



Empowering Our Greatest Asset

Human Performance Approach to Enterprise Transformational Initiatives

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July 19, 2011



**2011 Worldwide Human
Resources Conference**

Department of Defense



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



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TODAY'S PURPOSE

Since 2000, DLA has been engaged in an ongoing series of transformational change efforts primarily driven by technological change.

To navigate through the change process while sustaining its mission of warfighter support, DLA ensures that employees and managers are equipped with the appropriate information, tools, and techniques for managing the people side of change.



Agenda

1. *The Mission and Organization*
2. The First Steps: Business Systems Modernization
3. Where We Are Now
4. The Approach
5. Critical Success Factors





Mission:

Supporting the Warfighter

We are America's combat logistics support agency. Our mission is to provide best value integrated logistics solutions to America's Armed forces and other designated customers in peace and in war, around the clock, around the world.





Full Spectrum Global Role

DoD's Combat Logistics Support Agency

Supply Chains

- Land Systems
- Maritime Systems
- Aviation Systems
- Fuel / Energy
- Subsistence
- Medical
- Clothing & Textile
- Construction & Equip

Theater Support

- DLA Europe / Africa
- DLA Pacific
- DLA Central



Distribution

- 26 Distribution Centers
- 52M sq ft covered storage

Disposition Services

- Co-located with customers
- Over \$25B per year
- Reutilization & Marketing
- Reverse Logistics

Strategic Materials

- Critical items such as titanium, cobalt, and tungsten

Services

- Document Digitization
- Item Codification
- Transaction hub...routing over 3 billion logistics actions per year



DLA's Current Scope and Impact

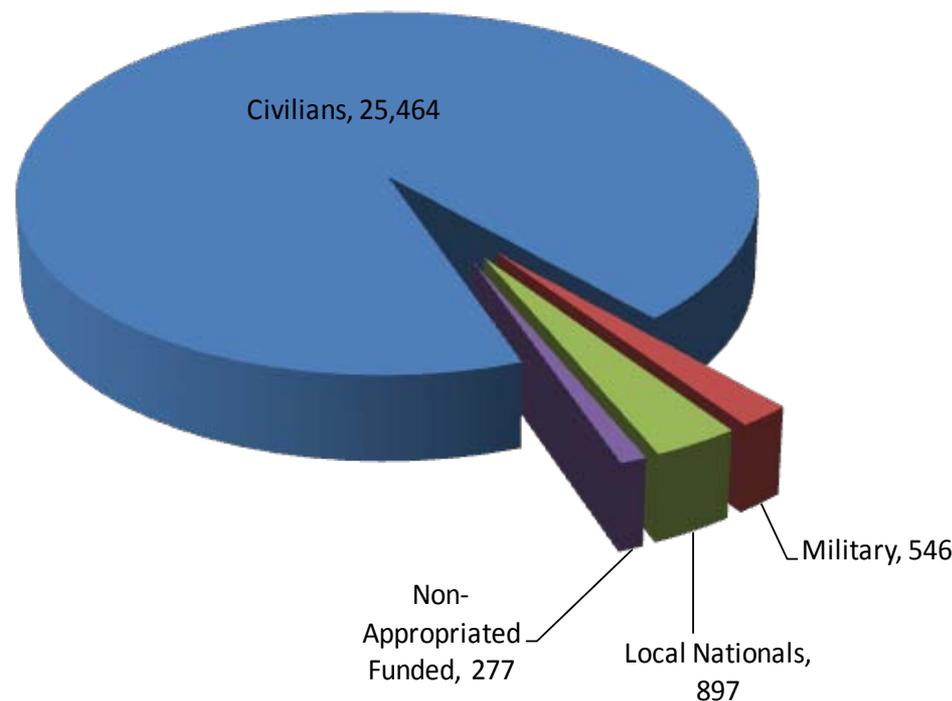
- A \$42 Billion global enterprise (28 countries)
- Manages nearly 5 Million line items via 8 supply chains.
- Supplies 83% of all Military Services' repair parts and 100% of fuel and troop support consumables.
- Primary DoD warehouser (receipt, stow and issue)
- Reverse logistics processor (reutilization and disposal)
- Foreign military sales and humanitarian aid
- A "Day in the Life" of DLA:
 - 10,000 procurement actions
 - 60,000 receipts and issues
 - 13M gallons of fuel issued





DLA Workforce Strength

- As of 3/31/2011, DLA's Total Workforce strength was 27,184 (not including Military Reserves):
 - Civilians (94%)
 - Active Duty Military (2%)
 - Local Nationals* (3%)
 - Non-Appropriated Funded** (1%)



* Local Nationals are employees hired for jobs in their own country.

