



DEPARTMENT OF THE NAVY
OFFICE OF THE UNDER SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

31 October 2000

MEMORANDUM FOR DISTRIBUTION

Subj: REQUEST FOR E-BUSINESS PILOT PROJECTS

Encl: (1 SECNAV Charter for eBusiness Office

Recently, the Secretary of the Navy signed a charter (enclosure 1) standing up a Departmental eBusiness Operations Office at Naval Supply Systems Command, Mechanicsburg, PA. The office is headed by Rear Admiral Linda Bird, and its mission is to help Navy and Marine Corps organizations take immediate and maximum advantage of private (and public) sector electronic innovations to make Departmental business processes more efficient. Private sector organizations are rushing to "webify" and digitize their practices, and our leadership clearly understands the opportunity this "rush" presents; we must also capitalize on these advances when sensible.

The eBusiness Office has been endowed with \$20 million to fund DoN pilot projects in FY 2001. We need your help in identifying worthy projects for this funding. To qualify, candidate pilots should be electronic improvements to a DoN process with the potential of (1) making that process more efficient to yield operating savings, or (2) improving Departmental quality of life/work. Submittals should be executable in a short turnaround time; funding for qualifying projects is immediately available. Information on submitting candidates, along with relevant NAVSUP points of contact, is available at www.DON-ebusiness.navsup.navy.mil. Applications should be submitted no later than 30 November 2000.

As the enclosed charter points out:

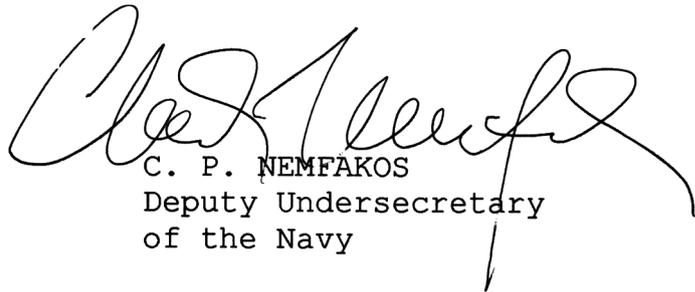
- The eBusiness Office has two main responsibilities -- (1) act as a center of electronic innovation, and (2) manage selected credit card and electronic transaction systems.
- NAVSUP's role is to act variously as a catalyst, a clearinghouse, and a consulting service in fostering electronic efficiencies. The emphasis is on support, not control, of locally-developed innovations.

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- Savings from productivity enhancements will not be taken from command budgets; rather, they will be left in place to support further qualitative advances.

This last point cannot be overemphasized as an opportunity for commands to improve their condition. The Comptroller of the Department of the Navy is supporting this approach not only internally, but also with OSD/OMB.

I urge your personal involvement in identifying eBusiness pilot initiatives. Points of contact at the NAVSUP office are CAPT Jeff Pottinger at (717) 605-9331, or Mr. Joe Minnick at (717) 605-5737 (DSN prefix is 430-). Please note again the 30 November deadline for applications for the first round of project funding.



C. P. NEMFAKOS
Deputy Undersecretary
of the Navy

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21 September 2000

Charter for the Department of the Navy eBusiness Operations Office

Mission:

The Department of the Navy (DON) Electronic Business (eBusiness) Operations Office is established to serve as a catalyst for implementing and integrating DON eBusiness efforts, highlighting emerging uses of electronic business (both from within DON/government and from the private sector), and making DON processes more efficient and effective. Further, the Office will centralize operational control of several card management and selected electronic transaction systems.

