making</i> • <i>Establish a data warehouse for all DoD business systems (Tiers 1 – 4) capturing the essential data elements defined in the DoD Data Warehouse Design (as a minimum) by 2008, including a draft plan for maintaining its data</i>

Element	Data
Objectives	<ul style="list-style-type: none"> • (SV-1) Establish systems and policies to ensure that DoD maintains required information and record history to enable timely decision making and analysis • (SV-2) Establish authoritative data sources for systems inventory • (SV-3) Provide full automation of systems inventory reporting • (SV-4) Align systems and applications with strategic objectives of DoD within the systems inventory repository
Benefits	<ul style="list-style-type: none"> • Provide DoD with an authoritative source for DoD IT business systems so meaningful inventories and expenditures can be reported • Provide sufficient information for investment management decisions • Provide ability to identify duplications and overextensions
Business Capabilities	<ul style="list-style-type: none"> • Information & Records Management Policy (SV-1, SV-4) • Information & Records Management Oversight (SV-2) • Data Warehousing • Reporting (SV-3)
Using Component	<ul style="list-style-type: none"> • All 26 DoD agencies are expected to use the DoD Business Systems data warehouse.

A.1.1.2 Tips for Setting Priorities

- Goals should have a focused, clearly defined scope that makes it possible to know when the capability has truly been achieved; vague goals foster vague results.
- The core set of objectives must support or enhance the business priority and should be measurable and specific enough to recognize when accomplished.
- Component priorities should augment and complement the Business Enterprise Priorities.
- Priorities should relate to DoD's strategic objectives for business transformation.
- Benefits should be as specific as possible to highlight key contributions to the warfighter.

A.1.2 Defining a Business Capability

As part of *Setting Priorities*, once senior leadership has recorded the priority's goal and objectives, the next task is to define the Business Capabilities to achieve the objectives. The following points provide guidance in defining Business Capabilities.

A.1.2.1 How to Define a Good Business Capability

Table A-4 includes a template and instructions to guide the process to define Business Capabilities. The template is used to document modifications to an existing Business Capability (as it is modified to achieve a Business Enterprise Priority) or to define a new Business Capability (as it is created to achieve a Business Enterprise Priority). Record each Business Capability associated with a Business Enterprise Priority on a separate form.

Table A-4, Business Capability Definition

Business Capability Profile		
Business Capabilities Name	The name of the Business Capability to be established in the baseline, updated, or created.	
Business Capability Definition	<p>If new Business Capabilities are added, or an existing Business Capability is updated, then it must be defined. Attributes of a well-defined Business Capability include quality, focus, granularity, and modularity. Note: Use current definition in SA/ETP Appendix E for baseline.</p> <ul style="list-style-type: none"> I. Quality: A high-quality Business Capability is a modular, Enterprise-level representation of the activities (and associated processes, roles, and systems) to be transformed or created. A high-quality Business Capability has minimal overlap with other Business Capabilities on the dimensions of activities, processes, roles, and systems, as documented in the Business Enterprise Architecture. II. Focus: Well-focused Business Capabilities are both necessary and sufficient (as a group) to achieve the objectives of each Business Enterprise Priority and Component priority. III. Granularity: Business Capabilities should be defined at a level of granularity that is: <ul style="list-style-type: none"> a. Meaningful and consistent in an Enterprise-wide context (Mission Area, CBM, and Component) b. Appropriate for use by senior DoD executives to make transformation investment decisions c. Consistent with the Universal Joint Task List (UJTL) for alignment with the Warfighting Mission Area (where applicable) d. Consistent with the Federal Enterprise Architecture (FEA) through the Department of Defense Enterprise Architecture (DoD EA) for alignment across the federal government e. Defined according to an appropriate level of roles and responsibility (as mentioned in the 2006 Quadrennial Defense Review) such as: <ul style="list-style-type: none"> a. Governance — Setting strategy, prioritizing enterprise efforts, assigning responsibilities and authorities, allocating resources, and communicating a shared vision b. Management — Focusing on organizing tasks, people, relationships, and technology c. Work — Executing the strategy and plans established at management level IV. Modularity: Each Business Capability serves as a “unit of transformation.” As such, each Business Capability can be: <ul style="list-style-type: none"> a. Cleanly identified with tiered implementation accountability assigned at the DoD Enterprise level or Component level b. Developed using one or more solutions that encompass people, process, and technology and documented in architecture products (e.g., activities, roles, rules, sequence, systems, and standards) c. Developed to be implementable via various transformation mechanisms, such as the Component PFM process, as well as processes for acquisition, remediation, Business Process Re-engineering, and related activities 	
Current Activities	List the BEA activities this capability currently links to	
Business Capability Improvements		
BCI #1	BC Improvement Name	Each Business Capability improvement should have a unique identifier
	Planned Capability Improvement/Outcome	Description as discrete as possible of the anticipated beneficial outcome(s) in terms of efficiency, effectiveness, or improved responsiveness to warfighter needs, decision-maker requirements, or taxpayer interests
	Problems/Needs /Gaps	Brief description of the problems/needs/gaps that this improvement addresses
	Related Derived Questions to be Answered	Bulleted list of the BEP questions that this improvement addresses; questions are from the list of derived questions in the Purpose and Viewpoint section of the BEP AV-1
	Related BEP Objectives	Bulleted list of the related BEP objectives
	Proposed Activities	Bulleted list of proposed BEA activities that enable the capability improvement in the architecture
	Proposed System/Initiatives	List of proposed systems and initiatives (name and acronym) that can or will provide this capability improvement

Business Capability Improvements (continued)		
Business Capabilities Name		The name of the Business Capability to be established in the baseline, updated, or created
BCI #2	BC Improvement Name	<p>Duplicate each row as necessary to address all the improvements to a given Business Capability. Include a reference to the Business Capability being improved in a header row on subsequent pages.</p>
	Planned Capability Improvement/Outcome Description	
	Problems/Needs /Gaps	
	Related Derived Questions to be Answered	
	Related BEP Objectives	
	Proposed Activities	
	Proposed System/Initiatives	
BCI #3	BC Improvement Name	
	Planned Capability Improvement/Outcome Description	
	Problems/Needs /Gaps	
	Related Derived Questions to be Answered	
	Related BEP Objectives	
	Proposed Activities	
	Proposed System/Initiatives	

Table A-5 is an example of a poorly defined Business Capability that lacks sufficient granularity and focus.

Table A-6 is a better example of three Business Capabilities created by further decomposing the Information Management Capability into capabilities that illustrate attributes of quality, focus, granularity, and modularity. These capabilities correctly recognize the three levels of roles and responsibilities as defined in QDR 2006.

Table A-5, Business Capability (Weak Example)

Business Capability	Description
Information Management	The ability to uniformly manage the lifecycle of information and records within the DoD.

Table A-6, Business Capability (Strong Example)

Business Capability	Description
Information & Records Management Policy <i>(Governance)</i>	The ability to establish the DoD Enterprise-wide strategy for managing and securing information as an asset, which involves ensuring the necessary information content, retention mediums, and system capabilities are available to support the business strategy.
Information & Records Management Oversight <i>(Management)</i>	The ability to define the information policies and standards for the Enterprise and to implement the information governance (or data administration) functions.
Data Warehousing <i>(Work)</i>	The ability to establish overall information retention/retrieval/data security requirements of the Enterprise and define an information architecture (a business view of information content and structure) to satisfy those requirements

A.1.2.2 Tips for Defining Business Capabilities

- Business Capabilities are building blocks of the business, each supporting a major unique function of the business and defined such that one Business Capability captures a single unique function.
- Business Capabilities are not hierarchical; therefore, a Business Capability should not define or partially define another Business Capability.
- Business Capabilities relate to one of three responsibility levels: governance, management, and work. For example, the function of the Information & Records Management Policy Business Capability primarily addresses the element of governance, while the function of Information and Records Management Oversight Business Capability primarily addresses the element of management. Based on this distinction, each is a distinct and separate Business Capability.
- To correctly scope a Business Capability, think in terms of one departmental function or a set of skills to perform one specific function. For example, separate departments with separate skills generally support the Accounts Receivable and Accounts Payable functions. Separate modules in a system perform these functions because each has its own separate processes with little or no overlap. (For instance, Accounts Receivable includes creating invoices and billing while Accounts Payable includes creating vouchers and payments.) These would then be two separate Business Capabilities.

A.1.2.3 BTA Meaningful Measurements

A Performance Measurement is an indicator of progress toward a desired result. Outcomes and Outputs measure results according to plans, whereas Processes and Inputs measure effort toward achieving those results.

- **OUTCOME** measures answer the question: Are we achieving the right results?
- **OUTPUT** measures answer the question: Do our outputs meet customer requirements?
- **PROCESS** measures answer the question: Are we doing things the right way?
- **INPUT** measures answer the question: Are we applying the right resources?