** Non-Appropriated Funded are employees whose salary is paid by revenue generated by the Service's activities rather than allocated by Congress.



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Need to Change

- Modernize all DLA business practices through the adoption of best practices (government and business).
- Modernize commercial IT environment replacing 35 year old Material Management Systems
- Compliance with the Department of Defense Global Information Grid (GIG) standards
- Compliance with Federal Financial Management Improvement Act (FFMIA) and Standard Financial Information Structure (SFIS) requirements

"Agile Sustainment"...

"The adoption, within the DoD, of the best practices of the commercial market place, resulting in continuously improving logistics operations, cost savings/avoidance, and process cycle reductions."

--JV 2020 Focused Logistics

Best value solution and single face to customers, suppliers, and external stakeholders



Defense Logistics Agency's ERP

- The Business System Modernization (BSM) program became the cornerstone of DLA's Enterprise Resource Planning (ERP)
- Major transformation effort-massive change for our workforce, creation of an enterprise
- Incorporated best practices via commercial off-the-shelf (COTS) based tools
 - SAP = ERP backbone
 - Niche bolt-on products (e.g., Manugistics Advanced Planning & Scheduling COTS, Procurement Government off-the-Shelf (GOTS))
- The core of DLA's Enterprise Architecture
- Partnered with Accenture, LLC as System Integrator

Major reengineering effort ... from stove-piped functions
to cross-cutting Enterprise-wide processes



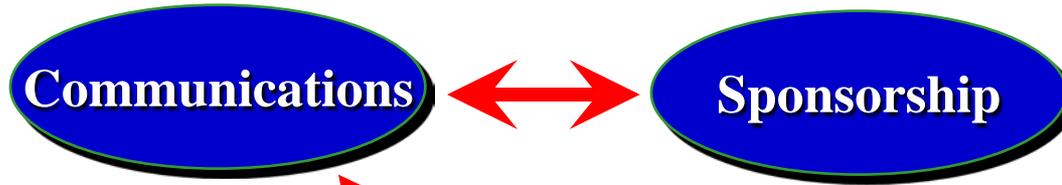
Transformation Tenets ... Keys to Success

- We will change, not the COTS
- We will rely on commercial software and commercial business practices
- We will operate as a single Enterprise
- We will prepare our workforce to succeed in the new environment

Seizing the opportunity to leverage the need to change and the technology and stakeholder support to make it happen



