
Virtual SYSCOM Guidance

Message from the Virtual SYSCOM (VS) Commanders

When the Commanders of NAVSEA, NAVAIR, SPAWAR, and NAVSUP adopted the concept of a Virtual SYSCOM in 2002, our goal was to come together to collaborate on the implementation of cost-wise and integrated business and technical practices to better support our Navy. We've made progress towards that goal, as expressed below in our accomplishments, but there is much more for us to do. The promise of increased effectiveness, productivity, and alignment can only be realized by extending both the boundaries and the depth of our collaboration. Now is the time for us to shape our efforts to maximize our collective contribution to the value streams that ultimately deliver products and services to the Fleet and support the Navy's transformation.

Gaining the benefits of a more coherent and unified materiel establishment rests upon the natural and routine engagement of our professional communities of practice across the SYSCOMs. In that light, we are expanding the central operating architecture of the Virtual SYSCOM from one driven primarily from the Command level to one that leverages the integrated skills, processes, facilities, and resources of our professional communities on a daily and naturally ongoing basis. These Virtual SYSCOM functional communities (e.g., Contracts, Business/Financial Management, Logistics, Information Technology, Human Systems Integration, Human Capital, Engineering/Test & Evaluation) will examine practices and capabilities to optimize effectiveness and the cost of doing business. Our ultimate target is seamless integration into a continuum of capabilities matched to the end-to-end processes we execute on behalf of the warfighter.

The Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have set the DON goals and priorities for 2004, looking for better ways of conducting its business, investing its resources, and setting the course for the future. The CNO Guidance for 2004 charges members of the Virtual SYSCOM with determining the cost-benefits of the Virtual SYSCOM concept, considering potential opportunities to partner with other Services on SYSCOM functions, improving joint development and acquisition opportunities, and achieving cost reductions on the order of 3-5% of total obligation authority.

The Functional Team Leads for each initiative will use enclosure (1) to report milestone due dates and progress at the 10 June 2004 and subsequent meetings of the SYSCOM Commanders.

The Virtual SYSCOM has gained traction over the last two years, and has the opportunity to make continuing gains to help the Navy achieve its transformation objectives. These are exciting times with increasing demands for technical excellence, innovation, and finely tuned business operations. This Virtual SYSCOM Guidance 2004 document provides a framework for maximizing our products and our performance in supporting the Fleet.



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I. General

The **Virtual SYSCOM Mission** is to work collaboratively in support of OPNAV, Commander, Fleet Forces Command (CFFC), the Type Commanders (TYCOMs), and ASN (RD&A); to provide a consistent broad base of cost, technical, and programmatic support for shaping Navy investments that transcend individual Commands and programs, and to provide integrated capabilities and solutions to Navy warfighter needs while contributing to our Navy's need for savings to fund recapitalization.

The **Virtual SYSCOM Purpose** is to: 1) gain the benefits of unification but without the disadvantages of bulk and layering; 2) yield efficiencies in our collective efforts and in the investments of the Navy; 3) align to better satisfy the integrated operations and support needs of the Fleet, while driving down our collective cost of operations. The VS also serves as a process for more effective linkages with the Assistant Secretary of the Navy (Research, Development, and Acquisition) (ASN (RDA)) and the Chief of Naval Operations (CNO) leadership, particularly in areas such as network centric warfare, interoperability and the future shape of the Navy, as well as a closer, more unified relationship with the fleet in support of Navy's transformation goals and objectives.

The **Virtual SYSCOM Operating Concept** is one of shared goals and integrated operational concepts. This overall concept is based on three primary elements: 1) linkage with Navy leadership (ASN (RDA), the Vice Chief of Naval Operations (VCNO), and the Fleet); 2) a strengthened cross-SYSCOM working relationship based upon a formal collaboration among the SYSCOM Commanders, their senior civilians, and the Navy Program Executive Officers (PEOs) that they support; and 3) creation of common metrics linked to the combined outputs required by our fleet customers that are used to measure overall value in delivering integrated logistics support to the operating forces.

II. Past Year Accomplishments

Calendar Year 2003 represented the first full year of execution for the Virtual SYSCOM. Responding to the challenges of the Navy, we worked collaboratively on many issues – from streamlining our business operations to identifying cost reductions in support of higher Navy priorities. The following paragraphs outline the accomplishments that together, we have been able to achieve. These first step initiatives will form the foundation for our work together in 2004 and beyond.

2003 Accomplishments

- *Developed the Virtual SYSCOM Charter and CONOPS*
- *Established NAVSUP as the Virtual SYSCOM Supply Chain Manager*
- *Established cross-SYSCOM Functional Teams including Human Systems Integration and Business/Financial Management and Comptroller*
- *Established the Strategic Sourcing Acquisition Center of Excellence*
- *Established the Program Office to converge our four Enterprise Resources Planning pilots*
- *Established the Command, Control, Computers, Communication and Intelligence Chief Engineer*

Virtual SYSCOM (VS) Charter and CONOPS:

In 2003, we formally established the Virtual SYSCOM (VS) through a VS Charter and Concept of Operations (CONOPS). The goal of the VS is to determine and execute change that will integrate and consolidate independent functions, providing opportunities to downsize resource requirements that will ultimately increase efficiency and effectiveness.

The Commanders of NAVSEA, NAVAIR, NAVSUP, and SPAWAR all signed the VS Charter in Oct 2003.