A.1.2.4 Federal Enterprise Architecture – Performance Reference Model

The BTA relies on the FEA PRM as a basis for framing meaningful measurements. The Federal Enterprise Architecture Performance Reference Model (PRM) is a standardized framework to measure performance and/or contribution to performance. The PRM is a useful tool when trying to position measurements by classifications such as Mission and Business Results, Customer Results. Figure A-1 is a template for the FEA PRM. A detailed explanation of the PRM can be found online at www.egov.gov.

	Measurement Area	Measurement Group	Indicator	Baseline	Planned Implementation	Actual
Outcomes	<i>Mission and Business Results</i>					
Outputs	<i>Customer Results</i>					
Processes	<i>Process and Activities</i>					
Inputs	<i>Technology</i>					

Figure A-1, FEA PRM Table

A.1.2.5 Metric Elements and Descriptions

Table A-7 provides a glossary of terms used to collect meaningful measurements.

Table A-7, Metric Elements and Descriptions

Element	Description	Example
Measurement (or Measure)	A figure obtained by measuring.	An example measure would be “two errors”.
Metric	A quantitative measurement of the degree to which a system, component, or process possesses a given attribute.	An example of a metric would be that there were only two user-discovered errors in the first 18 months of operation.
Indicator	A device or variable that can be set to a prescribed state based on the results of a process or the occurrence of a specified condition.	An example of an indicator would a circle filled with green, yellow or red.
Measurement Number	A unique way of identifying every metric.	PV-TV-1 (referencing BEP PV and Travel Voucher process (TV-1))
Measurement Name	A short, meaningful title by which the metric can be identified. The audience for Metrics varies and the reader is often not knowledgeable of specific programs and technologies. Therefore, it is recommended to <u>use common business language</u> when Naming the measurement.	Travel Voucher Processing Time
Measurement Description	A detailed description of the measurement.	% decrease in the number of valid travel vouchers that are not processed within cycle-time thresholds.
Baseline	This is typically the initial measurement. It is the data against which assessments are made to gauge the impact of changes.	The first measurement of cycle-time for monthly vouchers against which future measurements will be assessed.
Formula	The metric calculation.	Baseline measurement of the monthly average # of valid travel vouchers that are not processed within cycle-time thresholds - average # of valid travel vouchers that are not processed within cycle-time thresholds during the first month after the new or updated capability is implemented / Baseline measurement (as stated in the numerator).
Measurement Thresholds	Limits against which performance is assessed and indicators determined.	The baseline travel voucher cycle-time is 15 days. If the measured cycle time is above 20 days and below 30 for a period the indicator shall be Yellow. If the measurement is 30 or above for the period the indicator shall be Red; otherwise the Indicator shall be Green.
Data Sources	The authoritative sources for the data used for the metric.	DDRS, PAR, BEIS.
Measurements POC	The person who is responsible for collecting metrics data.	Name, Organizational Position, Phone, and Email.
Measurement Period	Ideally, the Metrics Team would like to report quarterly updates to metrics. In some cases, this is impossible.	Quarterly, Annually

A.1.2.6 Defining Business Capability Improvement Metrics

Gathering Meaningful Measurements for Business Capability improvements is one of the primary objectives of the BTA. Identify processes that have improved as a result of deploying systems and/or initiatives. The improved process is evidence of progress toward an optimized Business Capability.

By improving Business Capabilities, the enterprise is able to execute strategic initiatives with a greater level of efficiency. In the example below, the FV Business Enterprise Priority is focusing on improving the process of identifying and evaluating financial assets and liabilities (WHAT) by implementing functionality in business systems (HOW). By optimizing the “Manage Financial Assets and Liabilities” Business Capability through a variety of improvements, FV will meet the Objectives of the FV Business Enterprise Priority.

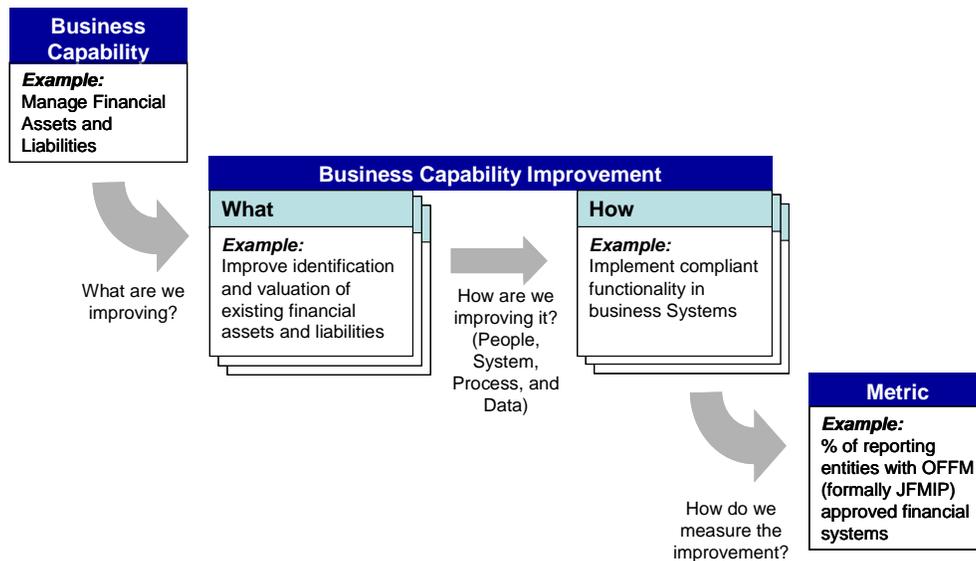


Figure A-2, Business Capability Improvement Metrics

Examples of generic process metrics are listed in **Figure A-3**. The examples can be adapted to suit a variety of enterprise and component processes.

• Process performance versus requirements	• % material from certified/preferred suppliers
• Process capability	• Purchase order processing time
• Process variation	• Shipment accuracy
• Process effectiveness	• Transaction closure time
• Process efficiency	• Time to develop new products, technologies, and services
• Customer productivity (e.g., utilization of Internet/Intranet)	• Time to introduce new products, technologies, and services
• Process audits findings	• Life cycles of new products, technologies, and services
• In-process quality levels	• Statistical process control variation reduction
• In-process failure levels	• Lead time
• In-process defect levels	• Set-up times
• Organizational agility	• Receiving/in-process/final inspection
• Certification/accreditation attainment	• Compliance audit results
• Innovations originated, innovation rates	• Documentation accuracy
• Innovation effectiveness	• Product/service internal delivery timeliness
• Knowledge assets utilization	• Rework
• Complaint resolution responsiveness, effectiveness	• Repair
• Cycle time improvement	• Third-party assessments (e.g., ISO)
• Employee efficiency	• New business process development time
• Customer order processing efficiency	• Redesign
• New product/service development time	• Repeat services
• Design development efficiency, cycle time	• Acquisition integration effectiveness
• Product/service delivery efficiency	• Quality levels of purchases
• Budget preparation efficiency	• Parts availability
• Budget acceptance	• Institutional control assessment
• Financial transactions effectiveness (e.g., payroll accuracy)	• Customer satisfaction with guidance and counseling
• Expansion effectiveness	• Employees not meeting acceptable performance criteria
• Consolidation effectiveness	• Inventory availability/turns
• Acquisition integration effectiveness	• Financial reporting accuracy
• Testing, audit, assessment, inspection results	• Customer order processing accuracy

Figure A-3, Generic Process Metrics

Source: 2007 Baldrige Business Performance Metrics, Total Quality Inc.

A Four Step Process to Defining Business Capability Improvement Metrics

The process for identifying and collecting Business Capability improvement Metrics can be broken down into four steps:

STEP 1: Review and Validate the BEP Objectives

Each Business Enterprise Priority has identified several Objectives in support of the Business Enterprise Priority goal or focus.

For example, the FV Business Enterprise Priority focus is:

...providing immediate access to accurate and reliable financial information that will enhance efficient and effective decision-making. This will also contribute to the Department's ability to better depict its financial condition so that it can be confirmed by clean audit opinions.

The five FV Objectives in support of that Goal are:

1. Establish authoritative financial data sources and make the data readily available for analyses and to decision makers
2. Link resource allocation to planned and actual business outcomes and warfighter missions

3. Create and implement a common financial language across DoD using the Standard Financial Information Structure
4. Implement Enterprise and Component financial and business systems that are Business Enterprise Architecture compliant
5. Achieve DoD financial statement audit readiness Maintain a well trained, highly motivated and professional financial management workforce

First, validate that the objectives truly reflect the goal and/or focus of the Business Enterprise Priority.

STEP 2: Identify Business Capability improvements.

The next step is to identify Business Capability improvements that will contribute to meeting the Business Enterprise Priority Objective.

STEP 3: Refine the Business Capability Improvement metrics

The next step is to identify metrics associated with the improvements.

STEP 4: Define Process for Collection of the Data associated with the Metrics.

The BTA will collect Quarterly measurements for each metric and report them semi-annually in the ETP, the CR (and to the IRBs and DBSMC as required).

A.1.2.7 Tips for Defining Business Capability Outcome Metrics

- Establish a mapping between the Business Capabilities and the applicable objectives of the Business Capability’s Business Enterprise Priority to identify potential capability gaps.
- Identify the desired outcomes of implementing a new or improved Business Capability
- Establish baseline measurements and define operational thresholds against which the Business Capability improvements can be evaluated.

