



Office of the
DEPUTY CHIEF MANAGEMENT OFFICER

BCL Overview

July 2012



Business Capability Lifecycle (BCL)

BCL is the overarching framework for the planning, design, acquisition, deployment, operations, maintenance, and modernization of Defense Business Systems (DBS)



It facilitates rapid DBS definition, acquisition and deployment by providing a process tailored to the unique requirements of DBS

BCL consolidates the traditional requirements, investment and acquisition processes under a single governance framework (IRB)



Why is BCL Needed?

- Addresses long-standing challenges that have negatively impacted the delivery of IT business capabilities
 - Transition from problem to program too quickly
 - Milestone Decisions are not tied to implementation
 - Programs lack well-defined, strategically-linked requirements
 - Multiple reviews and governance bodies are redundant, bureaucratic and create delays
 - Non-materiel solutions are often overlooked
 - JCIDS and DoD 5000.02 primarily designed for Major Weapon Systems acquisition (> 5 years on average)



- BCL applies to each DBS with total cost over \$1,000,000
- Acquisition oversight:
 - DBS MAIS, designated special interest or Other Major IT Investment Programs are subject to OSD oversight (IRB, MDA)
 - For all others, Component provides acquisition oversight similar to BCL
- For investment oversight (certification) purposes, DBS will use the IRB process per title 10 U.S.C 2222