Achieve a more Common Approach to Contracting and Supply Chain Management...MOA with Virtual SYSCOM & CNI/NAVFAC: The MOA between Virtual SYSCOM, CNI and NAVFAC establishes an agreement to coordinate shore installations' contracting and supply chain management. A joint team was formed and has identified functions, staffing, initial efficiencies, detailed POA&M and cost projections. In addition, NAVSEA, NAVAIR, NAVFAC, and SPAWAR are also working with the team to conduct transfers of various supply functions to NAVSUP in concert with the work with CNI. The following are the supporting initiatives currently underway:

Naval Aviation Depot Material Support between NAVAIR and NAVSUP:

NAVAIR Depot material management functions have been realigned to NAVSUP along the lines of the existing FISC/NADEP North Island partnership. The NADEP Cherry Point/Jacksonville material functions migrated to FISC Jacksonville. The NADEP material management transfers resulted in 263 billets realigned in FY03 and budget reductions taken through Program Decision Memo (PDM) #68312 at annual cost avoidance of \$2.4M in FY04 and \$14.4M savings achieved through the FY04-09 FDYP.

Supervisors of Shipbuilding (SUPSHIP) Support re-alignment:

This alignment transfers SUPSHIP Code 500 personnel & functions to Fleet and Industrial Support Centers (FISCs). 156 billets were realigned in FY03 in support of this agreement. The projected savings in FY04-07 is estimated to be 30% based upon funding reductions (5% in FY04, 5% FY05, 10% FY06, 10% FY07).

Transfer of Outfitting Account Functions to Naval Inventory Control Point (NAVICP):

This initiative transferred oversight, programming, budgeting, execution and accounting for Outfitting accounts, including Other Procurement Navy (OPN)-8, Weapon Procurement Navy (WPN)-6 and Shipbuilding and Conversion Navy (SCN) for Government Furnished Material (GFM) to the NAVICP. The MOA was effective 1 October 2003 with no billet realignments. A 15% Navy savings in labor was achieved in FY 04.

2 COG Material Management Transition to NAVICP:

This initiative transferred 2 COG material management performed by NAVSEA to NAVICP, including the transfer of three (3) NAVSEA Logistics Center employees to the NAVICP. A Navy savings of \$517K was achieved in FY 04.

Achieve a more Common Approach to Contracting and Supply Chain Management...MOA with Virtual SYSCOM & CNI/NAVFAC:

The MOA between Virtual SYSCOM, Commander Naval Installations (CNI) and Naval Facilities Command (NAVFAC) established an agreement to coordinate shore

installations' contracting and supply chain management efforts. A joint team has been meeting regularly to identify ashore supply resources, make recommendations on realignments, work out a POA&M and determine what savings can potentially be achieved.

Virtual SYSCOM Functional Integration: We established many cross-SYSCOM functional teams in critical areas including Human Systems Integration, C4I, Business/Financial Management and Strategic Sourcing Acquisition Center of Excellence. The goal of each team is to determine and execute a plan that will provide consolidation of efforts and staffing to support the overall VS goals and objectives. Accomplishments to date include:

Human Systems Integration (HSI) Community:

This VS MOA established a cross-SYSCOM team to identify and define the intra/inter SYSCOM roles and relationships necessary to support and implement effective HSI principles in our acquisition programs. The working group charter describes the responsibilities, interfaces, authority and reporting requirements of the HSI team. The working group has also identified sub-working groups to review initiatives in the following areas: Policy, Total Ownership Cost, Fleet Support, Information Technology, Common HSI Functions and Workforce Training.

This team is providing direction to all acquisition efforts that will ensure the HSI issues are addressed early on in the acquisition process, ensuring reduced costs in the process due to less rework and training requirements for new systems.

Command, Control, Computers, Communication and Intelligence (C4I) Chief Engineer Additional Duty Responsibility:

ASN (RDA) message 1112123ZOCT 02 designated COMSPAWAR as the C4I Chief Engineer for the Navy. Part of that designation included an additional duty (ADDU) reporting requirement to COMNAVSEA and COMNAVAIR. A VS MOA charges the C4I Chief Engineer with development and implementation of processes (using RACI governance process) to satisfy C4I capability requirements. The MOA also provides the technical authority definition as agreed to by the Virtual SYCOM Commanders.

C4I is coordinating efforts in utilizing Electronic Technical Data across the SYSCOMS, as well as providing leadership across the VS in meeting FORCENet model and goals.

Financial Management and Comptroller Community:

A joint letter from the VS Commanders, Strategic Systems Program Manager, and the Commander, Marine Corps Systems Command was sent to ASN (FM&C) recommending a structure and context for establishing a common, centralized business/financial management (BFM) community. This joint letter included recommendations for improvements in our business practices, suggested DAWIA certification for financial management personnel and the establishment of a BFM Executive Steering Group (ESG).

Strategic Sourcing Acquisition Center of Excellence (SSACOE):

A joint letter to DASN (Acquisition) and DASN (Infrastructure Analysis) presented the CONOPS for a SSACOE located in NAVAIR Contracts (AIR-2.0). The SSACOE will be responsible for all VS A-76 contracting actions associated with SYSCOM mission specific strategic sourcing studies. The SSACOE will prepare solicitations, receive private sector offers, certify performance decisions, complete the Standard Competition Form and obtain CNO approval prior to awarding any contracts.

As one of the first efforts of the Virtual SYSCOM, the SSACOE is funded by each SYSCOM and is responsible for completing A-76 studies. They will reduce costs of A-76 studies by utilizing expertise that will complete a study in less time and ensure a “third party” approach designed to minimize appeals.

Converged Enterprise Resource Planning (C-ERP):

On 2 August 2002, ASN (RDA) directed the convergence of the four existing ERP pilots. This Navy ERP convergence will reduce overall cost, improve responsiveness to the Fleet, improve architectural alignment and interoperability within the Navy, facilitate end-to-end product management and deploy Navy-wide standard processes. On 17 December 2002 SECNAV and CNO declared support for the convergence effort and on 30 January 2003 ASN (RDA) directed the standup of a Navy ERP Program Management Office. The Virtual SYSCOM provides the staff for the office and the formal contracting, legal and financial management expertise for the Program Manager. The SYSCOM Executive Directors participate in the weekly sessions of the Board of Advisors (BoA), established by ASN (RDA) with OPNAV N4 to provide guidance and decision-making for this effort. Additionally, the Virtual SYSCOM currently supports the Navy ERP Program Manager through ERP pilot funding lines used to resource the Navy ERP Program.