A.2 Step 2: Analyze and Approve Solution

The purpose of this step is to analyze the problem, define Business Capability improvements, and approve solutions.

A.2.1 Determining Functional Scope and Organizational Span

Functional scope refers to the Business Capabilities, activities, and system functions transformed by a specific solution, while the organizational span refers to the Services, Agencies, Defense Field Activities Joint Staff and COCOMs that use or will employ the given solution. Functional scope and organizational span are considered in establishing the breadth and depth of programs to improve each Business Capability. Determining the functional scope and organizational span may involve collaboration across much of the Department, including OSD leadership and the Components. Selecting the appropriate scope and span is a balance between risk and economies of scale as well as a balance between centralized commonality and supporting organizationally specialized requirements.

A.2.1.1 How to Determine Functional Scope and Organizational Span

The functional scope is determined by the required improvements to Business Capabilities as reflected in the operational activity (OV-5) or system function (SV-5).

Transition planning products indicate the organizational span of the solutions selected. The options for organizational span are defined in Table A-8.

Table A-8, Categories for Organizational Span

Organizational Span		Description
Enterprise-wide Solution	EW	Refers to a single solution that all of DoD uses
Enterprise-wide Standard	S	Defines a common standard across all of DoD
DoD Enterprise-level Solution	EL	Refers to a single solution used by DoD leadership, usually an aggregate of Component system information for oversight or external reporting
Component Solution	C	Refers to multiple solutions, with each Component providing its own solutions

A.2.1.2 Tips for Determining Functional Scope and Organizational Span

- Establish an Enterprise-wide system or service to enforce commonality when there is a business advantage to having common functionality across the department
- Develop an Enterprise-wide standard to enhance interoperability (e.g., standard financial information)
- Enhance Enterprise-level insight into organizational performance by pulling data from lower levels of the organization to provide greater visibility to upper management
- Enforce commonality in areas where specialization is not required to promote process efficiencies
- Identify and manage Enterprise-wide system/services risks
- Document scope or organization span by answering the question “What organizations use a given Business Capability?” If the answer is “All”, the solution is needed Enterprise-wide.

A.2.2 Analyzing Alternatives to Provide Business Capabilities

The ETP uses the term “program” to refer both to systems programs and some initiatives. Programs include both Information Technology (IT) and non-IT solutions. System programs are characterized primarily by an IT solution. Initiatives include non-IT solutions and data standards.

This activity involves evaluating current programs to determine which program or combination of programs will best provide the target solution for a Business Capability. Programs selected are designated as key system/ initiatives required to support DoD Business Enterprise Priorities or Component priorities.

The use of approved Entrance/Exit Criteria helps maintain the currency and credibility of transformation programs. Such criteria are instructive to decision makers and planners in deciding which programs are the most appropriate to identify, track, report and resource. A program must meet all of the entrance criteria to be added as a transformational target. Similarly, a program must meet the exit criteria to be removed.

A.2.2.1 Entrance/Exit Criteria for IT Solutions

Entry Criteria

All Tier 1 and Tier 2 systems and other selected programs that have:

- Achieved Milestone A or equivalent, and
- Obtained identifiable and reportable funding, and
- Provide a capability improvement to a Business Enterprise Priority or Component priority
- Specified Transformational objectives – not improving just look and feel, infrastructure only – drives significant change in the way business is conducted, and
- Not planned to be replaced with another target program within 2 years

Exit Criteria

Programs previously designated as Target Programs who have:

- Achieved FOC, and

- No planned DEV/MOD investment > \$1 million (primary funding support is O&M and users consider it in the sustainment and maintenance stage), and
 - Achieved the system's transformation objective, and
 - No future transformational milestones or legacy system migrations, and
 - Not identified a compelling reason to include it in defense business transformation story (e.g. Congressional interest, linkage to other transformational initiative)
- or
- Planned to be replaced with another target program within 2 years

A.2.2.2 Entrance/Exit Criteria for Non-IT Solutions

Entrance Criteria

Non-IT Solutions that have:

- Centrally-managed like programs
- Achieved SES/Flag level or higher approval as an official solution, and
- Obtained identifiable and reportable funding, and
- Well-defined future milestones that provide a capability improvement to a Business Enterprise Priority or Component Priority, with
- Specified transformational objectives that drive significant change in the way business is conducted, and
- Not planned to be replaced with another target solution within 2 years

Exit Criteria

Solutions previously designated as Target Initiatives who have:

- Been fully or substantially implemented and
 - Achieved the transformation objective, and
 - Not identified a compelling reason to include it in defense business transformation story (e.g., Congressional interest, linkage to other transformational solution)
- or
- Planned to be replaced with another target program within 2 years

A.2.2.3 How to Analyze Program Alternatives

Systems and initiatives being considered for target solutions should meet criteria identified in the main body of this document. Table A-9 is a guide to analyzing candidate programs that may achieve target Business Capabilities. Complete the table by listing the candidate program, which may be a system or an initiative, and place an "X" in the corresponding cells where the program meets the requirements identified at the top of the column. Business Enterprise Priority executives should consider a program, which meets more criteria than another, as a candidate.

Table A-9, Example Assessing Current Programs for Business Capability Achievement

Candidate Program	Alignment of functional scope	Alignment of technical scope	Implementing Required Technology Base	Sufficiency of the PMO Skills	Sufficient scale to support the organizational span	Extent program's objectives are transformational	Adequacy of program budget	Alignment of scope to the BMA	Existence of program
System A	X					X			X
Program B	X	X	X		X		X		X
System C	X		X	X		X	X	X	
Initiative D		X		X	X			X	X

A.2.2.4 Tips for Analyzing Alternatives

- A single system or initiative may not by itself provide a complete solution. A combination of programs is acceptable if the combination is necessary to cover all functions and users associated with a Business Capability.
- A system or initiative may provide the solution for more than one Business Capability.
- It is important to leverage business transformation efforts in progress and build upon DoD's existing programs to take advantage, if possible, of the momentum and support that such programs may have gained. Keep in mind that established programs may not have been designed to implement all activities associated with a Business Capability.
- There may not be any current systems/initiatives that provide a solution, in which case it would be necessary to establish a new program.

A.2.3 Assigning Responsibility to Provide Solutions

The BTA nominates programs; IRBs recommend programs, the CAs assign them, and the DBSMC reviews them for concurrence. The program selection and its corresponding functional scope and organizational span are recorded as defined below.

A.2.3.1 How to Assign Responsibility

The Functional Scope & Organizational Span depicted in table A-10, shows the relationship between target systems, the BEA Business Capabilities, Operational Activities, and System Functions they provide and specific DoD using Components. The table is generated from content in the following databases:

- BEA 4.0 SV-5 provided Enterprise system mappings to Business Capabilities, Operational Activities, and System Functions.
- DITPR (currently based on BEA 3.1) provided Component system mappings to Business Capabilities, Operational Activities, and System Functions.

- Progress Tracker (General Information) provided organizational span (current and future). Current span reflects the organizations using the system now (i.e. for systems that have achieved IOC) and future span reflects currently planned deployment.

Table A-10, Example of the Functional Scope & Organizational Span

Enterprise systems are underlined
DAMIR - Acronyms for systems that currently provide this functionality to a Component are in black
WAWF - Acronyms for systems that are slated to provide this functionality to a Component are in red (followed by "+")

Component systems are not underlined
 Navy ERP - Acronyms for systems that currently provide this functionality to a Component are in black
 RMP - Acronyms for systems that are slated to provide this functionality to a Component are in red (followed by "+")

			Office of the Secretary of Defense/ DoD Enterprise-level	United States Army	United States Navy	United States Air Force	Defense Logistics Agency	United States Transportation Command	Defense Finance and Accounting Service
Business Capabilities	Operational Activity	System Function	OSD EL	Army	Navy	Air Force	DLA	USTRANSCOM	DFAS
AV	Manage Acquisition Oversight Integration	Manage Capabilities Based Acquisition	DAMIR	FBS* FCS-ACE	FCS-ACE	FCS-ACE	FCS-ACE	DEAMS*	
		Perform Acquisition Assessment	DAMIR	FCS-ACE	FCS-ACE	FCS-ACE	FCS-ACE	DEAMS*	
		Perform Cross-Cutting Analysis and Reporting	DAMIR					DEAMS*	
		Perform Program Analysis	DAMIR					DEAMS*	
		Manage Business Enterprise Reporting	DAMIR	FBS* FCS-ACE	FCS-ACE	FCS-ACE	FCS-ACE	DEAMS*	
CSE	Manage Sourcing	Conduct Solicitation and Source Selection		CCR FedReg	CCR FedReg Navy ERP	CCR FedReg	BSM CCR FedReg	CCR FedReg	CCR FedReg
		Establish Sourcing Vehicle		CCR FedReg	CCR FedReg	CCR EBS FedReg	BSM CCR FedReg	CCR FedReg	CCR FedReg
	Monitor Sourcing Execution	Manage Agreement and Contract and Order		SPS	SPS	SPS	BSM RMP* SPS	SPS	SPS
		Aggregate Spend Data		ASAS	ASAS* Navy ERP	ASAS* EBS	ASAS*	ASAS*	ASAS*
	Managerial Accounting	Define Cost Performance Model		PPBE B/DW*	Navy ERP	DEAMS-AP*		DEAMS*	
		Populate Cost Performance Model	Manage Cost	BEIS	CFMS* Navy ERP	CFMS* Navy ERP	CFMS* DEAMS-AP*	CFMS* RMP*	DEAMS*