BSM Change Management

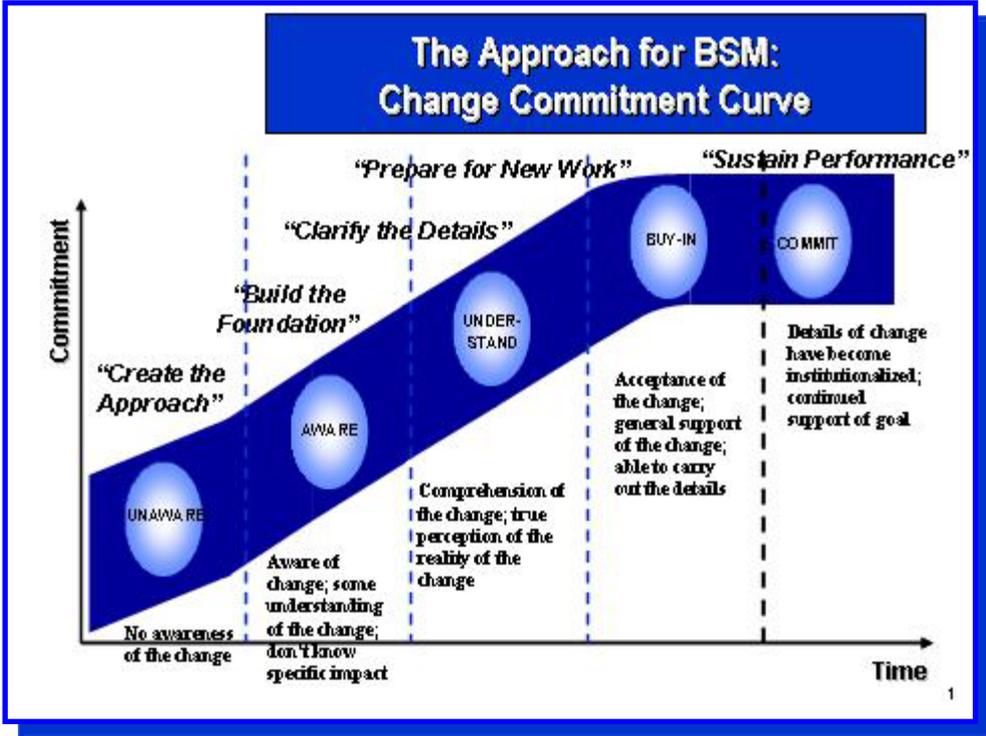


Standard Sponsorship Plans to Implement Change Network

Synchronized Enterprise and Site-Specific Products to Ensure Consistency of Message.



Regular Assessments of Targeted Audiences to Ensure Commitment at All Levels



Transformation Executive Board Responsible for Change Management



BSM New Organization, New Jobs, and New Knowledge

- Approx. 8000 employees impacted – From 1100 PDs to 167 standard PDs
- All get new roles, new jobs, best practice-based
- All receive role-based training

Business Strategy

Organization Alignment

- Change Discussions to facilitate the transition
- Conceptual to Just-in-Time/specific role-based training
- Balanced Classroom, OJT, and Computer-Based Training

Organization

The structures that support the new organization; teams, branches, directorates

Jobs

The positions individuals will be placed into; drives training, system access and change impacts

Knowledge Transfer & Training

How individuals in BSM are prepared to be “job-ready” in the new organization

Organization Alignment is the process of aligning the new Organization, Jobs, and Knowledge Transfer/Training with the Business Strategy



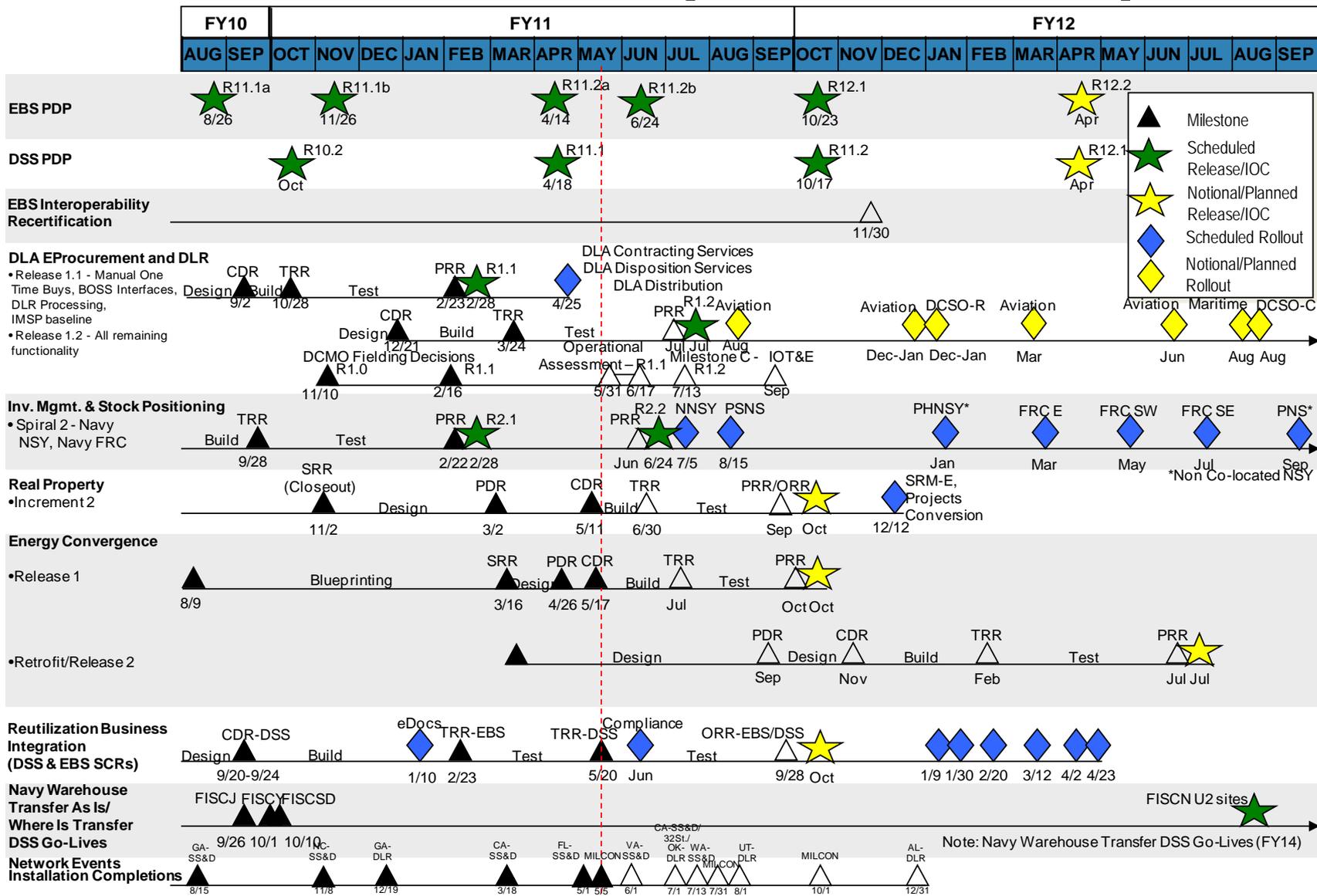
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EBS Enterprise Roadmap