To ensure an enterprise focus, a Navy Enterprise Process Council governance process was established. With senior Navy membership, the Council addresses functional areas of maintenance, acquisition, supply, finance and manpower. The Council meets regularly to resolve business functional issues and forge future Navy business direction.

The four Navy pilots underwent a rigorous process of normalization, which is the Converged ERP baseline for the data management structure and the integration framework for the suite of business applications. This step supports the FY04 effort of blue printing the “to-be” architecture and, ultimately, realization, which configures the software of Global Template One currently scheduled for deployment in FY 06.

III. Work Plan for 2004

Virtual SYSCOM Objectives for 2004. In accordance with the Chief of Naval Operation’s Guidance for 2004 and the Secretary of Navy’s DON Objectives for 2004, we have established the following broad objectives for the Virtual SYSCOM in 2004:

1. Work collaboratively to achieve the goals of the Navy’s Sea Power 21 Initiatives.
2. Provide an integrated response to the Fleet in sustainment operations, surge capability, distance support and the Global War on Terrorism (GWOT).
3. Improve integration of logistics support to provide the right readiness to the Fleet at the right time and at the right cost.
4. Ensure our functional communities work together in developing integrated plans of action to identify and implement efficiencies in our business practices using a common set of output metrics.
5. Develop the enterprise framework to initially deploy Enterprise Resource Planning (ERP) for modernization of our business processes and supply chain management.

6. Drive down total obligation authority by 3-5% annually.

Our 2004 Work Plan described below outlines various initiatives in many of our VS Functional Communities and is aligned with the CNO's Guidance for 2004. For each of the initiatives described below, our Functional Communities shall establish process and output metrics to measure achievement of scheduled milestones and overall attainment of cost and/or performance objectives. These metrics will be reported to the VS Commanders quarterly, or as otherwise directed by the VS Executive Committee, and help the VS Commanders determine future courses of action for FY05 and beyond.

Virtual SYSCOM (VS) 2004 Initiatives
(linked to the CNO Guidance Actions for 2004)

- ***Develop a Human Capital Strategy to ensure alignment across the VS***
- ***Implement our Human Systems Integration Plan***
- ***Define the Process for the FORCEnet Implementation***
- ***Determine and Manage a Technical Authority Guidance Program***
- ***Define and Execute a plan to implement Logistics Support Authority***
- ***Implement an Integrated Business/Financial Management model***
- ***Develop and Execute a plan to address Central Design Agent Consolidation/ Legacy Application Reductions***
- ***Define and Implement a Performance Based Agreements/Performance Based Logistics process/program***
- ***Develop the Warfare Centers Concept of Operations***

This initial Virtual SYSCOM guidance marks a major step forward to addressing key business processes and management requirements at an "across the enterprise" corporate level. It also recognizes the complexity of these issues and the uncertainties for the timelines required to resolve them at the corporate level. Accordingly, in the absence of meaningful estimates, no due dates have been assigned to action plans in the VS 2004 Guidance. Our intent is to move out expeditiously on the assigned initiatives, to gain experience in the realistic pacing of individual initiatives and to promulgate more specific target dates for objectives initiatives in the 2005 VS Guidance. Each VS initiative team is responsible for defining their goals, objectives, and POA&M. There will be a quarterly review of the progress of each initiative by the VS Principals and EDs.

A. Manpower

CNOG 2004: Continue the fight for talent

Recruit and retain the talent required to possess the kind of high tech Navy we see in our future.

VS Work Plan for Human Capital Strategy – NAVAIR Lead SYSCOM

Background: An effective Human Capital Strategy is a cornerstone of our efforts to maximize the value of delivered products while reducing the cost of doing business. Also, the advent of the National Security Personnel System (NSPS) will necessitate coordination and standardization of our human resource processes and policies. This effort will embrace all elements of our workforce - military, civilian and CSS. The elements of our Human Capital Strategy will include:

- Conduct human capital planning to understand the total workforce composition, application of skills to processes/ tasks and products, productivity, costs, development needs, demographics to meet today's requirements while planning for the future
- Shape and revitalize our workforce to ensure the most efficient execution of our mission
- Increase productivity through alignment (e.g., use of Center of Excellence, consolidations and shared services)

SYSCOMs conduct Human Capital activities separately as guided by DoN and DOD policy guidelines. While these efforts have proven successful, significant future budget challenges require a consolidated, coordinated, and comprehensive approach in order to meet CNO goals.

Objective: This initiative is to develop a common approach for our Human Capital Strategy. Our Human Capital Communities will coordinate efforts to maximize effectiveness and efficiency. **Goals:**

- Establish a Human Capital Working Group
- Validate Core Competencies/Communities based on Sea Power 21 requirements
- Establish a common framework for addressing Human Capital issues across the VS
- Develop an integrated strategy for the adoption of NSPS
- Develop tools to assist in workforce shaping
- Develop a plan to implement a common VS recruiting activity
- Complete an integrated VS Human Capital Plan

CNOG 2004: Sea Warrior. Deliver the right skills to the right place at the right time.

Apply lessons learned from Optimal Manning experiments. Identify the technical support and technology enablers that support development of a strategy for implementation throughout the force. (CFFC lead, TYCOMs, SYSCOMs)

VS Work Plan for Human Systems Integration – NAVSEA Lead SYSCOM

Background: Human Systems Integration (HSI) optimizes the total human system by integrating human factors engineering, manpower, personnel, training, health and safety, personnel survivability factors and habitability considerations in systems acquisition through the life cycle. The overarching goal of the VS HSI Community is to align and transform the execution of these functions and move towards a more common process, driving down costs of system acquisition by decreasing rework and reducing training costs.