A.2.3.2 Tips for Selecting Programs

- The matrix should reflect those target systems that provide the listed functionality. Avoid cluttering the matrix with programs that have only loose associations or interfaces to the system function. Changes to the matrix can only be made via the authoritative sources listed above.
- A matrix that contains many functional scope caveats indicates that the Business Capability should be re-defined. Re-scope the Business Capability to match the planned modularity of solutions.
- All transformational systems in the BEA (SV-5) should be listed in this table.
- Any time more than one system appears mapped to a given system function further decomposition of the system function may be required

Appendix B Details for Step 3.1 Develop BEA and Step 3.2 Develop ETP

Appendix B provides details, tips, and examples to develop and refine architecture and transition plans, at both the Enterprise and Component level.

B.1 Step 3.1: Develop and Refine Architecture

A Parent Change Request is used to track each focused body of work throughout the entire BEA release. A Child Change Request is used to schedule and track the tasks to develop each architecture product. The utility of both of these change requests is depicted in Figure B-1.

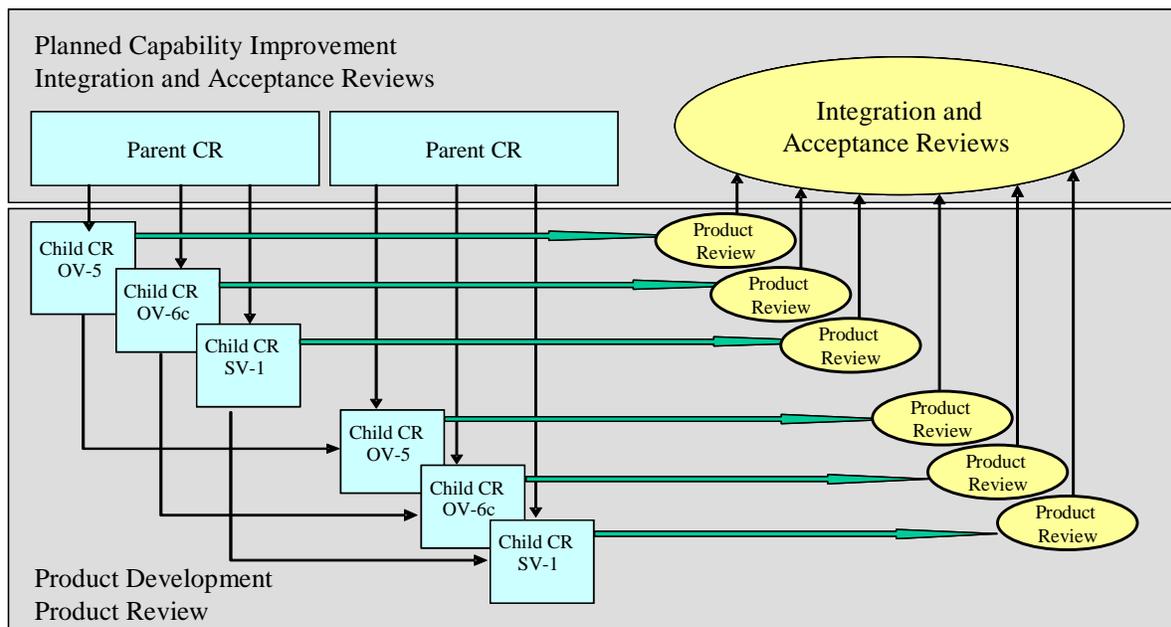


Figure B-1, Integration and Acceptance Reviews

BEA development follows a rigorous configuration management discipline throughout the development cycle to ensure that all changes to the architecture and supporting products are documented and integrated. The architecture configuration management process is based on the use of the following configuration mechanisms that are recorded and managed in a configuration management tool:

- Parent Change Requests (CRs) identify a planned capability improvement such as adding new capabilities or addressing identified architecture gaps. Parent CRs may also address technical cleanup issues and suggested content refinement. Parent CRs are formally approved for release at the conclusion of Business Enterprise Priority Acceptance Review.
- Child Change Requests are created for each architecture product that is impacted by the work effort scoped by the Parent CR. Both Parent and Child CRs require appropriate signatures, as described in the End-to-End (E2E) Architecture Development Process Business Rules Definitions, before updates can be made to the baseline architecture products.
- Child Tickets track content and technical defects found during Integration Review and Business Enterprise Priority Acceptance Review.
- HTML Tickets are used to track defects found in the HTML code during HTML Review and Business Enterprise Priority Acceptance Review.

- Suggestion Tickets are used to document suggestions and problems outside the scope of the release or outside the formal review period.

B.2 Step 3.2: Develop and Refine Transition Plans

The goal of this step is to develop and refine the transition plans at both the DoD Enterprise level and the Component level, including information on cost and budget, milestones, performance metrics, and system migration.

The information provided for each target system in the ETP includes:

- Key accomplishments, goals, objectives of the target system
- Major planned milestones (both standard milestones and user defined) showing baseline target dates as well as revised dates and current status
- System Migration plan, including development/implementation milestones and systems to be migrated/retired
- Annual budgets for years documented in the current President’s Budget as well as cumulative actual expenditures from prior years
- Performance metrics associated with specific Business Capabilities

In order to demonstrate consistency with the ETP, ensure that documentation submitted to the IRB is consistent with plans, schedules, and budgets provided in the ETP. For budget consistency, IRBs compare the budgets of systems requesting certification with the planned migration and milestone schedules. For example, legacy systems should not request modernization funds after the corresponding target system has been fielded. Since part of the business case for target systems is based on savings realized by phasing out legacy systems, the IRB checks for consistency between the budget planned for legacy systems and the termination date stated in the transition plan.

In addition, IRBs check for consistency between the transition plan description of the planned system functional scope (the specific functions to be performed by a system) and the planned system organizational span (which includes DoD organizations that will employ the solution). IRBs will look for overlaps and gaps in functions and organizational span to identify where systems have overlaps with other planned Component or Enterprise systems or gaps in functionality that should be addressed.

Consistency with the Component transition plans will be similar to that described for the ETP above, although the organization and content of these plans will vary.

B.2.1 Identifying Cost and Budget

The ETP captures a summary of budgeted investment resources (development/modernization and operational support budget information) required for the programs and offices supporting the Business Enterprise Priorities and Component priorities. The budget information provided is consistent with the President’s Budget and will support DoD leadership in making decisions across the BMA. Table B-1 provides descriptions of budget elements.

Table B-1, Budget Element Descriptions

Budget Element	Description
Development & Modernization (DEV/MOD)	DEV/MOD means the program cost for new investments, changes or modifications to existing systems to improve capability or performance, changes mandated by the Congress or agency leadership, personnel costs for project (investment) management, and direct support. For major IT investments, this amount should equal the sum of amounts reported for planning and acquisition in OMB 300. Planning means preparing, developing, or acquiring the information,

	and full acquisition means the procurement and implementation of a capital project (investment).
Operations & Support (Current Services)	Current services means maintenance and operation costs at current capability and performance level, including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken/outdated IT equipment. For major IT investments, this amount should equal the amount reported for maintenance in the OMB 300.

B.2.1.1 How to Identify Costs and Budgets

- In accordance with IT Budget guidance, every defense business system is to be registered in SNaP-IT as an individual initiative. This means that for every Enterprise and Component target or legacy system in DITPR, there must be a discrete corresponding Budget Identification Number (BIN).
- Ensure that the BIN is correctly identified and any notes or exceptions are clearly specified for transformational (target) programs in the IT-1 budget exhibit (“Super IT-1”).
- For each program, include Prior Year Actual data. Prior year actuals should include all obligations and expenditures up through the current budget year.
- For programs not in the IT-1 (e.g., non-IT management initiatives), each organization’s Comptroller must certify that the budget is consistent with its President’s Budget submission and identify the source (appropriation and program elements) of funds.
- For programs not listed discretely (or do not exactly match) in the IT-1/President’s Budget, the program manager must provide a brief explanation of how the funding is represented in the President’s Budget.
- The following diagram, Figure B-2, delineates which funding sources provide program budget data for which years, using the FY06 and FY07 March Congressional Report and September ETP as examples.