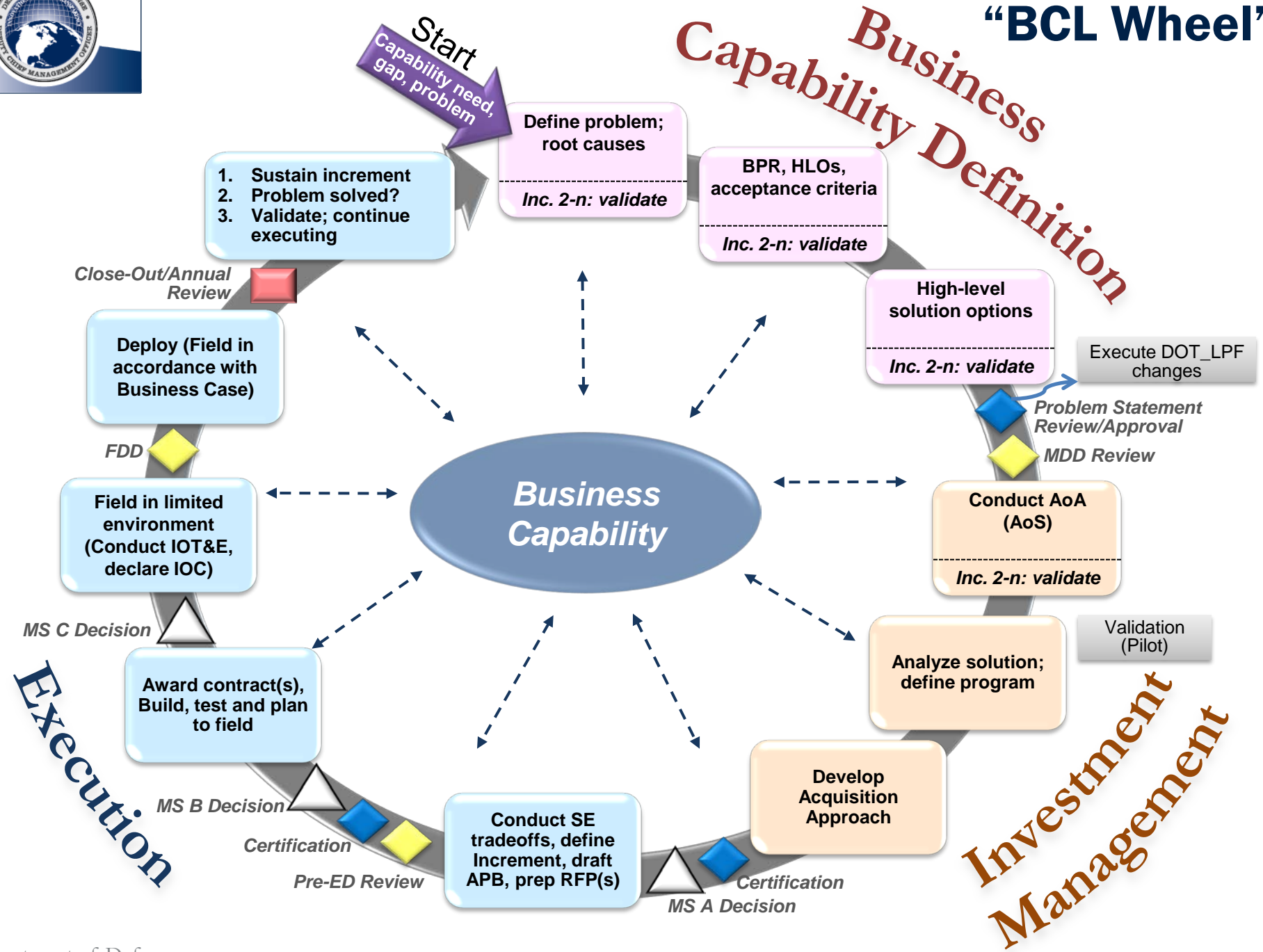
Benefits of BCL

- Tailored for business IT (not ships, planes, or tanks)
- Consolidated governance structure (IRBs)
- Flexible, tailorable processes
- Increase focus on DOT_LPF implications
- Delivery of capability in 18 months or less
- Focus on implementation not documentation

*Documentation must support Program Execution
and/or Decision-making*

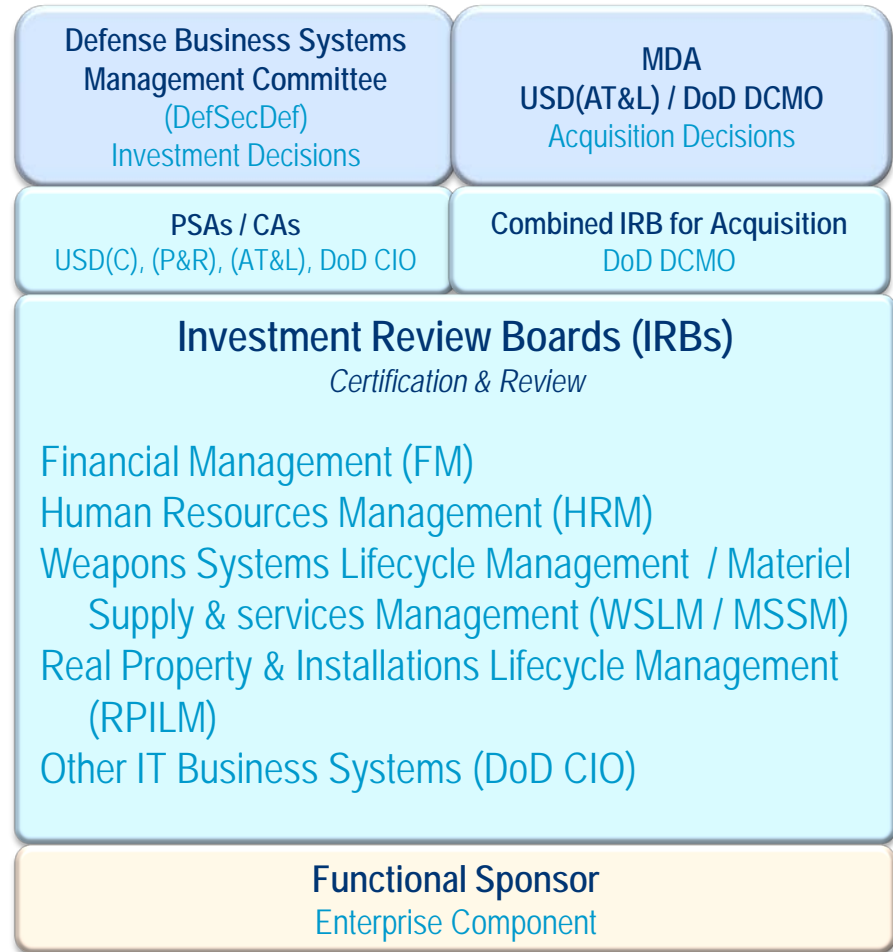
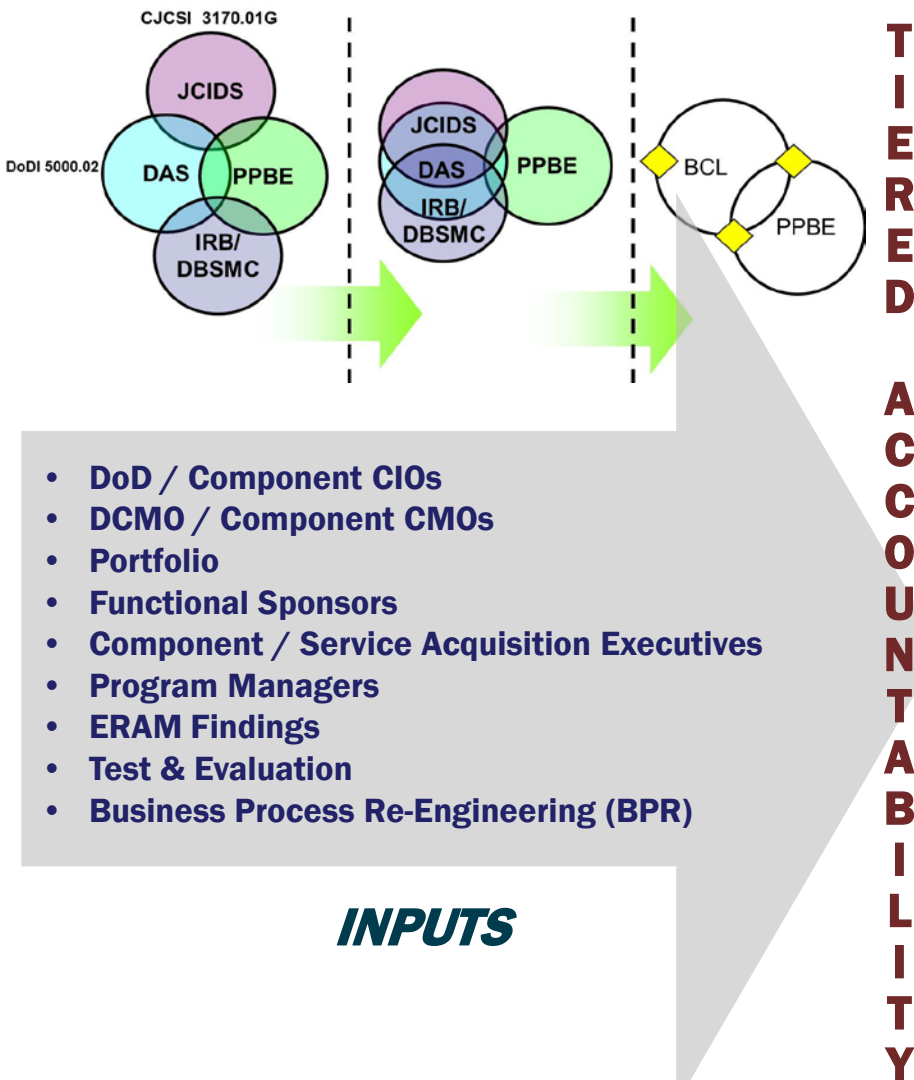