Objectives: The VS HSI Community will work together to define the inter/intra roles necessary to align and institutionalize HSI policies and practices across all acquisition programs. To speed this work, the Virtual SYSCOM Commanders agreed that the Littoral Combat Ship (LCS) should be the focus of the 2004 HSI work plan for the following reasons:

- Nearest term development effort
- Architecture makes it a good candidate – multiple mission modules include mine warfare, surface, and sub-surface
- Ability to influence/focus on Mission Packets, etc.

NAVSEA (SEA 03) is the lead for the HSI effort

Goals:

- Establish common presentation formats across all mission modules of LCS
- Enhance usability with less training
- Improve human performance/mission capability
- Reduce human error rates
- Reduced training Total Ownership Cost (TOC) across LCS Mission Modules

CNOG 2004: Establish Navy Distance Support processes through the effective use of eBusiness and collaboration tools to improve Fleet readiness. (SYSCOMs)

VS Work Plan for Distance Support – NAVSEA Lead SYSCOM

Background: Distance Support is an innovative, integrated system and support process, utilizing the tools and technology of eBusiness and Information Technology. It is a key element in transforming Fleet Support via a “Virtual ” presence. In the near future, it will be called upon for a larger proportion of support efforts as we reduce the size of shipboard crews. It is designed to provide optimal support for the Sailor at sea while also increasing the effectiveness of the shore support/management infrastructure.

The Distance Support effort focuses on:

- (1) Providing the fleet a single point-of-entry and process for all technical, logistics, administrative, and personal support - 24/7/365.
- (2) Establishing the structure and business process for dynamic bi-directional data and information exchange, collaborative fleet support infrastructure, and a shared data environment to generate proactive product, service and process change to reduce Total Ownership Cost (TOC), decrease workload afloat, improve Operational Availability (Ao), and advance Quality of Service / Life.
- (3) Gaining dynamic and historical support data and information to facilitate resource allocation and support decisions.

When fully implemented, the Distance Support program will provide the “Warfighter” a “Knowledge Based presence” with a single point-of-entry and process for all technical, logistics, administrative and personal support, allowing them to concentrate on their primary mission to train, operate, and fight. The future focus is on providing a transfer of knowledge and imbedded sensor data between the Fleet and the shore-based support enterprise such that Fleet personnel and system/equipment health are maintained at the highest level of readiness while operating at the most efficient cost. Figure (1) illustrates the scope of Distance Support.

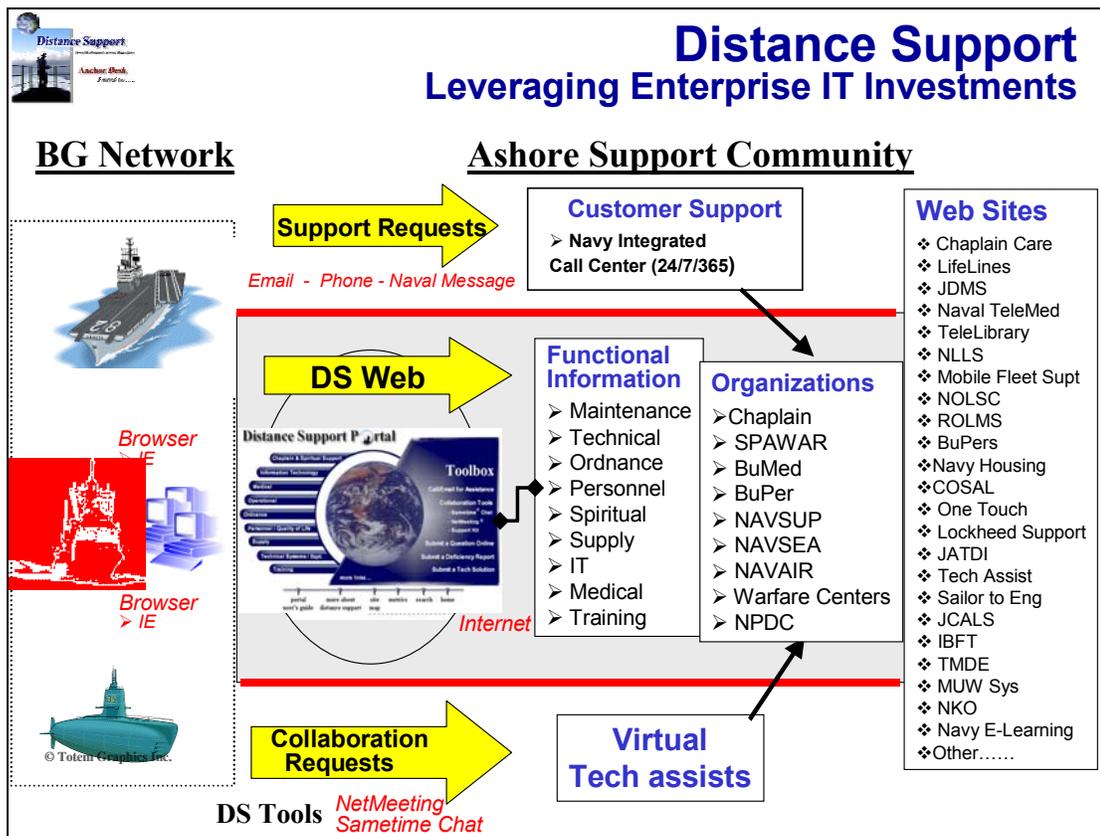


Figure (1)

Objectives: The objective of the Distance Support program is to transform the lines of business including Logistics and Personnel into a virtual enterprise support organization operating globally to provide rapid support to the ship for system, equipment and personnel support. To support this objective, the VS Distance Support Community will establish an enterprise Distance Support business process in a collaborative customer relationship management environment.