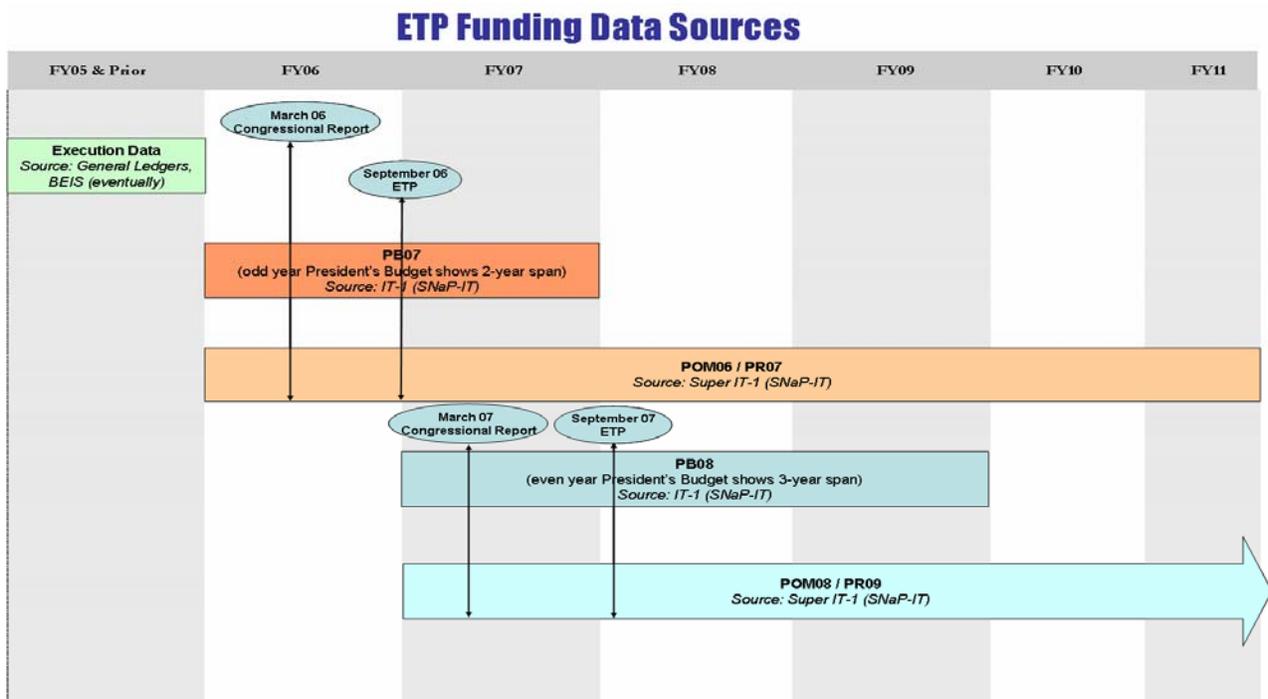


Figure B-2, ETP Funding Data Sources

B.2.1.2 Tips for Identifying Cost and Budget

- The BTA will specify the version of President’s Budget data to be used in the ETP. Ensure the submission to SNaP-IT, and corresponding notes or exceptions match the specified budget version.
- To avoid double-counting costs, reflect only the direct costs and budgets of the program (system or initiative) and not all of the costs associated with implementing the objectives related to the program (e.g., the SFIS initiative will show only the DoD Enterprise-level program cost, not the cost to upgrade general ledgers throughout the Department to become SFIS compliant).
- Ensure that budget information beyond the budget fiscal years is marked and handled as “For Official Use Only (FOUO)” since it is for planning purposes only and does not represent budget decisions (e.g., if the program reports PB06, then FY08 and beyond figures are for planning purposes only).

B.2.2 Defining Milestones

One of the ways transformation progress is measured is through achievement of key transformational milestones. These milestones describe the implementation of improvements by linking them to given capabilities, objectives, or priorities. Milestones also establish the point where a recommendation is made and approval sought regarding the start of or continuation of a program (i.e., proceeding to the next phase).

Standard acquisition milestones, as defined in DoD 5000, provide a status related to each program’s progress throughout the acquisition life cycle. User-defined milestones enable additional clarity on progress of implementing Business Capabilities or Priorities by reflecting additional steps in that progress as well as other DOTMLPF considerations. All standard acquisition milestones are considered critical. User-defined milestones may be either critical or non-critical. Critical milestones are those that severely affect the program and Business Capabilities or Priorities should they slip or not meet the established due date.

B.2.2.1 How to Define Milestones

The ETP reflects standard acquisition milestones and user-defined milestones. For purposes of the ETP, standard milestones are Milestone A, Milestone B, Milestone C, IOC, FOC, FDDR, and FRPDR. These milestones are defined below in Table B-2.

Table B-2, Standard Milestone Definitions

Standard Milestone	Description
[System X] [Increment Y] Milestone A	Approval of concept exploration/Component development
[System X] [Increment Y] Milestone B	Approval of system integration/system demonstration
[System X] [Increment Y] Milestone C	Approval of low-rate initial/full-rate production
[System X] [Increment Y] IOC (initial operational capability)	The first attainment of the capability to employ effectively a system of approved specific characteristics.
[System X] [Increment Y] FOC (full operational capability)	The capability attained when all units and/or organizations in the force structure scheduled to receive a system 1) have received it and 2) have the ability to employ and maintain it.
[System X] [Increment Y] FDDR (full deployment decision review)	A review conducted at the conclusion of IOC (for business systems) to ascertain readiness and to authorize deployment. FDDR is the business systems’ equivalent to the DoD Acquisition Full Rate Production Decision Review (FRPDR) milestone.
[System X] [Increment Y] FRPDR (full rate production decision review)	A review normally conducted at the conclusion of Low Rate Initial Production (LRIP) effort that authorizes entry into the Full Rate Production (FRP) and Deployment effort of the Production and Deployment phase of the Defense Acquisition Management Framework. Formerly called Milestone III.

User-defined milestones supplement the standard list of milestones. Table B-3 provides examples of the user-defined milestones.

Table B-3, User-Defined Milestone Examples

User-defined Milestones
Issue (or update) policy for X
Complete [System X] deployment across Organization B
Implement [System X] Capability C to Component B
Complete [System X] Pilot
Deploy new release of [System X]

Note: Systems and initiatives often have a spiral or incremental development, resulting in staged releases defined as iterations, phases, and related terms. Each of these stages may contain a partial or complete set of standard and user-defined milestones. While increments are sequential, they often overlap, as illustrated below in Figure B-3; therefore specify the iteration/phase associated with each milestone.

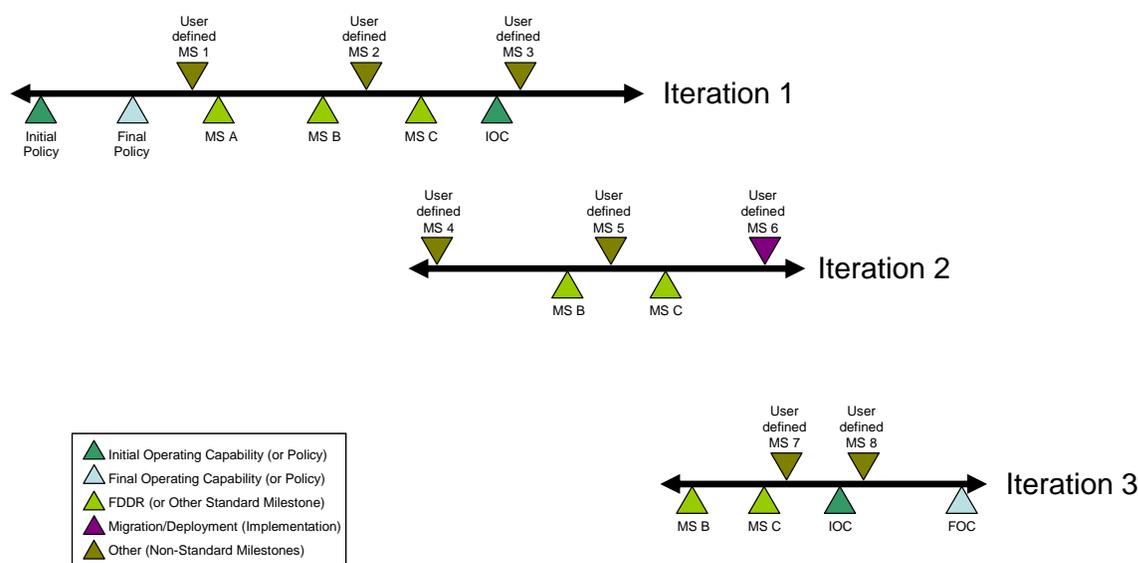


Figure B-3, System Acquisition Timeline Showing Overlapping Iterations

While standard milestones are important for use in ETP reporting, equally critical is the clear depiction of plans to provide Business Capabilities or priorities (both the program’s functional scope and the implementation across the organizational span). Describe the implementation of established business, system, or functional capabilities by updating existing milestones, developing new transformational milestones and linking them to a given capability, objective, or priority according to the following guidelines:

For each transformational system or initiative:

- *Review* capabilities associated with a given Business Enterprise Priority or component. Leverage capabilities defined in Initial Capabilities Documents (ICDs) or equivalent scoping documents.