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Enterprise Business Systems (EBS) Human Performance

- 2000 - 2007 Business Systems Modernization: 3 IPTs enabling end user readiness. Site teams executed change in each location.
- 2008 Human Capital Business Integration: stand up of an integrated Human Performance team enabling end user readiness for all EBS initiatives.
- EBS Human Performance team responsible for:
 - Enabling DLA organizations to be ready for change
 - Conveying common goals and vision to entire organization
 - Identifying impacts to all audience groups and stakeholders
 - Educating and training users in new processes and systems
 - Preparing end users for new jobs
 - Touch point between process and technology
 - Translating new system functionality into job/system changes
- Key element of Collaboration between Business, Technology, Program Management.....HQ and Field.....Government and Contractor



Three Elements of Human Performance:

- Organizational Alignment (OA): *aligning people with process and technologies*
- Training: *preparing end users for the new processes and technologies*
- Change Management (CM): *enabling user readiness through communications and sponsorship, assessing readiness through surveys and focus groups*

Consistent approaches to human performance activities, shared templates and synergistic design, development and deployment of activities.



Lessons Learned and Applied

- New team (Human Capital Business Integration) assessed BSM activities and developed lessons learned
- Change Management Approach revised Jan 2009: re-emphasize leadership visibility, realistic and timely communications, site flexibility in communications, fewer surveys to determine workforce readiness
- Training must be timely and consistent with production system
- Integration between all elements of HP as well as technical and functional areas cannot be over emphasized



EBS Builds on BSM Change Management

Communications

- Official communication from HQ
- Coordination with the sites with flexibility allowed
- Two way communication
- Quarterly EBS Newsletter
- Key Messages to site with flexibility allowed for content and communication vehicle

Sponsorship

- Sponsorship messaging will be timely, realistic
- Need Leadership buy-in early on
- Coordination with other EBS Transformation Initiatives
- Multi-level accountability
- Funding/resources for CM

Workforce Readiness

- Combine surveys
- Act upon and communicate results
- Questions must be actionable
- Use same scale i.e. 4-point, 5-point
- Collaborate with DLA Training on instructor and end user assessments
- Tool Selection



Team Collaboration

Inputs from Functional teams:

- Business Scenarios
- RICE Functional Specifications
- EBS transactions (within FSs)
- Enterprise Architecture Diagrams
- System Interfaces

