DOD BUSINESS SYSTEMS MODERNIZATION

Important Progress Made to Develop Business Enterprise Architecture, but Much Work Remains

Why GAO Did This Study

The National Defense Authorization Act for Fiscal Year 2003 directed the Department of Defense (DOD) to develop an enterprise architecture and a transition plan that meets certain requirements. The act also directed DOD to have a process for controlling its system investments. As required by the act, GAO assessed DOD's actions to comply with the act's requirements and recently issued a report to congressional defense committees. This report provides further details of GAO's assessment results regarding (1) the extent to which DOD's actions complied with the requirements of the act and (2) DOD's plans for further development and implementation of its architecture.

What GAO Recommends

To further assist DOD in its efforts to effectively develop and implement an enterprise architecture and to guide and constrain its business system investments, GAO is making recommendations to the Secretary of Defense aimed at improving DOD's plans for developing the next version of the architecture and implementing the institutional means for selecting and controlling both planned and ongoing business system investments. DOD concurred with 9 of our 10 recommendations, partially concurred with the remaining one, and described completed, ongoing, or planned actions to address them.

What GAO Found

DOD has expended tremendous effort and resources and made important progress in complying with the act's requirements aimed at developing and effectively implementing a well-defined business enterprise architecture. Further, DOD's initial version of its architecture provides a foundation from which to build and ultimately produce a well-defined architecture. For example, the "As Is" environment includes an inventory of about 2,300 existing systems and their characteristics that support DOD's current business operations; and the "To Be" environment addresses, to at least some degree, how DOD intends to operate in the future, what information will be needed to support these future operations, and what technology standards should govern the design of future systems. Further, DOD has established some of the architecture management capabilities advocated by best practices and federal guidance, such as having a program office, designating a chief architect, and using an architecture development methodology and automated tool.

At the same time, DOD's initial architecture does not yet adequately address the act's requirements and other relevant architectural requirements governing the scope and content. For example, critical federal requirements governing the "To Be" architecture, such as federal accounting requirements for recording revenue, are not included in the initial architecture. Other items not included are

- descriptions of the current business operations in terms of entities and people who perform the functions, processes, and activities and the locations where these are performed;
- descriptions of the systems to be developed or acquired to support future business operations; and
- time frames for phasing out existing systems.

Furthermore, DOD has not yet implemented an effective investment management process for selecting and controlling ongoing and planned business system investments. Until it does, DOD remains at risk of spending billions of dollars on duplicative, stove-piped, nonintegrated systems that do not optimize mission performance and accountability and, therefore, do not support the department's business transformation goals.

Overall, our findings indicate that DOD has taken positive first steps, but much remains to be accomplished before DOD will have the kind of blueprint and associated investment controls to successfully modernize its business operations and supporting systems. According to program officials and the initial version of the transition plan, DOD intends to extend and evolve the architecture to include the missing scope and detail; however, it has not yet defined specific plans outlining how this will be accomplished.