- *Develop* milestones consistent with established business/system/functional capabilities and linked to planned capability delivery schedules. Add, delete, rename, and regroup ETP key milestones to align to each capability. Capability based milestones must directly reference their associated capability in their naming convention (see below). There should be at least one critical milestone for each six month period to demonstrate progress across the fiscal year.
- *Link* associated key transformational milestones to those affected Business Enterprise Priority objectives or Component priorities. Each objective or priority should portray at least one key milestone as its predecessor. This linkage will clarify the contribution that the associated system or initiative will make towards business capability transformation.

Capability based Milestone Naming Convention

Capability based milestones will typically start at IOC for standard acquisition milestones and with user-defined “implementation” milestones which begin with words like “Deploy”, “Implement”, “Release” and mark the release of the capability to the user community.

Capability names should be as short as possible and represent the capability rather than spell it out explicitly. Do not include a long descriptive phrase in the name. Capability base milestones should take one of the following forms:

1. When increments (increment, spiral, release, etc) are not involved:
 - IOC ([Capability Name])
 - FOC ([Capability Name 1, Capability Name 2, ... Capability Name N])
 - Deploy [System] ([Capability Name])
 - Implement [Function] ([Capability Name1, ... Capability Name N])
2. When increments (increment, spiral, release, etc) are involved, the following simplified form is acceptable:

Increment ([Capability Name 1,...Capability Name N])

 - IOC
 - FOC
 - Deploy [System]
 - Implement [Function]

B.2.2.2 Determining Milestone Status

By determining an appropriate status of each milestone within each system and initiative, the current state of each system and initiative may be projected within the transition plan. The September ETP represents the baseline for capturing, recording, and reporting system or initiative milestones that the Department uses to measure progress during the fiscal year. Status of these milestones is updated 6 months later in the March Congressional Report. Milestones have an opportunity to be re-baselined in subsequent September ETPs. This milestone re-baselining takes into account any factors that may have affected a program since the previous ETP publication. Subsequent updates to these milestones will be accomplished in 6-month increments, in either March’s Annual Report to the Congressional Defense Committees or September’s ETP.

Milestone Management Responsibilities:

- **BTA BEP/Component Managers**
 - Review and approve all milestone submissions; communicate MS information to ETP
- **Program Executive Officers (PEOs)**
 - Review and approve all milestone submissions
- **Program Managers (PMs)**
 - Responsible for establishing milestones consistent with the program objectives and linked to planned capability delivery schedules*
- **ETP Team**
 - Collect and maintain MS information in authoritative KMP data repository (FIAR/Progress Tracker)
 - Report MS information in biannual ETP releases and Monthly MS Status reports
 - Analyze/utilize MS information as decision support resource

Table B-4 illustrates the determination process.

Table B-4, Defined Milestone Status for Individual Milestones

	Milestone Type	Baseline Finish Date*	Finish Date	Possible Status
If	Baseline Milestone	Past	Past	Met
If	New Milestone	N/A	Past	Met
If	Baseline Milestone	Past	Future	Not Met
If	Baseline Milestone	Future	Finish moves farther in future	Slipped
If	Baseline Milestone	Future	No change or earlier future date	On Track or At Risk
If	New Milestone	N/A	Future	On Track or At Risk
If	Baseline Milestone	More than 18 months	No change or earlier	No status required
If	New Milestone	N/A	More than 18 months	No status required

Definitions

Baseline Milestone — Milestone appeared in September ETP (baseline finish date has value or TBD)

New Milestone — Milestone was created for March Congressional Report (Baseline Date = N/A)

Past — Milestone date is prior to current end-of-month reporting date

Future — Milestone date is later than current end-of-month reporting date (expected completion is after reporting period)

Met — Milestone has been completed

Not Met — Milestone has not been completed as expected

Slipped — Original milestone date has been delayed

On Track — Milestone date has not changed (or is earlier)

At Risk — Current conditions threaten scheduled completion of milestone or finish date is TBD

Deleted — Milestone is no longer pertinent (finish date is blank)

*Note: Baseline Finish Date is a generic name for the Baseline-n-Date for each fiscal year. For example, FY06 is Baseline-1-Date and FY07 is Baseline-2-Date.

Based on the current status of each milestone (standard or user defined) within each system and initiative, a color representation (green, yellow, or red) is assigned that milestone in Progress Tracker as shown in Table B-5.

Table B-5, BTA Success Indicator: Visual Status of Program Milestones

Green



Any scheduled standard or user-defined milestone is met or on track for scheduled completion. Any ‘red’ milestone that had slipped previously or was not met changes to green once it is met.

Yellow



A milestone is designated as being at risk for meeting its scheduled completion date. Often, at risk status defines a milestone that is anticipated to slip, but the revised finish is still unknown. A defined milestone that has no designated finish date (TBD) is also considered to be at risk.

Red



A milestone was not met by its scheduled baseline finish date, or the finish date has slipped later than the original baseline date.

Deleted



A milestone no longer applies to its designated program, or the program itself is no longer included in the list of key transformational systems and initiatives.

B.2.2.3 Tips for Defining Milestones

- Milestones represent measurable actions with finish dates. Moreover, they define the end of a process rather than the beginning. Text such as “Begin to ...” or “Continue to ...” within a milestone definition likely would be inappropriate. User defined milestones start typically with words like: *Deploy, Implement, Complete, or Issue.*
- Specify milestone finish dates by month and year.
- Ensure milestones are listed in a sequential fashion with predecessor/successor links, if possible, in order to show step-by-step progress toward stated objectives.
- Ensure all key decision makers for a given program (i.e., PMs, PEOs, Service Leads, Component Managers) are familiar with and agree to a program’s published milestones

B.2.3 Recording Business Value Added Framework

The BVA Framework is an association between systems and initiatives and the BVAs outcomes. The impact statement describes the association and represents the value added by the system or initiative. List each system within an organization and for each system, indicate which BVAs the system impacts and describe the impacts that the system has on the selected BVAs.

The figure below provides an example of the BVA Framework for one specific Business Enterprise Priority as it appears in Appendix E. In this example, the LMD initiative impacts three of the BVAs, and the impact statements appear to the right of each one.

MV System/Initiative	On Time Request	Cash-to-Cash	Time to IOC/FOC/ACAT	Urgent Requests	Weapons Systems Ops	Cannibalization Rate	Real Property Utilization	Personnel Requirements	Payroll Accuracy	Financial Transparency	Impact
LMD Logistics Master Data			●								LMD provides an interim solution which reduces the number of interfaces required to obtain logistics master data for logistics information system programs thereby reducing the cost and complexity for system development and implementation.
					●						LMD simplifies weapon system availability by improving data integrity, quality and access through authoritative sources thereby improving supply chain responsiveness which leads to higher weapon system availability.

MV System/Initiative	On Time Request	Cash-to-Cash	Time to IOC/FOCACAT	Urgent Requests	Weapons Systems Ops	Cannibalization Rate	Real Property Utilization	Personnel Requirements	Payroll Accuracy	Financial Transparency	Impact
									●		LMD provides an interim solution which reduces the number of interfaces required to obtain logistics master data thereby increasing the integrity, quality and access to authoritative sources which increases the responsiveness and accuracy for vendor payment.

B.2.4 Recording System-level Metrics

At the Program-level, the ETP will track two types of performance measurements.

First, Improvement Measurements track the processes, data, people or systems affected by the program deployment process. Deploying a System or Initiative to Full Operating Capacity can take many years, but marginal impact can be realized in a phased deployment and this impact is captured with the Improvement Measurement.

Secondly, specific indicators of progress against milestones are discussed in more detail in Section B.2.2.

B.2.4.1 How to Record Good System-level Metrics

The ETP system-level metrics format aligns closely to the requirements with an OMB Exhibit 300 table to enable maximum synergy between the budgeting and transformation processes. The structure is based on Table 2 of the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Further information on the OMB 300 table is available at

http://www.whitehouse.gov/omb/circulars/a11/current_year/s300.pdf Further information on the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM) is available at <http://www.whitehouse.gov/omb/egov/a-2-prm.html>

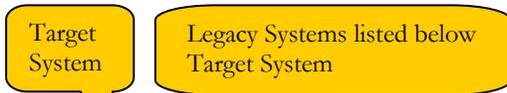
B.2.4.2 Tips for Recording System-level Metrics

- Use outcome metrics if possible, especially after IOC.
- Avoid internal system operations metrics that don't relate to transformation (e.g., % uptime).

B.2.5 Recording System Migration

The System Migration Summary Spreadsheets and the System Migration Diagrams together form the System Evolution Description (SV-8). The SV-8 is specified by the DoDAF and supports architecture development and transition planning. It describes plans for modernizing a system or suite of systems over time. The purpose of the SV-8 is to document DoD's planned system migration from the "As Is" systems inventory to the "To Be" BEA. The SV-8 displays the currently planned migrations of DoD's business systems at both the DoD Enterprise level and the Component level (Military Services, DoD Agencies, Defense Field Activities, and COCOMs). The System Migration Summary Spreadsheets are the tabular form of the SV-8 and are available on the BTA SharePoint portal. The spreadsheets are in Excel enabling the ability to sort and filter. The System Migration Summary Spreadsheets show each target system (shaded in yellow) and all the legacy systems migrating to it in the rows below the target system, as shown in the example in Table B-6.