Background:

eBusiness is the interchange and processing of information via electronic techniques for accomplishing transactions based upon the application of commercial standards and practices. Further, an integral part of implementing eBusiness is the application of business process improvement or reengineering to streamline business processes prior to the incorporation of technologies facilitating the electronic exchange of business information. The Department of Defense (DoD) has adopted eBusiness as a means of achieving an all-electronic enterprise and as a possible bridge between today's legacy systems and tomorrow's shared data and open systems environment.

eBusiness technologies are rapidly impacting every part of the Navy and Marine Corps. The result has been more efficient exchange of business information and improved response to mission and warfighter requirements. Recognizing the opportunity to achieve further benefit through collaboration and teamwork, the eBusiness Operations Office will identify emerging electronic business capabilities and facilitate their application in making Navy and Marine Corps business processes more efficient and effective.

An office is needed to centralize operational control of several card and selected electronic transaction systems. Consolidating these functions and systems will provide a consistent and integrated management approach, ensure a single voice to our Navy and Marine Corps customers and business partners, deliver goods and services more efficiently, and facilitate the evolution to future technological solutions.

Organization:

In accordance with Deputy Under Secretary of the Navy and Department of the Navy Chief Information Officer direction, the Department of the Navy eBusiness Operations Office is hereby established as a part of the Naval Supply Systems Command, Mechanicsburg, PA.

The DON eBusiness Operations Office is headed by a flag officer designated as a NAVSUPSYSCOM Deputy Commander. The Office is staffed by a Senior Executive Service Deputy and a small cadre of military and civil service personnel. The Office draws primarily from industry expertise to support these efforts. The Office leverages key DON stakeholder resources and academia as appropriate.

Enclosure (1)

Responsibilities:

The DON *eBusiness* Operations Office has the following key responsibilities as a center of *eBusiness* innovation.

- Become DON's *eBusiness* catalyst for change.
- Conduct continuous market research and catalog industry and government *eBusiness* solutions.
- Become a clearinghouse for *eBusiness* best business practices and serve as an import/export agent, identifying industry and government innovations, and broadcasting them DON-wide. Identify opportunities within DON to implement new *eBusiness* solutions and facilitate the integration of existing similar *eBusiness* initiatives. Provide consulting services for DON organizations implementing *eBusiness* solutions to include Information Assurance considerations and DON architecture and interoperability standards. Support functional business process owners in developing *eBusiness* Implementation Plans in support of the DON *eBusiness* Strategic Plan.
- Develop and administer a process to invest in pilot projects to foster the implementation of innovative *eBusiness* solutions throughout the Department.

The DON *eBusiness* Operations Office has the following key responsibilities with regards to managing card programs and selected electronic transaction systems.

Manage all DON card programs.

Consolidate card programs, where appropriate, and evolve to future technological solutions to create efficiencies and improve customer support.

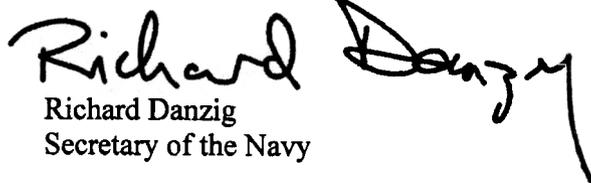
Manage selected DON electronic transaction systems.

Develop a comprehensive, outcome-based metric collection and management program.

- Coordinate extensively with DON customers and serve as the Department's advocate for improved support from private sector financial institutions.

The benefits of this office will be significant. As already experienced in the private sector, significant improvements will be realized in terms of both efficiency and effectiveness of our business processes. Productivity gains to the Department resulting from transformed business activities, elimination of labor intensive, paper-based processes, increased knowledge sharing and reduction of redundant systems will be dramatic. However, rather than reducing commands' budgets to reflect these productivity gains, savings will be left in place to support the on-going efforts of our commands, sailors, marines and civilian employees by providing qualitative benefits such as reductions in time expended, greater flexibility, etc. In addition, funding for *eBusiness* pilot efforts will not be realigned from claimants' existing *eB* efforts, but instead will be funded through the Supply component of the Working Capital Fund.

This charter is effective immediately. It will remain in effect until modified or cancelled.


Richard Danzig
Secretary of the Navy