Goals:

- Increase the number of VS services and sites that are integral to the Distance Support architecture. All VS sites providing support to ships, ship systems and their air wings should be accomplishing their support via the Distance Support Portal system.
- Establish effective bandwidth mitigation and security solutions for dynamic bi-directional data and information exchange and point to point collaboration
- Leverage Distance Support tools, technology and process to extend the “Virtual SYSCOM” to the warfighter
- Establish the VS Enterprise Distance Support Business Rules/Process
- Establish Collaborative Customer Relationship Management Environment

B. Current Readiness

CNOG 2004: Improve our readiness to respond with decisive power.

Develop a Navy-wide standard measurement system for Regional, Depot, and Intermediate Maintenance Activities to ensure processes and performance levels achieve the expected results in productivity, cycle time, efficiency, first-time quality and skill proficiency. (OPNAV N4)

To support a standard measurement system, we will explore areas of transformation for process and performance improvements among all our functional communities, capitalizing on such initiatives as AIRSPEED (e.g., application of Lean methodologies, Six Sigma, and Theory of Constraints) and SHIPMAIN.

VS Work Plan for Logistics Support Authority – NAVSUP Lead SYSCOM

Background: Naval message, ASSTSECNAV RDA WASHINGTON DC 112123Z Oct 02 from the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RD&A)) designated Commander, Naval Supply Systems Command as the Logistics Support Authority (LSA) for all SYSCOMs. Quote:

“COMNAVSUPSYSCOM will serve as the logistics support authority for all the SYSCOMs. This Virtual SYSCOM approach will give visibility to potential disconnects or competing programs across all PEOs and SYSCOMs to ensure our resources are focused on only those efforts that provide the maximum benefit to the Fleet and Fleet Marine Forces.”

Objectives: NAVSUP will establish a cross-SYSCOM IPT that will define and implement the LSA framework. NAVSUP will also support DASN (L) in the implementation of the Independent Logistics Assessment (ILA) Instruction.

C. Future Readiness

CNOG 2004: FORCEnet

- *Define the naval C4 capability required to achieve the joint standards for the common operational and tactical picture within the joint theater architecture. (OPNAV N6/7 lead, CFFC, NNWC)*
- *Define baseline architecture and open standards required for the use of secure web, email, chat, and collaboration in an ad hoc coalition. Capitalize on our experience with the Coalition-Wide Area Network (COWAN) and NATO-like systems. (NNWC lead, OPNAV N6/7, CFFC, All Fleets, SPAWAR)*

VS Work Plan for FORCEnet Implementation – SPAWAR Lead SYSCOM

Background: FORCEnet is the information enabler of Naval Power 21 (Sea Strike, Sea Shield, Sea Basing, Expeditionary Maneuver Warfare (EMW), Operational Maneuver from the Sea (OMFTS), Ship-to-Objective Maneuver (STOM), Sea Warrior, Sea Enterprise& Sea Trial concepts and initiatives). It is the operational construct and architectural framework that will be a key enabler of Network Centric Warfare (NWC). It creates a flexible environment in which systems, functions, and missions can be aligned to transform situational awareness and accelerate decision-making to both enhance infrastructure and manpower efficiency, allowing Naval Forces to greatly distribute their combat power while increasing its effects. FORCEnet will be a gradual and continuous evolution to ever increasing network centric capability.

Objectives:

(1) FORCEnet Implementation Approach

- a) Implement FORCEnet Pilot Programs. Apply the lessons learned to create a standard methodology for fielding FORCEnet program by program across the PEOs and SYSCOMs. (SPAWAR 05 and SYSCOMs).
- b) Develop the FORCEnet Implementation Database into the primary planning, tracking and reporting tool for FORCEnet implementation. Establish use of this process to “roadmap” the Navy’s implementation of the Joint architecture by using

increments based on evolving Architecture & Standards, joint roadmaps, and pilot program lessons learned. Employ incremental builds to mature the FORCENet systems list and characterizations (SPAWAR 05 and SYSCOMs):

- Baseline 0.1 - Initial FORCENet inventory
- Baseline 0.3 - Formal Initial FORCENet Baseline (SPAWAR C4I CHENG) (Sep 04)
- Develop recommended migration plans for non-FORCENet compliant systems (Sept 30)(PEOs)

(2) Convergence of FORCENet, OA, and Joint Architecture & Standards Guidance

The SPAWAR C4I CHENG will define FORCENet compliance criteria and mechanisms to assess and test that compliance; develop design guidance for incorporating publish and subscribe and Global Information Grid (GIG) functionality within programs; refine the FORCENet Architecture & Standards to increase specificity for incorporation into program contract language; develop an integration mechanism for the USCG; and provide a FORCENet package for an industry consortium.

(3) FORCENet Near and Long-term Pilots and Programs

- a) Scope a POA&M for DCGS/JFN as FORCENet near-term pilot (SPAWAR C4I CHENG/DRPM/JFN)
- b) Propose one or two data distribution services pilots to CFFC N6 (SPAWAR C4I CHENG/PEO IT/DRPM NMCI)

Goals: In the near term, we will all work to develop the FORCENet implementation database, which is a comprehensive list of current Naval C4 systems. The operational, requirements, and acquisition communities must work together collaboratively to define FORCENet objectives and to identify contributing C4 systems. We must place an urgent priority on defining near-term objectives and a “road map” of corresponding C4 systems to be adapted or modified to deliver FORCENet capability, as well as those systems that should be retired or phased out of service. FORCENet objectives for this year are clear. We must mature Architecture & Standards documents to allow their effective use by the program offices in designing their migration paths to FORCENet. Second, we must assist the programs in developing technical strategies that will lead to delivering FORCENet capability and flexibility. Third, we must document both the initial baseline for FORCENet and begin to lay out the migration paths for key programs and initiatives to drive the overall process. We must transition the C4ISR Virtual SYSCOM from a process/information-oriented forum to an issue-oriented forum, so that we address key FORCENet issues for the enterprise and not just for individual programs. These objectives must be accomplished in concert with JFCOM, OSD, and other Joint, Coalition and interagency partners to ensure we are achieving the interoperability goals we are all striving for.