Table B-6, System Migration Summary



Systems						Migration Information				
DITPR ID	System Acronym	System Name	Lead CBM	Managing Component	Termination Date	Target DITPR ID	Target System Acronym	End Migration Date	Complete or Partial Migration	If Partial, Functions and Users NOT Migrating
5215	BEIS	Business Enterprise Information Services	FM	BTA						
38	CHOOSE	CASH HISTORY ON-LINE OPERATOR SEARCH ENGINE	FM	DFAS	09/2008	5215	BEIS	09/2007	Complete	
825	CRS	CASH RECONCILIATION SYSTEM	FM	DFAS	09/2008	5215	BEIS	09/2007	Complete	
8	DCAS	DEFENSE CASH ACCOUNTABILITY SYSTEM	FM	BTA	09/2008	5215	BEIS	09/2008	Complete	
9	DCD/DCW	DFAS CORPORATE DATABASE/DFAS CORPORATE WAREHOUSE	FM	BTA	09/2008	5215	BEIS	09/2008	Complete	
30	DCMS	DEPARTMENTAL CASH MANAGEMENT SYSTEM	FM	DFAS	09/2008	5215	BEIS	09/2007	Complete	
11	DDRS	DEFENSE DEPARTMENTAL REPORTING SYSTEM	FM	BTA	09/2008	5215	BEIS	09/2008	Complete	

B.2.5.1 How to Record System Migration Information

Core System and Legacy System Migration information is derived from authoritative data sources (i.e., DITPR) while the other data elements accurately identify the following:

- Components currently using the legacy systems, noting when the migration of customers is incomplete
- Interim or ultimate target systems that will assume legacy system functionality
- Complete or partial migration of legacy system functionality to the target system

Legacy system owners are responsible for completing the migration data in the authoritative data sources (i.e. DITPR). The legacy system migration data may require coordination with the target system owner to ensure proper date alignment for the migration of functionality and customers to the target system. As the SV-8 evolves, it will also show which functions are migrating and when they are migrating. Table B-7 provides a detailed list of the required SV-8 data elements.

Table B-7, SV-8 Column Definitions

SV-8 Column Name	Description
System Attributes	
DITPR ID	The unique DITPR Identification Number. To avoid ambiguity, reference this ID in all comments and communications that reference a particular system.
System Acronym	Acronym of “As Is” system as listed in the DITPR.
System Name	Name of the “As Is” system as listed in the DITPR.
Lead CBM	Primary owner of processes and mission for the system.
Managing Component	Military Service, Defense Agency, or Defense Field Activity that receives and manages funding.
Termination Date	The date the system is schedule to terminate in mm/yyyy format. Other synonymous terms are “sunset date ” and “retirement date”.
Migration Information	
Target DITPR ID	The unique DITPR identification number of the target system. To avoid ambiguity, reference this ID in all comments and communications that references the target system.

SV-8 Column Name	Description
Target System Acronym	The acronym of the “To Be” target system (the system scheduled to absorb the legacy system’s functionality) as listed in the DITPR.
End Migration Date	The date (in mm/yyyy format) of the FOC for the final set of users of the target system in a production environment. When a legacy system is migrating functions in phases, enter the date of the latest functional migration.
Complete or Partial Migration	Select Complete if ultimately all users and functions are migrating to the target system. If user groups are migrating in iterations, the migration is still considered Complete . Select Partial if only a portion of users OR functions are ultimately migrating to the target system.
If Partial, Functions and Users NOT Migrating	If only a sub-set of the system functions and users are migrating to the Target System (a Partial Migration), indicate which functions are being retained by the legacy system. For example, HQARS is partially migrating its functions to DDORS and will retain the system function, “Perform Reporting”.

B.2.5.2 Tips for Recording System Migration Information

- Organizational span refers to those Military Services, Defense Agencies, Defense Field Activities, Joint Staff, and COCOMs that are expected to use the target system solution. For each Target System, ensure that it will service the current customers of each legacy system migrating to it.
- Functional scope refers to particular activities (and associated processes, roles, and functions) that are expected to be transformed by a target solution. For fully migrating legacy systems, ensure that the planned functional scope of the target system addresses the current scope of the migrated legacy systems.
- For systems with planned partial migrations, assess the retained functionality of the legacy systems to plan for the eventual migration and retirement.
- Check that funding lines of legacy systems do not extend beyond termination.
- Compare actual migrations and terminations against plans to realize savings identified
- Check for nonsensical sequences (e.g., termination dates should not precede the end migration date)
- Validate that legacy systems identify only one complete migration, (i.e., a legacy system cannot have multiple “complete” migrations)
- Ensure the actual termination date is reflected for complete or final migrations
- Check for data consistency with authoritative data sources (e.g., DITPR, SNAP-IT and acquisition documentation)

Appendix C Details to Integrate the Architecture and Transition Plan

Appendix C provides details and tips for architects and transition planners to integrate Enterprise and Component architectures and transition plans.

C.1 Aligning Architecture Activities to Business Enterprise Priorities and Business Capabilities

Properly defining and organizing the relationship between the OV-5 Operational Activities in the BEA and Business Capabilities are crucial to enabling business transformation and achieving Business Enterprise Priority objectives. Transformation efforts rely on this alignment to conduct system and capability gap analysis. Poor alignment may lead to creating redundant, non-interoperable solutions or failing to identify current solutions that are redundant or insufficient. Figure C-1 shows the notional relationship of Business Capabilities to Operational Activities.

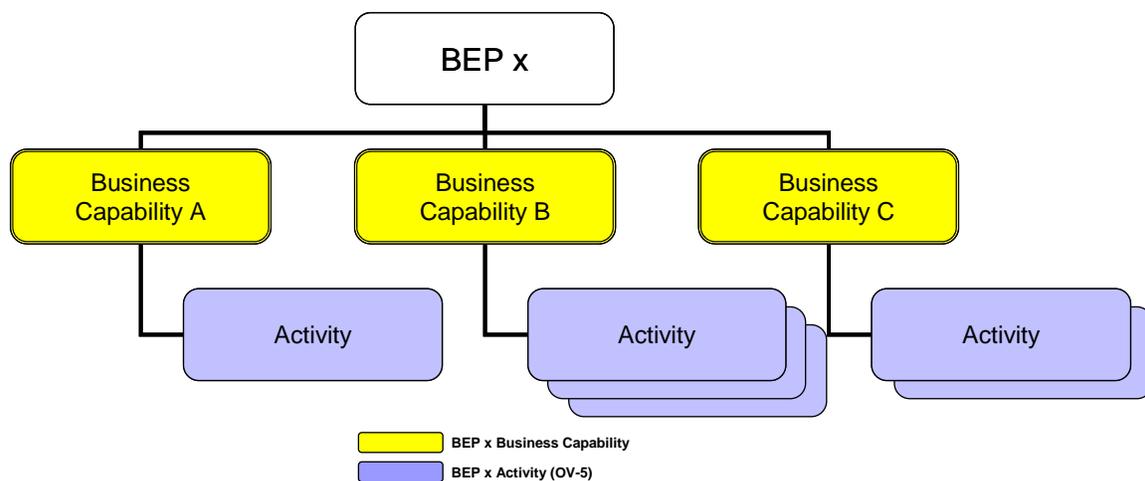


Figure C-1, BEP to Business Capability to Activity Relationships

C.1.1 How to Align Architecture Activities to Business Enterprise Priorities and Business Capabilities

Aligning the OV-5 Operational Activities with Business Capabilities requires iterative coordination with the Business Enterprise Priorities. The first step is to take the list of Business Capabilities defined in step one and then build/refine the OV-5 Operational Activity model. Some issues to consider in aligning the Business Capabilities to the OV-5 Operational Activities include:

- Multiple Business Enterprise Priorities can use the same Business Capability, however, the name and definition must be the same in all instances.
- Do not decompose Business Capabilities into sub-Business Capabilities; if that seems necessary, identify the Business Capabilities at the lower level.
- Each leaf level OV-5 Operational Activity should link to only one Business Capability. Otherwise, this could lead to redundant, non-interoperable solutions (i.e., multiple programs assigned to improve the same Operational Activity without any architectural guidance to de-conflict the solution). If needed, redefine or decompose the Business Capability or the activity to a level that an Operational Activity can be uniquely associated with a single Business Capability. If a leaf-level OV-5 Operational Activity does not link to a Business Capability, it may be appropriate to remove it from the BEA.

Figure C-2 highlights issues to avoid, and Figure C-3 presents a better example from the ETP.

