SUMMARY

- Operational assessment results revealed that the Business Systems Modernization (BSM) successfully performed approximately 90 percent of its functional requirements.
- Order fulfillment successfully reduced processing time from 12 hours to 1 hour (on average) through the introduction of Releases 1.0 and 1.1.
- The operational assessments have greatly benefited BSM development.
- IOT&E for BSM is planned for 1QFY05.

SYSTEM DESCRIPTION AND MISSION

The BSM program provides the capability for the Defense Logistics Agency (DLA) to manage to specific outcomes, allow optimization within given levels of resources, and provide focused support on product and operating-cost reduction. These objectives represent DLA’s approach to meeting the requirements of the DoD Future Logistics Enterprise and the DLA Strategic Plan. The BSM strategy’s first focus is to replace DLA’s primary legacy supply chain management/materiel management systems – The Standard Automated Materiel Management System and the Defense Integrated Subsistence Management System – with an expanded enterprise computing environment and commercial off-the-shelf software packages that include Enterprise Resource Planning and Advanced Planning Systems. The BSM strategy, over the course of several years, will result in a new agency-wide information technology architecture that will enable the DLA to continuously reengineer its logistics processes to reflect the best business practices.

In July 2002, DLA initiated the concept demonstration of BSM Release 1.0, which represented approximately 80 percent of the planned functionality, with a limited number of commodities (5 percent) and a small number of end-users at the Defense Supply Centers. Release 1.0 essentially replaced the functionality of the legacy Standard Automated Materiel Management System. Based on the experience obtained in the development and implementation of this first release, DLA revised the BSM implementation strategy and schedule for the remaining functionality. The next phase is the implementation of Release 1.1, which incorporates the functionality related to the management of battle dress uniforms (BDUs) and subsistence. DLA introduced BDU and subsistence management functionality as part of a phased rollout in May 2004. After successful demonstration and operational assessment of Release 1.1, Release 2.0 will integrate additional functionality before the Initial Operational Test and Evaluation (IOT&E) of BSM. DLA forecasts a full deployment decision review for Release 2.0 in early 2005. Current plans indicate a Full Operational Capability achieved in September 2006.
The Joint Interoperability Test Command (JITC) conducted an operational assessment on selected functionality of Release 1.0 in 1QFY02 to assess system maturity. JITC conducted an operational assessment for Release 1.1 in 2QFY04 and Release 1.2 in 4QFY04. The JITC plans to conduct IOT&E for BSM Release 2.0 in 1QFY05.

**TEST AND EVALUATION ASSESSMENT**

The operational assessment results revealed that BSM successfully performed approximately 90 percent of its functional requirements. Of the four primary BSM functional areas, Order Fulfillment continues to achieve the most favorable results. Users in this area experienced little or no operational difficulties. Material Release Order processing time from requisition receipt has dropped from 12 hours before BSM to under 1 hour. In general, the Planning and Financial Management functionality performed effectively. However, some Demand Planning users experienced difficulties completing demand analysis and forecasting actions.

The Procurement functionality was the least favorable overall. The operational assessments have benefited BSM development. The feedback has assisted in highlighting important areas for improvement. They include development of more effective Information Assurance criteria, improving BSM training, improving the training and preparedness of the JITC team, and the need to closely review the threshold measures of performance in the Interoperability of critical interfaces.

We will complete a full assessment of the BSM performance after the IOT&E.