CNOG 2004: Fully implement NMCI throughout the Navy and investigate enterprise-wide solutions that will exploit the power of the web and improve our productivity and return on investment. (NAVY CIO (OPNAV N6F) lead, Director NMCI)

To be addressed as part of the VS CIO Community Work Plan described on Page 14 of this guidance.

CNOG 2004: Sea Trial

Streamline our testing and evaluation (T&E) processes through a collaborative effort among Navy, OSD, and contractor entities, using modeling and simulation where appropriate, with the

goal of reducing the cost of T&E by 20 percent. (OPTEVFOR lead, OPNAV N6/N7, N4, SYSCOMs)

VS Work Plan for Test and Evaluation (T&E) Community – NAVAIR Lead SYSCOM

Background: A measure of our current and future readiness is in our ability to efficiently test and evaluate the new systems and components we provide to our platforms during modernization and new construction. Sea Trial is the major enabler for improving our cost and effectiveness in providing these Test and Evaluation (T&E) products and services. We are also witnessing an increase in the need and requirement for more integrated systems both within the Navy and in support of joint forces and coalitions. As our design criteria's change, so must our approach to testing and evaluating these new designs. Integration and collaboration among our T&E communities is vital to providing cost effective solutions to our T&E requirements.

Objectives: Establish the Virtual SYSCOM T&E Functional Community to work collaboratively in identifying methods for streamlining our T&E process. Initial focus should be on identifying “best practices” for T&E among our acquisition communities, increasing the use of modeling and simulation, adoption of integrated T&E procedures in support of our “system of systems” concepts, and establishing common methodologies for software certification.

Goals:

- Reduce the cost of our T&E process by 20%

D. Quality of Service

CNOG 2004: Speed the Sea Warrior revolution in training.

Further embed the Human Performance Systems Model into every Navy acquisition and R&D program. (SYSCOMs lead, CNP, CNETC, OPNAV N6/7, N4)

Sea Warrior revolution in training is addressed as part of the Human Systems Integration (HSI) Community Work Plan described on Page 7 of this guidance.

E. Alignment

CNOG 2004: Continue Fleet and organizational alignment

Examine the organizational options for technical authority and oversight of maintenance and tech support activities. Report requirements, constraints, costs and feasibility by Jun 04. (SYSCOMs lead, TYCOMs)

VS Work Plan for Technical Authority – NAVSEA/NAVAIR/SPAWAR Lead SYSCOMs

Background: Technical authority is the authority the Navy exercises in technical matters to render final decisions regarding technical sufficiency. The effective exercise of technical authority in the maritime environment requires familiarity and expertise in that environment that only the Navy currently possesses. The exercise of this responsibility by the designated Technical Authority requires:

- Maintaining the independence of the Technical Authority
- Maintaining ownership and management of technical standards and engineering tools

- Maintaining technical oversight as a “smart buyer” to ensure procured products and services are technically sound.
- Sustaining the Nation’s knowledge, skills, and abilities in the relevant technical fields regardless of market pressures

Accountability for the safety and effectiveness of fielded products is that measure of check and balance that the Navy brings to bear to ensure that the systems fielded in the naval forces perform as needed. This accountability requires:

- Objective testing and validation.
- The capability to certify and validate safety and effectiveness of systems
- Developing and/or validating procedures for the safe and effective design, development, storage, and Fleet use.
- Maintaining the government’s capability to assess the safety, reliability, and effectiveness of in-service weapons systems and provide recommendations to improve these essential characteristics or address negative trends.
- Provide for all aspects of Navy-unique safety; e.g., explosive safety, Hazards of Electromagnetic Radiation to Ordnance (HERO) and electromagnetic interference (EMI).

Currently each SYSCOM employs Technical Authority in a manner that reflects the organizational framework to support the development and delivery of its respective products and services. The mechanisms to exercise Technical Authority within the SYSCOMs have proven successful in delivering products and services to the war fighter that meet applicable standards for quality, safety, reliability, and supportability. A more common approach would improve the Fleet’s understanding and interaction with technical authorities.

A consistent Technical Authority methodology could include but not be limited to the establishment of common terms and definitions and the use of consistent methods to select and assign and “certify” technical authorities. It should also provide the fundamental foundation for the establishment of technical authority processes across the SYSCOMs needed to support the development and fielding of integrated naval weapons systems and capabilities.

Objective: The purpose of this initiative is to have the Virtual SYSCOM agree on a common approach and near-common structure for Technical Authority across the Systems Commands. In general we use slightly different definitions, approaches and structures to convey Technical Authority. Navy has the responsibility to ensure and certify that aircraft, ships, submarines, craft, ship systems, and weapon systems procured from industry and operated by the Navy are effective and safe. There is also an increasing demand for individual products to operate together as part of an integrated solution (i.e., systems of systems) to support warfighter needs. The Virtual SYSCOM needs to ensure that the individual exercise of technical authority for product lines is effective and complementary, and where appropriate, processes are in place to support the development and fielding of integrated weapons systems and capabilities from across the SYSCOMs (such as C4I systems). This requires: (1) Technical authority to do what is right technically, independent of political, market, or programmatic pressures; and (2) Accountability for the safety and effectiveness of fielded products.

Our Virtual SYSCOM Systems Engineering Functional Community, leveraging the work of the VS Systems Engineering Stakeholders Group (SESG), will develop a more consistent taxonomy and methodology for Technical Authority that will be utilized by all the SYSCOMs. This will enhance our utilization of technical expertise and ensure consistency of the employment of Technical Authority.

