



## Process Excellence in Action: **US Army**

## US Army Relies on Eii and IDS Scheer to Transform Army Logistics to Support Current and Future Forces

"Our goal is to communicate the SALE vision and benefits, harmonize our business process environment, initiate enterprise governance, promote daily oversight of our architecture and integration with other domains, and achieve ALL this while at war."

Sue Baker

HQ AMC Principal Deputy G-3

US Army Logistics

### Organization

US Army Logistics

### Industry

Public Sector Defense Agency

### Challenge

Implement the most efficient and effective means of integrating strategic, operational and tactical logistics functions into an end-to-end Army logistics enterprise solution.

### The Solution

Systems Integration specialists Eii and business process excellence experts IDS Scheer deployed SAP and ARIS for SAP NetWeaver to implement the SALE vision.

### Solutions Deployed

- ▶ ARIS for SAP NetWeaver
- ▶ SAP Solution Manager

### Benefits

A fully integrated knowledge environment that builds, sustains and generates Warfighting capability through a fully integrated logistics enterprise based on collaborative planning, knowledge management and best business practices

US Army Logistics is a multi-billion dollar entity that provides depot maintenance, spare parts support, munitions, Army pre-positioned stocks (APS), logistics support services, forward repair activities (FRA) and equipment support activities (ESA) for the Warfighter. In support of this effort, the US Army has created Single Army Logistics Enterprise (SALE), an initiative to implement the most efficient and effective means of integrating strategic, operational and tactical logistics functions into a fully integrated, end-to-end Army logistics enterprise solution.

## The Business Challenge

The average civilian cannot fathom the scope of the logistics efforts that drives armed forces agencies, such as the US Army. However, the real challenge lies in developing implementation strategies to integrate Army Logistics Operations. Further compounding this issue is the fact that Army Logisticians cannot see all of the requirements on the battlefield. As a result, these individuals rely on best estimates of what soldiers need. This prompts soldiers to order the same item several times because they have no confidence that support is forthcoming.

These inefficiencies have resulted in:

- ▶ Ineffective theater distribution capability
- ▶ Inadequate bandwidth and communications infrastructure
- ▶ Lack of asset visibility, leading to:
  - ▶ \$1.2 billion discrepancy between material shipped vs. material received
  - ▶ Backlogs of hundreds of pallets and containers
  - ▶ Requisitions duplicated and supply system worked around
- ▶ Inability to locate parts in theater pipeline led to the cannibalization of vehicles and a reduction in equipment readiness.

## Transforming Defense – The New American Way of War

The first step was determining a new set of rules and the required logistics enterprise capabilities. Rules included:

- ▶ Fight first for information superiority
- ▶ Speed of command
- ▶ Access to information
- ▶ Dispersed forces
- ▶ De-massification
- ▶ Elimination of process lines
- ▶ Elimination of structural lines
- ▶ Self-synchronization
- ▶ Alteration of initial conditions at higher rates of change
- ▶ Compression of levels of war

However, these rules required the following logistics enterprise capabilities:

- ▶ Connectivity
- ▶ Collaboration
- ▶ Decision support tools
- ▶ Supply chain integration
- ▶ Joint interoperability
- ▶ Robust C2 connectivity

- ▶ Enterprise perspective
- ▶ Organizational flexibility
- ▶ Role-based functionality
- ▶ Data visibility
- ▶ Data accessibility
- ▶ Data interoperability

## Objectives and Strategies

### Single Army Logistics Enterprise (SALE) Vision

Far too often, organizations implement the latest technological advancements without achieving significant improvements in their business operations. The Army's SALE vision is based on a completely different mindset. Integrating its new rules and requisite enterprise capabilities, the Army's SALE architecture will offer improved operations by implementing integrated business processes (and the associated solutions) from the "factory to the foxhole". This emphasis on business process management, coupled with the desire to integrate operations, gives the Army true end-to-end asset visibility.

SALE objectives include:

- ▶ Shared common master data to facilitate:
  - ▶ Common operating picture for Army Logisticians
  - ▶ Reduced reconciliations
  - ▶ Entering data once
- ▶ Automated business systems
- ▶ Global access to weapon system product technical data
- ▶ Effective and efficient communications through assured and optimized networks
- ▶ Reduced number of systems through aggressive Portfolio Management (Pfm)

The SALE strategy is based on a phased implementation, building on activities of Global Combat Support System Army (GCSS-Army) and a Logistics Modernization Program (LMP). The SALE process team will integrate the processes, structures and timelines of these programs via disciplined adherence to key strategic objectives and end state architecture view.