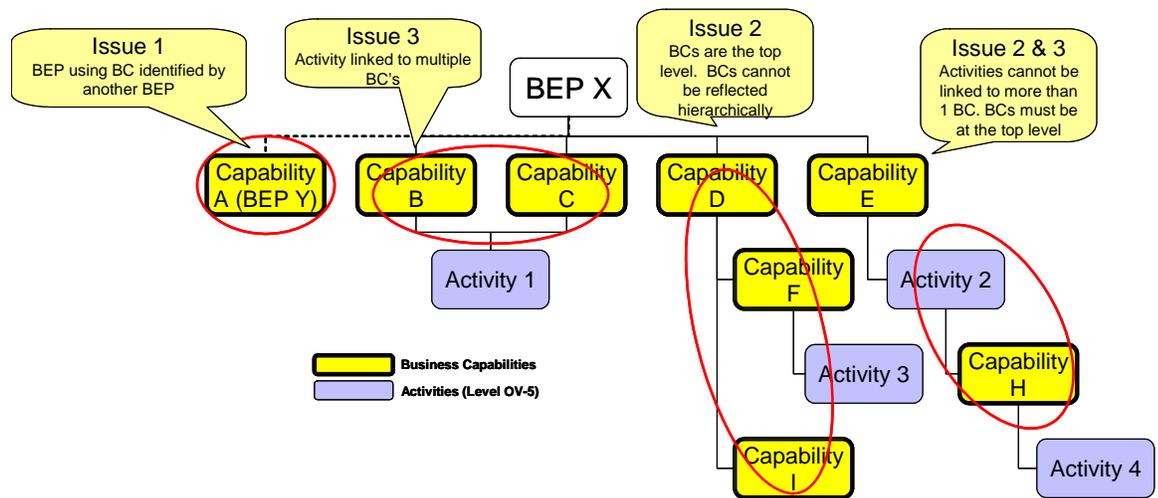


Figure C-2, Weak Example of BEP to Business Capability to Operational Activity Relationships

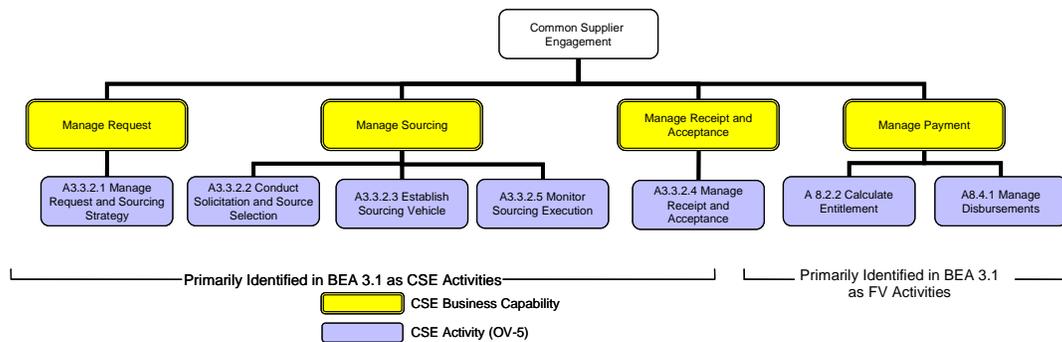


Figure C-3, Strong Example of BEP to Business Capability to Operational Activity Relationships

C.1.2 Tips for Aligning Architecture Activities to Business Enterprise Priorities and Business Capabilities

- Business Capabilities may be represented by one or more Activities to provide the architectural basis for the required improvements.

C.2 Aligning Transition Plan to Architecture

Each transition plan is a sequencing plan implementing the “To Be” architecture; therefore, it is critical that the architecture and transition plans are fully integrated. One of the methods to check integration utilizes a matrix depicted in Figure C-4, which is an excerpt of the full Round Trip Matrix used in development of the BEA. A second method to ensure congruence between the architecture and transition plan involves pairing the various architecture objects with the transition plan objects as depicted in Table C-1.

- Identify the DOTMLPF implications resulting from the development and fielding of the targeted Business Capability. An “X” in the System and Initiative/DOTMLPF portion of the matrix indicates which of the DOTMLPF resources the program requires.

The second action is to align the BEA objects with the ETP objects as shown in Table C-1.

Table C-1, Alignment of BEA and ETP Objects

BEA Object	ETP Object	Comments
Golden Questions	BEP Goals and Objectives	Must be congruent
Derivative BEP Questions	BEP Goals and Objectives	
BEP Goals (AV-1)	BEP Goals and Objectives	
SV-5 Business Capabilities	Functional Scope & Organizational Span and Business Capability Improvement Metrics Table	Must be identical in name and definition
SV-1/5 Systems	Systems	Lists must be identical for transformational systems within the scope of the BEA
SV-5 Matrix	Functional Scope & Organizational Span	Identical relationships should exist between systems and initiatives and the Business Capabilities
OV-5 Activities	Functional Scope & Organizational Span	Business Capabilities must relate and directly support the identified BEA objects
OV-6c Processes	Business Capabilities	
SV-1/5 System Functions	Business Capabilities	
OV-6a Business Rules	Business Capabilities	
OV-6c/7 Data Objects	Business Capabilities	

C.2.2 How Alignment of the ETP and Architecture is Communicated

The BEA website shown in Figure C-5 provides a link to four cross reference reports that detail the alignment of the ETP and BEA. The following reports are located in the BEA-ETP Cross Reference Reports folder:

- BEP - ETP Linkages
- Business Capability – ETP Linkages
- Operational Activity – ETP Linkages
- System Entity – ETP Linkages
- System Function – ETP Linkages

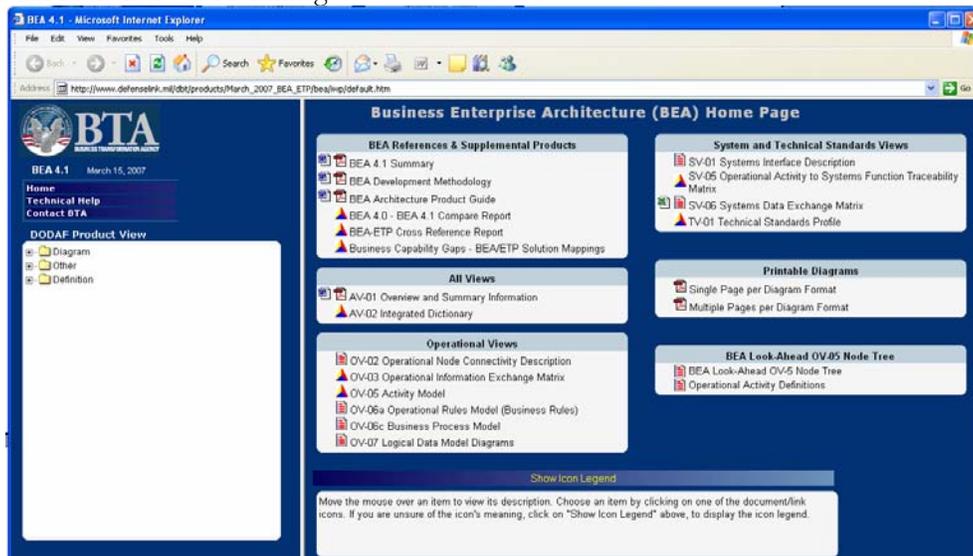


Figure C-5, List of ETP Linkage Reports

C.2.3 Tips for Aligning Transition Plan to Architecture

- Use a matrix to ensure consistent alignment of information between the architecture and transition plan
- Goals should be the same unless:
 1. The AV-1 includes a goal specific to architecture e.g., inwardly focused
 2. The priority goal does not require use of architecture (e.g., reduce size of the organization by %)

Appendix D Finding Information Using Transition Plan Products

Table D-1 indicates where to look for information and answers to typical questions encountered during transformation.

Table D-1, Where to Locate Information in ETP Appendices

If you're looking for	Cost/Schedule/Performance Mini-Appendices (focused on cost, schedule, and performance summaries for the executive audience)	Virtual Appendix (a full set of "virtual appendices" that provide detailed information for planners at all levels)
System and initiative description, objectives, milestones, cost/budget, and migration data, at a glance.	Transformation Program Summary	A: DoD Enterprise Transformation Summary B: Component and Medical Transformation Summary
Graphics with key milestone dates for all key Enterprise and Component systems/initiatives	Transformation Timeline	C: Transformation Timeline
Business Enterprise Priority purpose and benefits Tables that depict: <ul style="list-style-type: none"> • Business Enterprise Priority objectives • Business Capability improvements • Business Capability improvement metrics • Business Value Added framework impacts 	Enterprise Performance Summary	E: Business Enterprise Priority Tables
<ul style="list-style-type: none"> • System outcome metrics for Enterprise systems 		K: Enterprise Program Performance Measurement
<ul style="list-style-type: none"> • Key Milestone Plans October 2006-March 2008 (by Business Enterprise Priority) 		J: Key Milestone Plan
Tables that depict for Components and Medical: <ul style="list-style-type: none"> • Business transformation goals and priorities • Priorities with targeted outcomes and metrics • Business Value Added framework impacts 	Component Performance Summary	F: Component and Medical Transformation Priority Tables
<ul style="list-style-type: none"> • Key Milestone Plans October 2006-March 2008 		J: Key Milestone Plan