Goals:

- Establish common terms for aspects of Technical Authority

- Establish a common framework for creation and operation of Technical Authority across the VS
- Define common roles and authorities
- Develop a framework for application of Technical Authority across the Virtual SYSCOM product lines (e.g. CVN-21 design and FORCEnet)

CNOG 2004: Develop a culture of improved productivity and find the resources to create the Navy of the future through Sea Enterprise.

- *Apply the following Sea Enterprise principles (All Echelon II Commands):*
 - *Leverage technology to improve performance and minimize manpower costs*
 - *Promote competition and reward innovation and efficiency*
 - *Challenge institutional encumbrances that impede creativity and boldness in innovation*
 - *Aggressively divest non-core, under-performing or unnecessary products, services and production capacity*
 - *Merge repetitive efforts as well as delete redundant efforts*
 - *Minimize acquisition and life-cycle costs*
 - *Maximize in-service capital equipment utilization*
 - *Challenge every assumption, cost and requirement*

VS Work Plan for Business and Financial Management – SPAWAR Lead SYSCOM

Background: In September 2003 the VS Commanders provided a series of recommendations concerning the SECNAV Material Establishment Effectiveness and Efficiency study in response to the ASN (FM&C) request of 30 April 2003. These recommendations addressed functions performed by the Comptroller and Business Financial Management communities and were focused on creating a more cohesive ‘community of practice’ and on improving financial management processes, operations and systems. In January 2004 ASN (FM&C) issued a draft memorandum that approved the establishment of a “joint” comptroller/BFM community and a Business/Financial Management Executive Steering Group (ESG) for oversight of financial management improvements for the materiel establishment. ASN (FM&C) requested SYSCOMs and SSP to provide comments for consideration in the final memorandum to be forwarded to ASN (FM&C) and ASN (RDA) for signature.

Objectives:

- Provide membership to the Business/Financial Management ESG. Actively participate in and support the creation of a common Business/Financial Management community that will include Business Financial Manager and Comptroller personnel with joint oversight by ASN (FM&C) and ASN (RDA).
- Improve the efficiency and effectiveness of business processes, operations and systems and associated functions performed by the Comptroller and Business Financial Management personnel.
- Lead: ASN (FM&C) and ASN (RDA) for governance. Materiel Establishment for implementation or action items and associated deliverables.

Goals:

- Create a Business/Financial Management Executive Steering Group to guide improvements to processes, operations and systems. (Chartered by ASN (FM&C)/(RDA) memorandum)
- Select, recommend and implement best business practice process improvements (see 24 Sep 03 SYSCOM Commanders letter) for intra-SYSCOM and inter-SYSCOM efficiencies, and measure their performance against a set of top-level metrics.

- (SYSCOMS/SSP and ESG)
- Recommend organizational and authority alignment of Business Financial Managers (ESG)
- Determine the ability and associated dependencies to delegate 31 USC 1301(a) review to specific BFM personnel (Business/Financial Management ESG)
- Investigate a common certification combining DAWIA and FM requirements (ESG, SYSCOMS/SSP)
- Standardize and implement financial work products in advance of ERP (ESG, SYSCOMS/SSP)

VS Work Plan for the VS CIO Community – NAVSEA Lead SYSCOM

Background: In an initial step towards creation of a VS Information Technology functional community, the Virtual SYSCOM has appointed the NAVSEA CIO as the “lead CIO” for the VS. The Lead CIO is responsible for the 2004 Work Plan that includes the consolidation of efforts across the SYSCOMS for the management of IT initiatives. In achieving these goals, the Lead CIO, supported by the SYSCOM CIOs, will:

- Set the strategic vision for the IT communities of the SYSCOMS
- Identify and exploit cross-SYSCOM business and capability efficiencies that yield greater returns on investment and savings for Navy Recapitalization
- Present a unified “voice” to customers and stake-holders with prior staffing of issues and presentations to these groups through the VS CIO membership
- Provide in-progress reviews to the Virtual SYSCOM Executive Steering Committee or SE BOD as required
- Bring issues to the VS Principals when consensus cannot be reached amongst the SYSCOM CIOs

Objectives: Our VS Information Technology Functional Community will establish a 2004 Work Plan to support the goals and initiatives described herein. The overall objective for this functional community is to improve the output of our IT processes while reducing ownership costs and overhead.

Goals:

- Achieve a 10% savings in IT operations costs per year over the FYDP
- Reduce the number of legacy applications not marked for retirement by Navy ERP by 50%
- Transform the CDA role into one more aligned with DoN enterprise services direction, and eliminate unnecessary CDAs
- Reduce the number of servers through efficient management of application hosting

VS Work Plan for Performance Based Agreements/ Performance Based Logistics - NAVSUP Lead SYSCOM

Background: Efforts have been initiated to develop a Virtual SYSCOM Performance Based Logistics (PBL) MOA. The VS intends to align PBL policy across the Navy SYSCOMS and to adopt an enterprise Total Life Cycle Systems Management (TLCSM) approach to PBL execution.

Objectives: The objective is to improve the process and deployment of PBLs by developing common approaches to Fielded/New System Application, Business Case Analysis, Statement of Work, Performance Measurement and DLA involvement.

Goals:

- Establish MOA with VS Commanders' and Director, Defense Logistics Agency signatures
- Achieve a 10% increase in PBL obligations over FY 03

VS Work Plan for Warfare Centers Concept of Operations – NAVSEA/NAVAIR/SPAWAR Lead SYSCOMs

Background: The continuing maturity of the Virtual SYSCOM and planned organizational realignments within the individual SYSCOMs has improved our ability to collaborate across the Warfare, Product and System Centers of NAVSEA, NAVAIR and SPAWAR. The SECNAV Material Establishment Effectiveness and Efficiency Study also gave us the opportunity to review our mission and capability. The 2004 Work Plan will continue this Virtual SYSCOM analysis to gain a better understanding and more common approach to integration of work along Product Area or Competency lines where it makes sense for the Navy. The cooperation in the Ordnance Product Area is an example of this collaboration.

