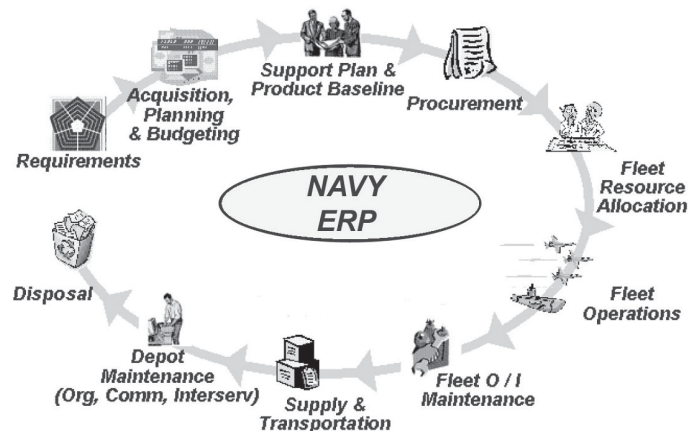# Navy Enterprise Resource Planning (ERP) Program

SUMMARY

- The Navy Enterprise Resource Planning (ERP) program is perhaps the largest and most advanced of the Service ERP efforts.
- The program achieved Milestone A/B near the end of FY04 and will soon purchase commercial off-the-shelf ERP software and hire an integration contractor.
- DOT&E approved a comprehensive Test and Evaluation Master Plan. With selective updating as more information is developed, it will adequately support initial operational test and evaluation during FY06.

The Navy ERP program is perhaps the largest and most advanced of the Service Enterprise Resource Planning efforts.

SYSTEM DESCRIPTION AND MISSION

The Navy ERP program is perhaps the largest and most advanced of the Service Enterprise Resource Planning efforts. It will completely revamp the way the Navy provides combat service support. The key objective of Navy ERP is to act as a catalyst for transforming key acquisition, logistics, and financial business activities. It will form an integrated network of decision-making processes and business activities. The Navy wants to capitalize on demonstrated ERP technology advances in creating and disseminating decision-making information. The program expects to exhibit operational integration, economy-of-scale leverage, and legacy system and software consolidation. In addition, the program will improve functional area metrics and measurement. It will use proven best business and commercial practices. The program will pursue an evolutionary acquisition strategy with incremental deployment.

In December 1998, the Navy established four ERP pilots as enablers for significant business process reengineering. These pilots are in use at four major Navy commands: Naval Air Systems Command, Naval Sea Systems Command, Naval Space Warfare Command, and Naval Supply Systems Command. Recognizing the potential for applying best commercial business practices to improve Navy business operations, each pilot focused on a commercial ERP product. The Navy selectively modified each product and tested a separate facet of Navy business. Integrators evaluated the commercial off-the-shelf software used for reengineering specific business practices within limited user groups. It soon became clear that combining the pilots into one program would yield a more concrete revolution. In late FY02, the Navy directed convergence of the pilots to produce a single system.

The Joint Requirements Oversight Council approved the Navy ERP Operational Requirements Document on August 12, 2004. The system achieved Milestone A/B on August 23, 2004. This milestone gave the program manager the authority to purchase the ERP software and to hire an integration contractor. If operational test and evaluation is successful, the system could be operational by the end of FY06.

TEST AND EVALUATION ACTIVITY
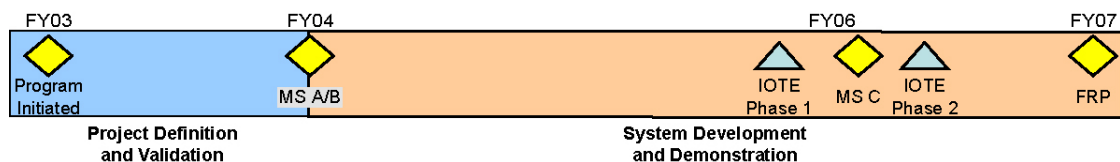
DOT&E approved a comprehensive Test and Evaluation Master Plan supporting operational test and evaluation that the program manager and testers will update as required. The Navy's Operational Test and Evaluation Force expects to participate in developmental/operational testing during 3QFY05. They will conduct independent test and evaluation in two phases, starting in 2QFY06. In the first phase, the operational testers will test a deployable-representative system in a laboratory test environment. They will use representative fleet operators to resolve as many critical operational issues as possible. If supported by test results, the Navy will field the system to the initial deployment sites. The Commander, Operational Test and Evaluation Force will then conduct field-validation testing at the initial deployment sites to resolve the remaining issues.

TEST AND EVALUATION ASSESSMENT
Since testing and evaluation has not yet begun, we cannot assess it. We predict that the Navy's experience with four pilot ERP systems will prove very helpful in planning and conducting meaningful test events.