HP tasks:

- Identify audiences and impacts
- Participate in process definition – define and map EBS transactions to roles / system access profiles
- Identify sponsorship and communications approach
- Identify training needs and curriculum by system access profile(s)
- Coordinate with other EBS project teams

Inputs from Functional and Site teams:

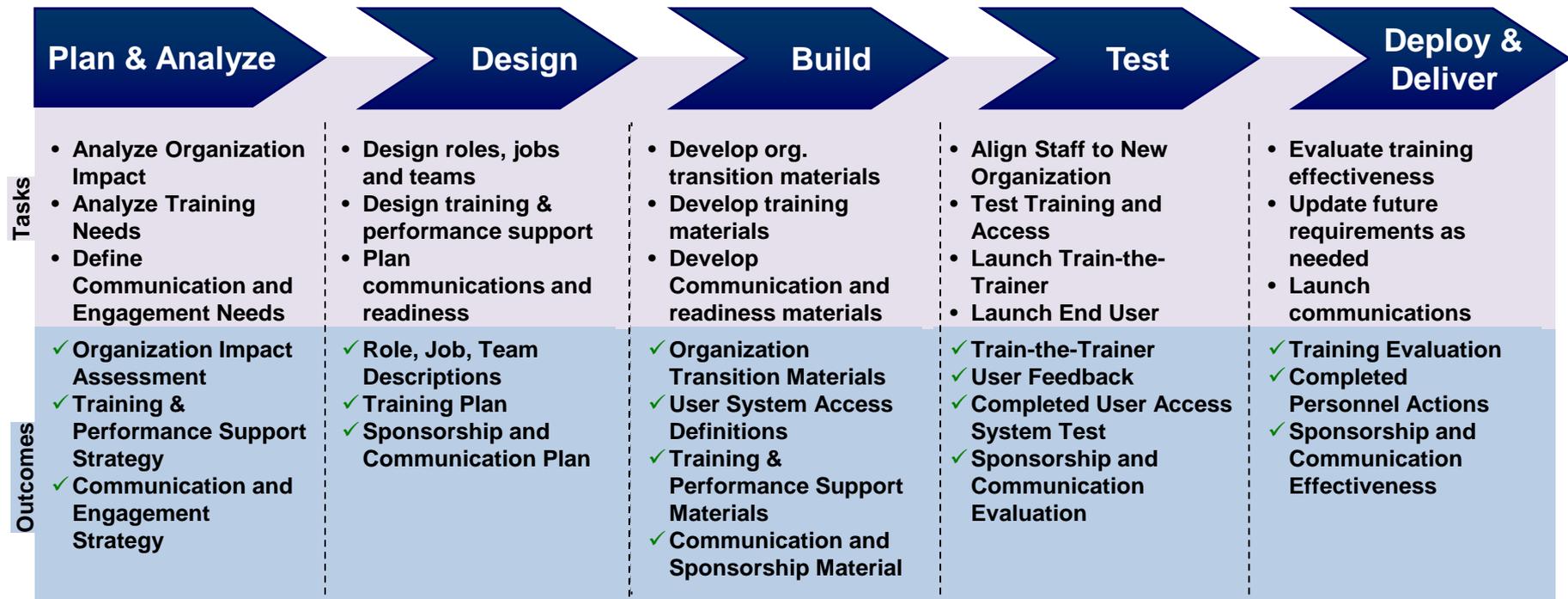
- Current /Future Organizational structure
- Current/ Future Jobs
- User List
- Existing EBS Courses

Work Products

- Training Impact Assessment
- Job Impact Assessment
- Training & Performance Support Plan
- Communications and Sponsorship Plan and materials
- Role Profiles
- System Access Profiles
- Training Materials
- Functional Train-the-Trainer
- User Access System Test
- Training Delivery Support