Foundation elements will include:

- ▶ Product Lifecycle Management Plus (PLM+)
- ▶ Master Data Management
- ▶ Optimized Messaging (XI)
- ▶ End-to-End (E2E) Scenarios

This strategy will be accomplished via a suite of project management tools that provides an enterprise view.

The US Army has committed an array of resources to drive its implementation strategies and help achieve its SALE vision, including governance (three groups), process executives, strategies, architectures, standards (SASG), and a partnership with the acquisition community.

Implementation strategy 1 includes committed leadership to support the vision, mission and strategic objectives. Implementation strategy 2 focuses on end-to-end scenarios with process executives leading the charge, and end-to-end blueprinting that is a critical part of the SAP methodology. Implementation strategy 3 will address governance to establish processes and link efforts with the user – partnering with private sector solution providers is essential. Implementation strategy 4 is built on the SASG and its mission to ensure consistency with Army, DoD and other applicable requirements, as well as aligning with the architecture for an integrated Army logistics environment. From the Factory to the Foxhole is the basis for implementation strategy 5 – to support the Warfighter and provide superior technology, acquisition support and logistics for a dominant land force capability for soldiers, the United States and its Allies.

### The Approach – Eii and IDS Scheer

US Army Logistics has turned to systems integration specialists Eii and business process excellence experts IDS Scheer to implement its SALE vision. Eii and IDS Scheer consultants are providing the expertise needed to define and execute integrated solutions in complex environments, such as the logistics operations in the US Army. Eii and IDS Scheer will support the implementation environment with ARIS for SAP NetWeaver and SAP Solution Manager. The SALE solution will be implemented using the SALE architecture and the Army E2E Scenarios using the ARIS for SAP NetWeaver Value Engineering Principles.

The architecture is directly linked to the implementation projects and provides:

- ▶ Direct capability for managing and monitoring the design, configuration, deployment and sustenance of the enterprise solution
- ▶ Alignment with additional descriptive architectures, including those from other Army organizations to provide the ability for a complete view across the enterprise
- ▶ Alignment with other process-oriented solution architectures, including the Distribution Process Owner (DPO) reference architecture (i.e., the Joint Distribution Architecture)
- ▶ Alignment with other data-oriented architectures, including the J-4 COCOM 129 and the information exchange components of SAP NetWeaver to drive data integrity across the solutions
- ▶ Preservation of the Total Lifecycle Systems Management (TLCSM) order to enable the Army's Lifecycle Management Command (LCMC)

Solution Manager Objects are used in the ARIS architecture to create business process models down to the transaction level. This creates an architecture that drives the entire lifecycle of the Army Logistics solution, including the integration to non-SAP Army logistics systems.

### The Next Steps – A Phased Operational Implementation

The US Army Logistics SALE will be implemented over a 10-year period. To date, the SASG group has been established, process executives delineated with specific responsibilities, governance groups created, and initial training on the SAP and IDS Scheer solutions has begun. FY 04 to FY 06 will focus on SALE increment 1 and modernization to increase data accuracy, improve functional postings, and reduce follow-up, re-ordering and systems maintenance costs while also increasing asset visibility. SALE increment 2, FY 7 to 10, will focus on reducing system baselines, improve decisional information and reduce user workload. FY 10 to 12 will target integration in SALE increment 3 to link trading partners, create common processes across the Army, provide conditional-based maintenance and reduce inventory. Finally, SALE increment 4 will be deployed from FY 10 and beyond to provide linkage with OEMs, offer technical data, reduce log footprint and allow for SAP upgrades.

When the project is complete, US Army Logistics expects the following projected benefits:

- ▶ Portfolio Management – reduction of IT systems
- ▶ Elimination of complex system interfaces
- ▶ Enhanced visibility
- ▶ Army industry collaboration
- ▶ Improved weapon system availability
- ▶ Improved industrial base planning
- ▶ Access and use of technical data across army and industry

## About IDS Scheer

IDS Scheer is the market leader in Business Process Management (BPM) software and services for corporations and public organizations worldwide. With its unrivaled ARIS Platform for Process Excellence, the company offers an integrated, comprehensive solution portfolio for the strategy, design, implementation and controlling of business processes. Utilizing the ARIS Value Engineering (AVE) approach, IDS Scheer consultants bridge the gap between corporate strategy, business processes, IT solutions and process controlling. Approximately 2,800 employees, in over 70 countries, serve the company's 6,000 customers. In 2006, IDS Scheer's revenues reached 354 million Euro / \$465 million USD. Established in 1984 by Prof. August-Wilhelm Scheer, IDS Scheer is listed in the TecDAX on the Frankfurt Stock Exchange (Germany).

For more information, please visit: <http://www.ids-scheer.com>.

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