

Modernizing FM Systems





Navy ERP Overview







ERP is the engine for all Navy business functions and serves as foundational technological infrastructure that keeps DON operating

DON FM Strategic Goals

- 1 **Enhance our highly skilled** and engaged FM workforce to support DON's mission
- 2 **Standardize DON business processes** and strengthen internal controls to improve accountability
- 3 **Optimize stewardship** and trust in the DON's budget process
- 4 **Consolidate DON financial systems** and enhance cybersecurity controls to improve data integrity
- 5 **Leverage data analytics** to improve DON financial operations



Foundational ERP efforts needed to support core DON business

Sustainment (Run)	Modernization (Transform)		Migration (Grow)
			
Serve End Users Improve core services to Navy ERP end-users through improved ERP issue resolution, operational governance, and cost-effective automation tools	Modernize Platforms Modernize Navy ERP to a state-of the art business process platform with enterprise reporting strategy, re-engineered processes, and adoption of API solutions	Integrate with LOG Execute special projects for FM and LOG IT focused on real-time data integration and analytics needed for business intelligence, audit readiness, and cybersecurity	Consolidate Operations Consolidate Navy financial operations into Navy ERP achieving a single financial ledger



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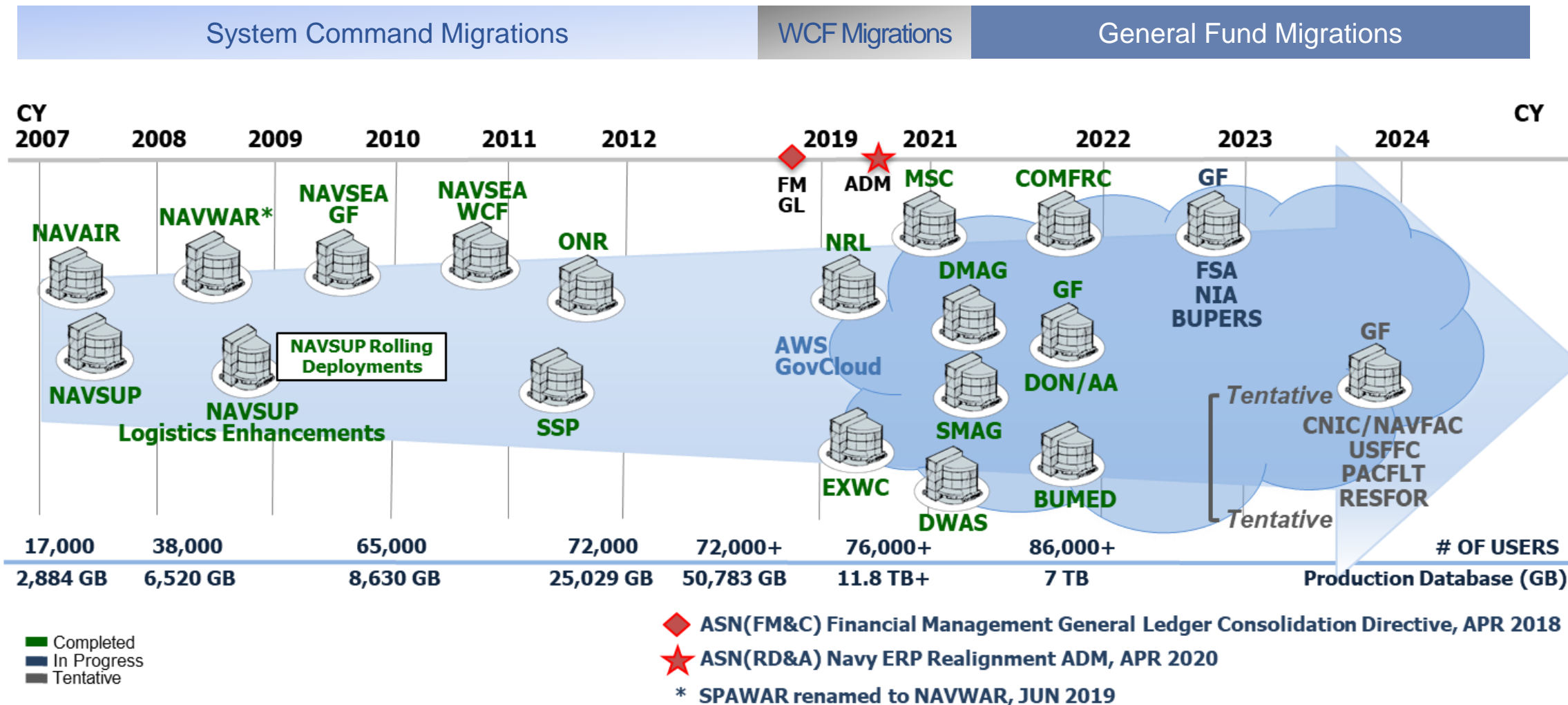
We have used ERP systems investments to address historical operational inefficiencies – with clear path forward to drive continued progress