EBS Human Performance Activities by Systems Lifecycle Phase



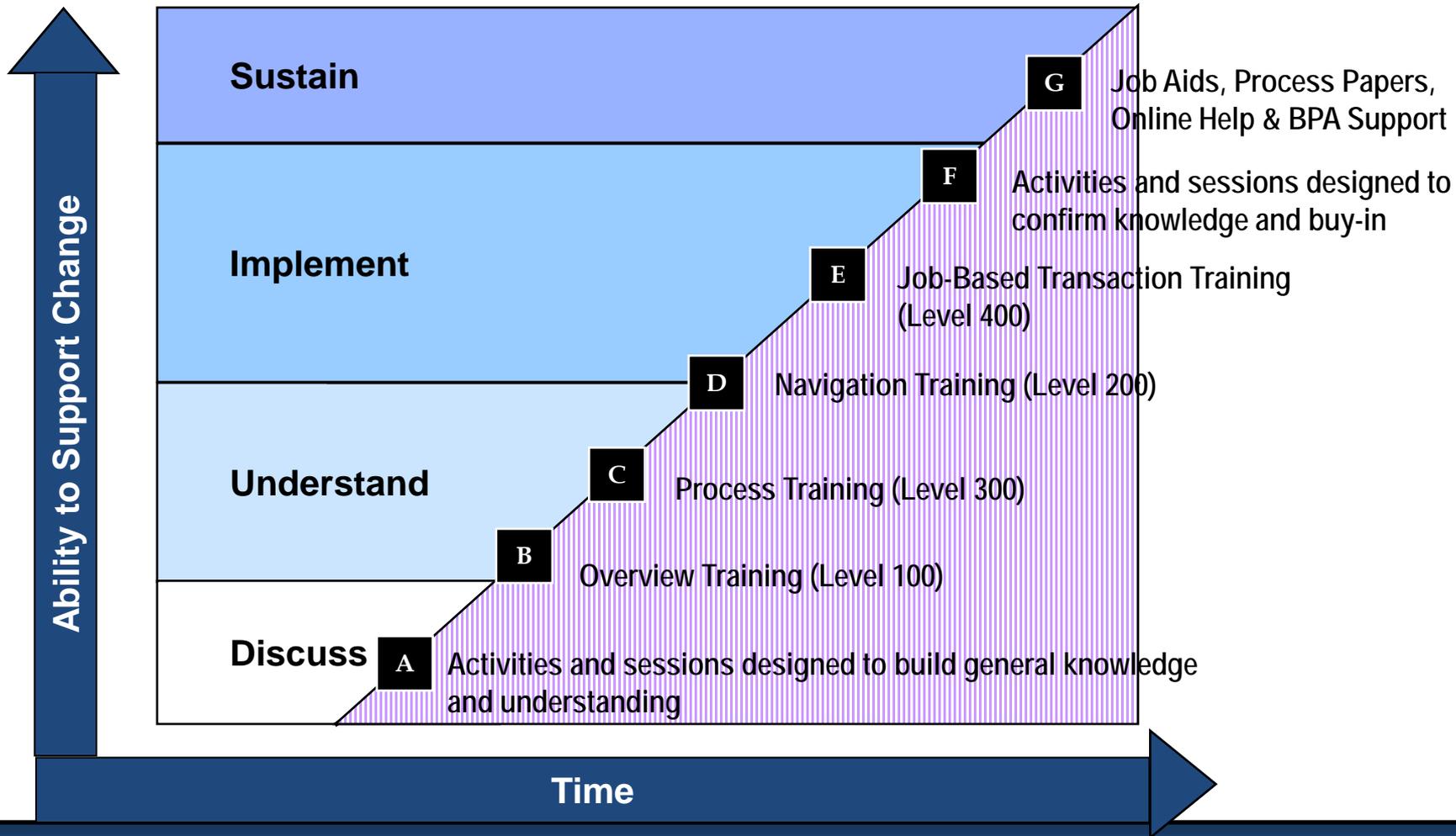
During BSM we delivered a comprehensive human performance program to prepare over 7,000 users to perform their job in the new system. Human Performance components included:



- Change Readiness & communication (awareness, understanding, buy-in, commitment)
- Instructor-led & Web-based Training and Performance Support Materials
- Organization Alignment and Change Discussion Activities