Objectives: The Navy Virtual SYSCOM (VS) Executive Steering Committee (ESC) will task the Warfare, Product and Systems Center leadership to create a cross-SYSCOM team to examine current mission areas, facility capabilities, business operations, technical practices and processes, and management constructs of the Navy Warfare Centers under the domain of the Navy Virtual SYSCOM. They will develop a framework to understand the individual capabilities provided by the product areas, recommendations to align the total capabilities and create partnerships and collaboration to increase productivity of technical work, avoid duplication and technical capabilities and resources are sustained for Navy. The team will assess potential areas of interaction, commonality and/or convergence, thus improving the aggregate Virtual SYSCOM effectiveness and efficiency. Their objective is to develop a framework that:

- Documents the individual capabilities provided by the product areas in the centers;
- Provide recommendations to align the total capabilities;
- Create partnerships and collaboration such that the productivity of technical work is increased, duplication is avoided and technical capabilities and resources are sustained for Navy; and
- Assess potential areas of interaction, commonality and/or convergence, and develop/ implement a plan of action to improve Virtual SYSCOM effectiveness and efficiency.

Goals:

- First 30 days— provide a plan containing the approach, assumptions, conditions, and schedule for completion of analysis.
- At the 90-day milestone— provide a common taxonomy of capabilities, depicting the attributes of each warfare center, including the identification of any potential similarities.
- At the 120-day milestone— provide a final deliverable to include a set of alternatives (with an examination of pros, cons, and the cost benefits of each), recommendations, and implementation plans aimed at establishing a more integrated, operationally effective, and cost-efficient Navy Virtual SYSCOM Warfare Center construct.

VS Work Plan for Contracting Community – NAVAIR Lead SYSCOM

Background: The alignment of contracting functions across the Virtual SYSCOM is essential to reduce unnecessary overhead costs, improved productivity, and eliminate redundant operations. The Contracting activities of the Virtual SYSCOM have already begun to analyze areas that can be consolidated into the Acquisition Centers of Excellence to minimize acquisition costs, eliminate repetitive, redundant, and superfluous efforts, and maximize

resources. The Virtual SYSCOM is also working closely with DASN (ACQ) as Navy focuses on improving Navy-wide contracting processes.

Objectives: Strengthen the VS Contracting Community by continuing to work collaboratively in evaluation of Virtual SYSCOM spend analysis, specifically on Service Contracting. Focus should be made to identify service contracting and/or commodities in common between SYSCOMs and the establishment of additional Acquisition Centers of Excellence and shared services. Initially, the VS will complete the deployment of the recently completed management guidance for acquisition and coding of Contract Support Services.

Goals:

- Complete the deployment across the VS of the common management guidance and FSC codes for Contract Support Services
- Provide options for streamlining and/or Center of Excellence designation for specific contracting functions among VS
- Complete analysis of contracting functions to define and implement internal efficiencies to reduce resources by 5%.
- Define and implement a program that promotes common contracting approaches across the SYSCOMS for consolidation producing a 5% savings.

Virtual SYSCOM Functional Leadership Team Agreement

Introduction

The Virtual SYSCOM (VS) serves as a mechanism for cross-collaboration between the SYSCOMs at many levels, operating within a four-level governance process. At the working level (Level 1), functional communities that span across the SYSCOMs are empowered and tasked by the VS to coordinate efforts, achieve consensus, identify common processes, and develop business and product efficiencies.

This document is intended for use by the VS Functional Leadership Teams to establish common expectations, to clarify lines of responsibility, and to document action plans. Each VS Functional Leadership Team operating as part of the VS should complete and submit a VS Team Agreement to the VS Executive Steering Committee (ESC) for concurrence

For further information on reporting requirements, relationships, and the VS organizational structure, please refer to the VS Charter and the VS Guidance Document.

1. Identification

A. Team Name and Description

Identify the name of the VS Functional Leadership Team.

B. Team Member

Identify principal SYSCOM points of contact (name, work number, e-mail address) for this team. Include NAVSEA, NAVSUP, SPAWAR, and NAVAIR.

2. Purpose

A. Description/Scope of Work:

1. Describe the team function, its scope of work, and any cross-SYSCOM collaboration to date.
2. Provide a mission statement, if one has been developed for cross-SYSCOM collaborations (Ref: VS Guidance Document and specific Functional Work Plan).
3. Describe the planned CONOPS for this Functional Leadership Team
4. List issues, if any yet identified, that the functional community/enterprise team will address. Include background.
5. List other proposed issues, if any, to be addressed.

Enclosure (1)

3. Procedures

A. Task Lists

Projected high-level actions, milestones (including deliverable deadlines), and performance metrics should be developed and maintained by the Virtual SYSCOM functional community/ enterprise team in a formal POA&M or task list, and shared to the VS Support Staff for situational awareness and periodic update.

B. Action Tracking/ Reporting

Each VS Functional Leadership Team is responsible to track their own efforts, and to provide periodic status reports to the VS ESC, as deemed appropriate to provide them with reasonable oversight of and influence over the major outcomes and deliverables. VS Functional Leadership Teams will submit final work products, or items requiring executive approval or forwarding upward through the DoN, to the VS Executive Steering Committee (ESC) as appropriate. Briefings to the ESC are to be scheduled through the VS Support Staff.

4. Agreement

By joint signature of this Agreement, the VS Functional Leadership Team effort described above is approved and sanctioned as a VS activity. The VS Functional Leadership Team agrees to provide periodic progress reports and to submit their findings, methodologies, and deliverables to the oversight and approval of the VS.

Lead SYSCOM Representative for
VS Functional Leadership Team

Representative for
VS Executive Steering Committee

Date Approved: _____

Enclosure (1)