

Navy Enterprise Resource Planning (ERP) Program

Executive Summary

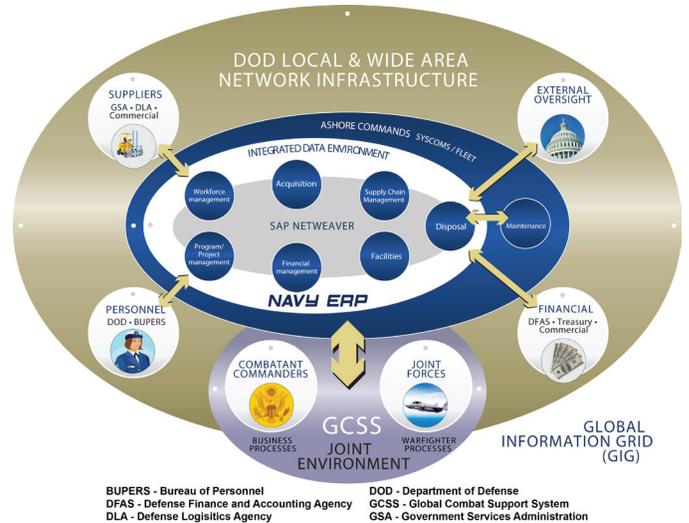
- During FY10, Commander, Operational Test and Evaluation Force (COTF) participated in integrated developmental/operational testing of Navy Enterprise Resource Planning (ERP) Single Supply Solution Release 1.1. The testing was conducted with subject matter experts and users in a production-representative laboratory environment from November 2009 - January 2010. COTF conducted an independent operational assessment during the final week of testing in January 2010. A Naval Information Operations Command (NIOC) Blue Team concurrently conducted security and vulnerability testing.
- The areas of greatest concern during the integrated testing were interface performance and lack of accuracy and completeness of required system data. Identified system deficiencies could impact mission accomplishment in the areas of advanced planning, funds tracking, and supply support.
- COTF did not test reliability, availability, and maintainability (RAM), the Initial Source Processing Time Key Performance Parameter (KPP), and other capabilities during the operational assessment, but began testing of these capabilities in IOT&E from late September through early November 2010.

System

- Navy ERP is an integrated mission support hardware and software system providing financial transparency and total asset visibility across the Naval 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 a common data set, available in near real-time.
- The Navy ERP system is being incrementally implemented in two releases: (1) Financial and Acquisition Management and (2) the Single Supply Solution. The system will serve more than 66,000 users at more than 120 locations around the world. The Program Office has been tasked to investigate the requirements for implementing the system in an additional 14 Navy commands in future years.
- The Assistant Secretary of the Navy (Financial Management and Comptroller) approved Navy ERP on October 1, 2008

Activity

- COTF participated in integrated developmental/operational testing of Navy ERP Release 1.1 with selected users in a production-representative laboratory environment from November 2009 through January 2010.
- COTF also conducted an independent operational assessment, in accordance with the DOT&E-approved test plan, from January 25-28, 2010.



as the Financial System of Record for current users and “all future users of this system.” The system will be used to manage more than one-half of the Navy’s Total Obligation Authority.

- The system supports the Navy’s ability to produce auditable financial statements, enabling compliance with federal financial and security standards, the Chief Financial Officers Act of 1990, and the DoD Information Assurance Certification and Accreditation Process.

Mission

The Navy will utilize Navy ERP to:

- Implement an ERP business management system for the Navy to modernize and standardize financial, workforce, and supply chain management across the Naval Enterprise.
- Improve decision-making by the Navy’s leadership, enabling more effective and efficient support of naval forces.

Major Contractors

- International Business Machines (IBM) – Bethesda, Maryland
- Deloitte – New York, New York

NAVY PROGRAMS

Assessment

- Users noted deficiencies in interface performance following the completion of 88 percent of approximately 2,800 attempted transactions.
- Seven of 44 required interfaces were not available or did not work. Navy ERP relies heavily on its interfaces with DoD and other Navy systems.
- The operational assessment revealed problems with data compatibility as well as inaccurate, incomplete, and missing data (including converted legacy data) across the planning, allowancing, repairables, procurement, and order fulfillment business areas. Navy ERP deficiencies that posed the most significant risk included:
 - The system did not capture appropriate changes for outbound delta files, causing outdated material master files and inaccurate interfaced data, impacting user's advanced planning activities.
 - The system experienced errors with the interfacing and processing of financial transactions, diminishing the user's ability to track funds and financial documents.
 - The system failed to consistently convert and process change notices for Navy and non-Navy items of supply, hindering user supply support activities.
- The Initial Source Processing Time KPP, RAM, expanded help desk operations, user training, and portions of change management require an operational environment for testing. Full functionality of Maritime Outfitting and Allowancing Processes was not available for the operational assessment. These capabilities began testing during IOT&E from late September through early November 2010.
- Testers did not note any major information assurance deficiencies. The system effectively integrates with the Navy-Marine Corps Intranet. ERP's technical infrastructure provides a sound platform for both current operations and further expansion.
- Continuity of operations capabilities met expectations with only minor difficulties.
- Based on the results of integrated developmental/operational testing and the operational assessment, the Milestone Decision Authority decided to "go live" with Release 1.1 at Naval Supply Systems Command (NAVSUP) in order to provide a venue for correcting known deficiencies, while identifying and correcting any other inadequacies prior to IOT&E and the Full Deployment Decision. IOT&E sites include NAVSUP Headquarters in Mechanicsburg, Pennsylvania; Naval Inventory Control Point, located in Mechanicsburg and Philadelphia, Pennsylvania; and Naval Air Weapons Station, China Lake, California.

Recommendations

- Status of Previous Recommendations. There were no recommendations for FY09.
- FY10 Recommendation.
 1. The Navy should correct identified deficiencies during the limited deployment at NAVSUP, and provide documentation of the corrections prior to entering IOT&E of Release 1.1.