Historical Inefficiencies		Progress To-Date		Areas Left to Address
Inconsistent Data Sources	9 General Ledgers with own data standards	➤	Consolidated from 9 to 2 Navy General Ledgers with corresponding data migrations	➤ Consolidate to 1 Navy General Ledger and complete data migrations to consolidated systems
Fragmented Systems	Over 90 systems across 9 ECH II commands	➤	Finalized ERP migrations for 6 WCFs and 2 GF Commands and shutdown legacy systems	➤ Complete migrations to ERP across 7 remaining GF Commands and legacy systems decommissioning plan
Poor Compliance and Reporting	Unsubstantiated Financial Statements	➤	Advanced reconciliation improvements and automated receipt / acceptance to reduce interest pay to vendors	➤ Modernize and consolidate systems to reduce manual accounting adjustments and improve automated reconciliations
Disparate LOG / Supply Integration	20-30% inventory error rates on parts	➤	Deployed 47 applications for warehouse management	➤ Modernize 200 LOG IT capabilities, integrate with ERP

Note: WCF = Working Capital Fund, GF = General Fund, TDD = Treasury Direct Disbursing, FBwT = Funds Balance with Treasury, CVP = Contract Vendor Pay

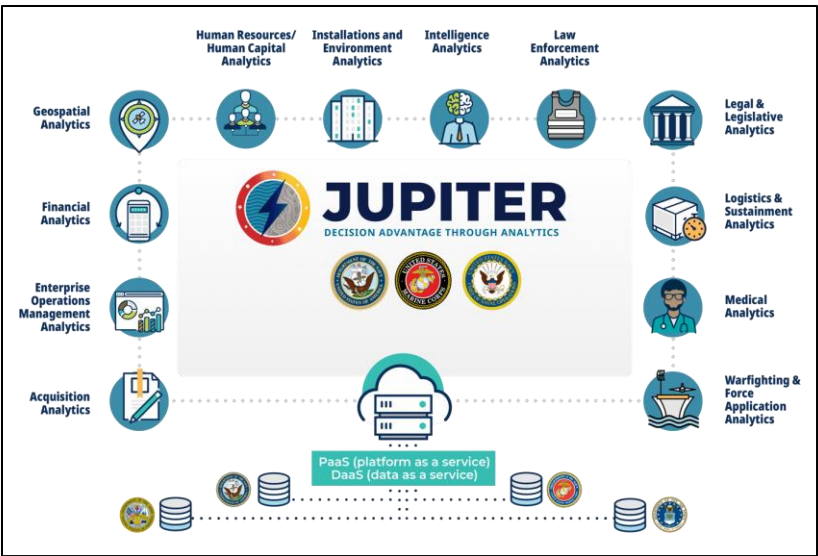


Navy ERP Consolidation Timeline

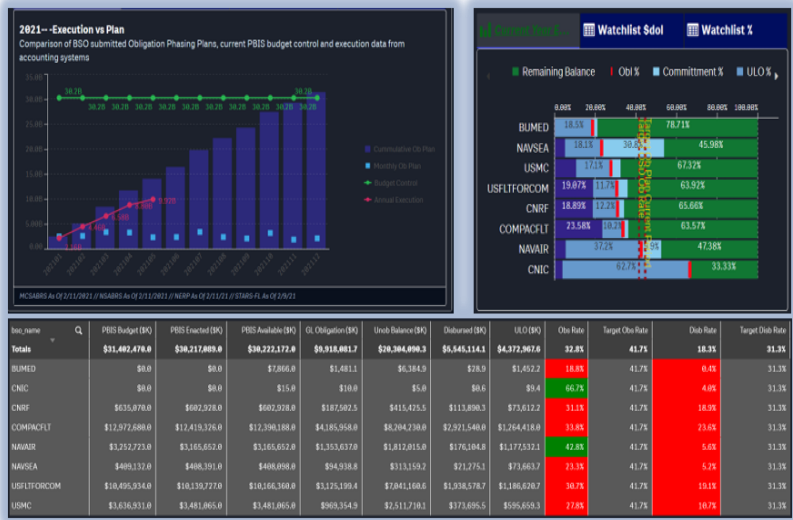




Modernizing Data



CFO Dashboard Application



- Putting the power of analytics in the pocket of every analyst and decision-making authority across the DON
- DON data has been siloed in disparate systems and organizations, making it nearly impossible to conduct simple enterprise-wide analysis
- Leveraging Jupiter—the DON’s enterprise financial management data platform with near real-time data, data tools, and other self-service products
- To date, have deployed multiple data analytic products saving over 70K hours from manual data collection efforts
- Promoting the use of intelligent automation and Robotic Process Automation (RPA) tools that enable agile business operations’



Lessons Learned



Activities to-date have also provided critical lessons learned, reflective of challenges we've faced, to carry forward

Lessons on stakeholder management...

Set the tone from the top; hold leadership drumbeats at all levels

Communicate often and continuously; articulate the need for the transformation and engage end users

Proactively engage interfacing partners at the outset and resource sponsors to manage transformation complexity

Lessons on operational management...

Develop operational business rules and transition plans that govern business process execution during migration

Develop and use data standards and data strategy for all functional areas with continuous data cleansing

Develop training strategy early and confirm buy-in to the transition from trainers

Address complex interfaces up-front and ensure a full data integration across interfaces with governance