

Business Systems Modernization (BSM)

Executive Summary

- The Joint Interoperability Test Command (JITC) conducted two operational assessments in June and August of 2006 to support the evaluation of Business Systems Modernization (BSM) Release 2.2.
- The operational assessments verified that BSM continued to be operationally effective and suitable in supporting the Defense Logistics Agency's (DLA) missions.
- BSM continues to represent a model for a successful event-driven acquisition of DoD Enterprise Resource Planning (ERP) systems. Program Management Offices (PMOs) for other DoD ERP systems should be encouraged to seek advice from the BSM PMO to leverage lessons learned from the BSM acquisition.

System

- BSM is a supply chain management system designed to support the DLA, its customers, and its suppliers worldwide.
- BSM consists of a suite of commercial off-the-shelf (COTS) hardware and software products. An ERP package serves as the backbone system providing procurement, finance, and order fulfillment business functions.
- An Advanced Planning and Scheduling (APS) COTS package is combined with the ERP package to provide supply and demand planning functions. These two packages support the majority of functional requirements.
- Additional functional requirements are satisfied by a combination of additional COTS applications, existing government off-the-shelf software, and specific software extensions to the ERP package.
- When fully deployed, BSM will support approximately 6,800 DLA employees located primarily at three Defense Supply

Activity

- JITC completed an assessment in December 2005 regarding the adequacy of system regression testing to support the implementation of BSM Release 2.2 at initial operational sites.
- In June and August of 2006, JITC conducted two operational assessments at Defense Supply Centers in Philadelphia, Pennsylvania, and Columbus, Ohio, to support continued deployment of BSM Release 2.2 to additional users. JITC conducted the operational assessments in accordance with the DOT&E-approved Test and Evaluation Master Plan and detailed test plan.
- JITC plans to conduct two additional operational assessments in October and December of 2006 to complete the evaluation of BSM Release 2.2.



Centers in Columbus, Ohio; Philadelphia, Pennsylvania; and Richmond, Virginia.

- BSM has replaced the Defense Integrated Subsistence Management System and will replace the Standard Automated Material Management System when fully deployed.

Mission

- The DLA supply centers equipped with BSM will be able to provide the best value logistics and contract management support to U.S. Armed Forces.
- The DLA uses BSM to manage specific outcomes, to allow optimization within given levels of resources, and to enable focused support on product and operating-cost reductions.
- BSM enables the DLA to continuously re-engineer its logistics processes to reflect best business practices.

Assessment

- The operational assessments conducted in June and August of 2006 verified that BSM Release 2.2 continued to be operationally effective and suitable in supporting DLA's materiel management missions.
- BSM continues to represent a model for a successful event-driven acquisition of DoD ERP systems. PMOs for other DoD ERP systems should be encouraged to seek advice from the BSM PMO to leverage lessons learned from the BSM acquisition.

Recommendations

- Status of Previous Recommendations. The PMO has adequately addressed the recommendations from FY05 with one exception:
FY05 #2: Data presentation continues to be a minor issue that affects usability, especially for new users. Experienced BSM users reported an increase in their abilities to navigate the various input screens as directly attributable to daily use of the system.
- FY06 Recommendations.
 1. The PMO should continue to look for ways to improve data presentation and screen navigation.
 2. The PMOs for other DoD ERP systems should be encouraged to seek advice from the BSM PMO to leverage lessons learned from the BSM acquisition.