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MEMORANDUM FOR DISTRIBUTION

Subj: NAVY ENTERPRISE RESOURCE PLANNING LEGACY APPLICATIONS
MANAGEMENT

Encl: (1) Navy ERP and Legacy Applications Management Policy Guidance

As Navy moves towards efficiency and effectiveness through convergence on a single ERP solution, it has become apparent that it is necessary to establish a policy to manage effected legacy applications. The purpose of this correspondence is to establish such a policy for applications whose functionality is contained in Navy ERP.

Enclosure (1) is the Navy ERP and Legacy Applications Management Policy and is hereby effective immediately for all sites scheduled for deployment of Navy ERP. The initial focus of this policy is on applications with functionality overlapping that provided in Navy ERP Template 1.0, although it is envisioned this policy will be extended as future templates and schedules of Navy ERP are defined.

My point of contact for this effort is Ms. Sharie Bourbeau, who can be reached at (202) 781-1632 or email bourbeausj@navsea.navy.mil.

A handwritten signature in black ink, appearing to read "N. J. Kunesh", is positioned above the typed name.

N. J. Kunesh
Deputy Assistant Secretary of the Navy
(Logistics)

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Navy ERP and Legacy Applications Management Policy Guidance

1. Background

As the Navy moves towards efficiency and effectiveness by eliminating redundant applications and converging on a single Enterprise Resource Planning (ERP) solution, it is necessary to manage legacy applications in concert with Navy ERP. The Virtual SYSCOM was tasked with developing a policy for managing new applications or new versions of applications with functionality that overlaps that of Navy ERP. Consideration should be given to collapsing multiple applications that have been identified as having overlapping functionality with Navy ERP into a single application wherever practicable.

This policy focuses on applications with functionality overlapping that provided in Navy ERP Template 1.0, although it is envisioned this policy will be extended as future templates and schedules of Navy ERP are defined. This policy applies to both new applications and upgrades to the legacy applications identified for retirement by Navy ERP.

2. Roles and Responsibilities

A three-tiered governance approach will manage the introduction of new applications or upgrades to legacy applications: ERP Board of Advisors (BoA); Echelon I Functional Area Manager (FAM)/ERP Process Councils; and Echelon II FAM/Central Design Activities (CDA).

The ERP BoA will serve as the Governance Board and coordinate with the Echelon I FAM as approval authority for managing and approving new applications with functionality that is considered to be included in the Navy ERP solution as well as for the “singling up” of applications in advance of Navy ERP. The Echelon I FAM will review requests for release of new applications or upgrades to legacy applications as submitted by the Echelon II FAM/CDAs. The Business Rules specified below shall be used as the criteria for determining whether a new application or upgrade should be recommended for release. The Echelon I FAM will work with the ERP Process Councils to make recommendations to the ERP BOA.

The ERP Process Councils will serve as the implementing authority for the ERP BoA. The Process Councils will ensure the functionality of the new application or upgrade is considered and included in the ERP Template development.

The Virtual SYSCOM has established cross-SYSCOM FAM teams to review the applications with functionality that overlaps Navy ERP. Echelon II FAM/CDA teams will serve as the entry point for the consideration for release of new applications or upgrades and for initiating recommendations for “singling up” applications in advance of Navy ERP. The Echelon II FAM/CDA is responsible for reviewing the rationale for the new application requirement and for making the initial recommendation for approval or disapproval. Applications with a sound justification and rationale for release will be packaged and submitted to the Echelon I FAM for second level review and approval. The application review and approvals will be documented in the DON Application and Database Management System (DADMS).

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3. Business Rules

- a. DADMS will be used as the authoritative source of data.
 - i. The DADMS questionnaire will be modified to include a filter for Navy ERP functionality.
 - ii. The modifications will include four (4) options for each application.
 1. ERP Template 1 Functionality / All Template 1 Locations
 2. ERP Template 1 Functionality / Potential Future Template Deployment Locations
 3. ERP Functionality / Potential Future Template
 4. Functionality not covered by ERP
- b. Upgrades to applications or migrations to a new application must have a Business Case Analysis (BCA) that shows a positive Return on Investment (ROI) prior to deployment to Navy ERP.
- c. Upgrades to applications or migration to a new application within two years (2) of retirement by Navy ERP shall not be approved.
- d. Only one migration to a new application will be allowed per FAM sub-taxonomy per site in “singling up” applications in advance of Navy ERP. For example, NAVSEA is developing a plan to single up on its financial management systems in advance of Navy ERP. Once this plan is executed, Navy ERP is the only next step in the Roadmap. (See Figure 1)
- e. The solution should consider standardization across the widest possible number of users and activities.
- f. The interim solution to singling up applications in advance of Navy ERP cannot be another ERP solution.
- g. Impact on the ERP architecture as well as the DoD BEA/BMMP efforts shall be considered.

4. Approach

There are two scenarios for introducing new applications in advance of Navy ERP. One scenario considers the introduction of new applications or upgrades to existing legacy applications and the second considers the feasibility of “singling up” on applications in advance of Navy ERP deployment. The approach to approving the release of the solution is the same in both scenarios.

The Echelon II FAM/CDA team will review the requirement for the introduction of the application and make a determination whether it is a valid requirement. Further, in keeping with Navy guidance and direction, the FAM/CDA teams should review all opportunities for “singling up” on an application in advance of Navy ERP. Greater consideration should be given to cases where mission performance would be favorably impacted by the change and lesser consideration should be given to “nice to have” or “convenience” changes. The team should also consider whether the functionality of the application overlaps that of Navy ERP. Lesser consideration should be given to the introduction of new applications or version, or singling up on an application as the requesting site approaches cut-over to Navy ERP.

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For applications that are initially considered to be favorable candidates for introduction or “singling up”, the Echelon II FAM/CDA will prepare a migration strategy that addresses the following:

- Rationale for changing to a new application or version;
- BCA for making the change which includes a discussion of all costs associated with the change (including data cleansing and migration) and Return on Investment;
- Feasibility of deploying a SYSCOM-wide solution and the rationale supporting why a solution is not deployed SYSCOM-wide. If a SYSCOM-wide solution is not feasible, the migration strategy should address the feasibility of deploying the solution across similar divisions or activities (e.g., across all Warfare Centers);
- NMCI compatibility, and
- Schedule for migration.

One single migration plan can be used where a group of applications are singled up in advance of Navy ERP. This effort will be managed by the Migration Managers from each SYSCOM and delegated to the Echelon II FAMs and CDAs.

The BCAs and Migration Plans shall be vetted through the Echelon I FAMs and ERP Process Councils and then submitted to the ERP BoA for approval before implementation by the associated CDA/application owner.

Sample Roadmap

Functional Area	Site	Now (FY2004)	Mid-Term	End State
FAM: Financial Management				
Sub-taxonomy areas: •Budget Execution/Tracking •Management Control	NAVSEA	•FMIS 2000 •PRISMS •LANMIS	PRISMS	Navy ERP
	NAVAIR	SIGMA	SIGMA	Navy ERP
	SPAWAR	FMIS 2000	FMIS 2000 (or PRISMS)	Navy ERP
	NAVSUP	CPMS	CPMS	Navy ERP

(Figure 1)

Notes:

1. End State date is driven by Navy ERP Template 1.0 Deployment Schedule
2. Mid-Term date – no later than two (2) years prior to Navy ERP deployment of the legacy applications at the last using site. To be determined by the results of the BCA/ROI.
3. After NAVSEA migrates to a single financial management information system, the next system will be Navy ERP. The migration plan will address this process of transitioning from the multiple systems of today, to a single system, and then to Navy ERP.