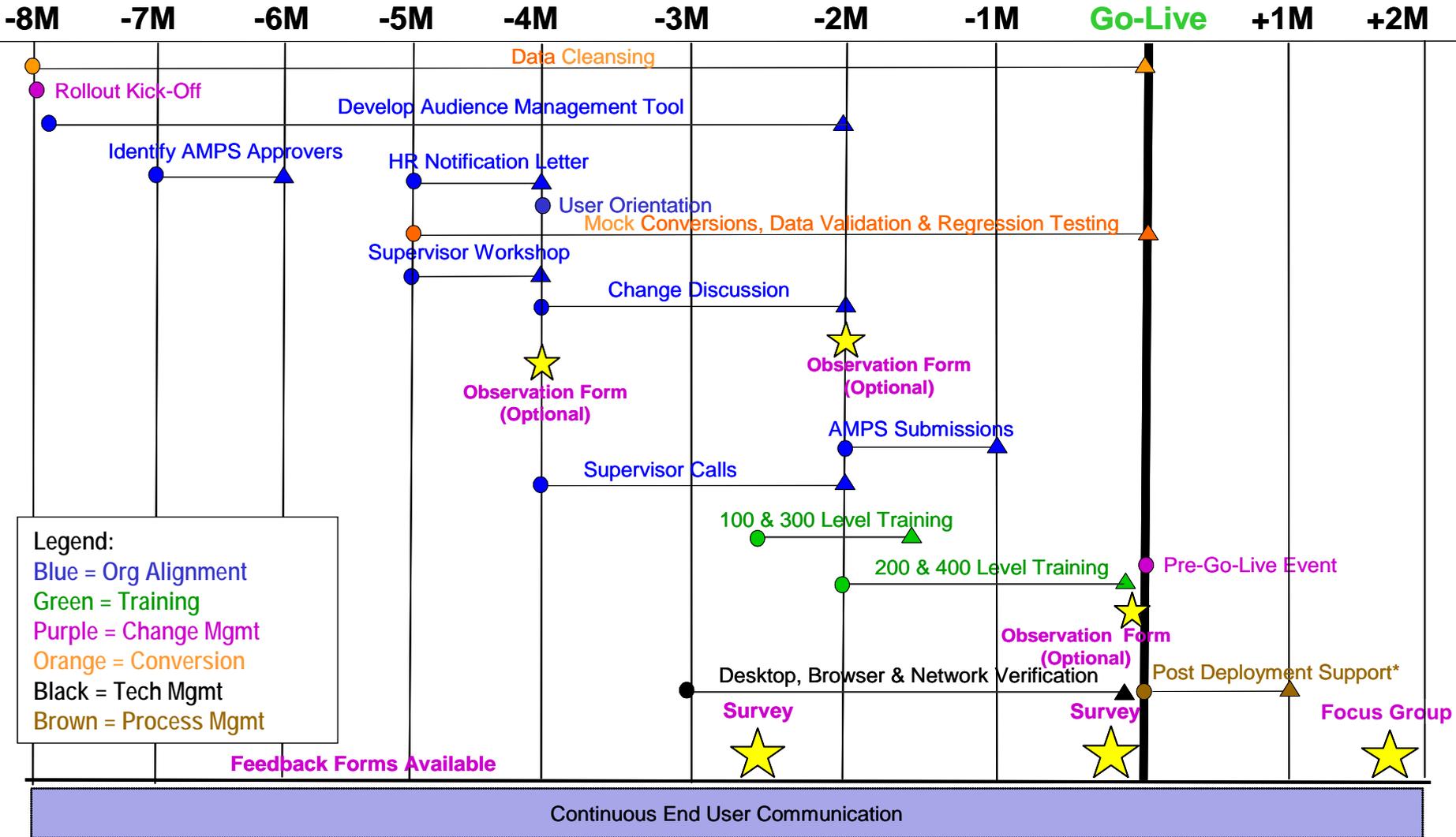


Typical Knowledge Building Sequence





Sample Transition Activities



Legend:
 Blue = Org Alignment
 Green = Training
 Purple = Change Mgmt
 Orange = Conversion
 Black = Tech Mgmt
 Brown = Process Mgmt

* The contracted Post Deployment Support period is 30 days. On-going BPA support will extend after the official monitoring period.



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Critical Success Factors

- Leadership Engagement
- Resources
- Continuous Improvement
- Supportive Organizational Culture