

# Business Systems Modernization (BSM)

## Executive Summary

- The Joint Interoperability Test Command (JITC) completed two operational assessments in October and December of 2006 to evaluate Business Systems Modernization (BSM) Release 2.2. In addition, JITC completed an operational assessment in March 2007 to evaluate BSM Release 2.2.1.
- The operational assessments confirmed that BSM continued to be operationally effective and suitable in supporting the Defense Logistics Agency's (DLA's) missions.
- The Army 1st Information Operations Command (1st IOC) completed a Red Team penetration test in July 2007. The 1st IOC found the DLA network to be very well fortified and did not find any significant Information Assurance (IA) vulnerabilities with network protection. However, improvements are needed in the areas of intrusion detection and response.
- BSM continues to be a model for a successful event-driven acquisition of DoD Enterprise Resource Planning (ERP) systems. Program management offices (PMO) for other ERP systems should be encouraged to seek advice from the BSM PMO to leverage lessons learned from the BSM implementation.

## 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

## Activity

- JITC completed two operational assessments in October and December of 2006 to support the evaluation of BSM Release 2.2.
- JITC also completed an operational assessment in March 2007 to evaluate BSM Release 2.2.1. All three Defense Supply Centers participated in the assessments, which were accomplished in accordance with the DOT&E-approved Test and Evaluation Master Plan and Operational Test and Evaluation Plan.



government off-the-shelf software, and specific software extensions to the ERP package.

- BSM supports approximately 8,500 DLA employees worldwide, with users primarily located at three Defense Supply Centers in Columbus, Ohio; Philadelphia, Pennsylvania; and Richmond, Virginia.
- BSM has replaced the Defense Integrated Subsistence Management System and the Standard Automated Material Management System.

## 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.
- The DLA intends to use BSM to continuously re-engineer its logistics processes to reflect best business practices.

## Assessment

- The operational assessments confirmed that BSM continued to be operationally effective and suitable in supporting the DLA's missions.

## DOD PROGRAMS

- Based on user response to surveys, minor issues with the quality and currency of BSM online help remain, although little or no impact to mission accomplishment is expected. Furthermore, users expressed the desire to better communicate with each other on task-related information from their own work experiences.
- The vulnerability assessment conducted by Army 1st IOC did not find any appreciable IA vulnerabilities in the DLA's ability to protect against unauthorized users, and noted that the network was very well fortified from attacks originating from outside the DLA.
- Some IA areas need improvements. DLA should incorporate more robust intrusion detection systems and/or intrusion prevention systems on critical subnets to detect malicious activity, increase IA training for users and administrators, develop a Concept of Operations for IA intrusion response and restoration, and consider the migration to a thin-client architecture.

### Recommendations

- Status of Previous Recommendations. The program manager has taken action on the FY06 DOT&E recommendations.
- FY07 Recommendations.
  1. DLA should consider providing BSM users with an online forum for sharing task-related information derived from their work experiences. The training program and online help should be revised periodically to leverage user experience.
  2. DLA should address the IA areas of concern noted above.