

Navy Enterprise Resource Planning (ERP) Program

Executive Summary

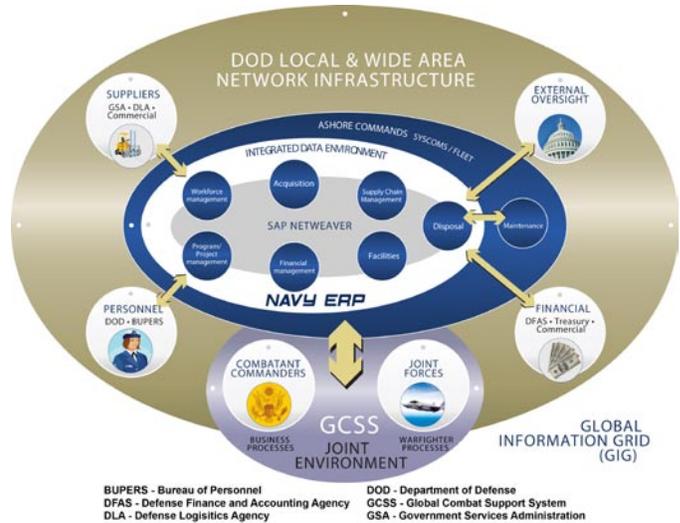
During FY09, Commander, Operational Test and Evaluation Force (COTF) conducted an FOT&E of Navy Enterprise Resource Planning (ERP) Release 1.0 at the Naval Systems Supply Command (NAVSUP), Mechanicsburg, Pennsylvania, and Naval Air Systems Command (NAVAIR), Naval Air Station, Patuxent River, Maryland. The FOT&E was conducted in accordance with the DOT&E-approved test plan. Change management and financial management deficiencies identified during IOT&E were successfully mitigated. The system was determined to be operationally effective and suitable. Based upon FOT&E results, DOT&E concurred with the COTF assessment and recommended full fielding of Navy ERP Release 1.0.

System

- Navy ERP is an integrated mission support system that modernizes and standardizes Navy support operations, provides financial transparency and total asset visibility across the enterprise. Navy ERP uses a commercial off-the-shelf product, configured to integrate with Navy and DoD requirements, that unifies and streamlines mission support activities using the same data set, available in near real time.
- The Navy ERP system is being incrementally implemented in two releases: financial and acquisition management; and the single supply solution. The current system of record will serve more than 64,000 users in more than 120 locations around the world. The Program Office has been tasked to investigate the requirements for implementing the system in an additional 13 Navy commands in future years.
- Navy ERP was approved by the Assistant Secretary of the Navy (Financial Management and Comptroller) on October 1, 2008, as the Financial System of Record for current users and “all future users of this system.” When the current program of record is in place, the system will be

Activity

- Based upon the IOT&E and a subsequent Verification of Correction of Deficiencies, the program manager was authorized to continue the limited fielding of Navy ERP to NAVSUP in 1QFY09 to support an FOT&E.
- COTF conducted the FOT&E from February 23 to May 8, 2009, at NAVSUP and NAVAIR, to determine whether financial management and change management deficiencies identified during IOT&E were resolved.



used to manage more than 53 percent of the Navy’s Total Obligation Authority. The system supports Command’s ability to produce auditable financial statements, enabling compliance with federal financial and security standards Chief Financial Officers Act of 1990 and the DoD Information Assurance Certification and Accreditation Process.

Mission

- The Navy utilizes Navy ERP to modernize and standardize financial, workforce, and supply chain management across the Navy Enterprise.
- The system improves Navy leadership decision making, enabling more effective and efficient support of the warfighter.

Prime Contractor

- International Business Machines (IBM), Bethesda, Maryland

Assessment

- DOT&E assessed the FOT&E to be adequate to determine operational effectiveness and suitability. DOT&E concurred with COTF’s assessment that Navy ERP Release 1.0 is operationally effective and suitable. NAVSUP and the program manager have effectively mitigated change management deficiencies identified during IOT&E. NAVSUP’s early and active engagement in deployment preparations resulted in a successful Navy ERP Release 1.0

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transition. Other significant factors facilitating NAVSUP's successful transition included the creation of the Navy Enterprise Senior Integration Board, enhanced change management guidance, and a lengthened deployment cycle. With early and active engagement, future receiving commands will benefit from change management process improvements.

- Financial management deficiencies identified during the IOT&E have been adequately mitigated at NAVAIR. Navy ERP system capability enhancements and business process refinements have enabled NAVAIR to effectively complete its business mission. NAVAIR has reduced the labor required

to support the Navy ERP implementation from an additional 200 work years during IOT&E to 72 work years during FOT&E. Although the additional labor necessary to support day-to-day operations will likely diminish over time, business operations will require a higher sustained level of effort to produce the financially compliant Navy ERP results.

Recommendations

- Status of Previous Recommendations. The program manager successfully completed FY08 recommendations.
- FY09 Recommendations. None.