"BCL Wheel"





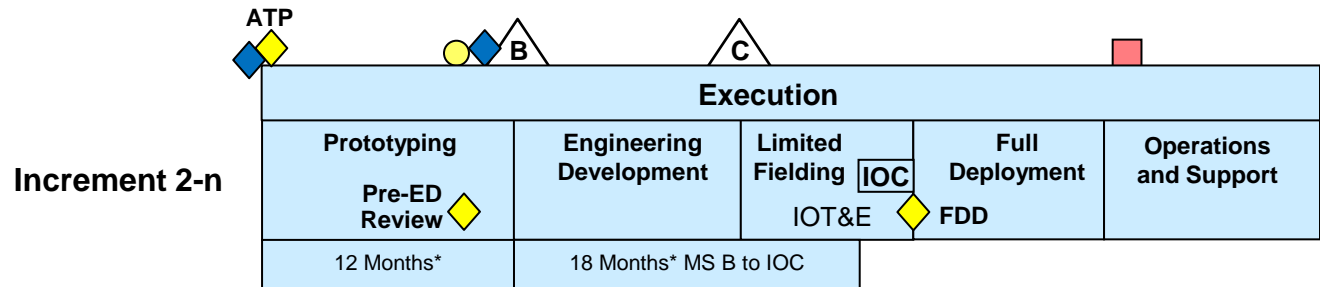
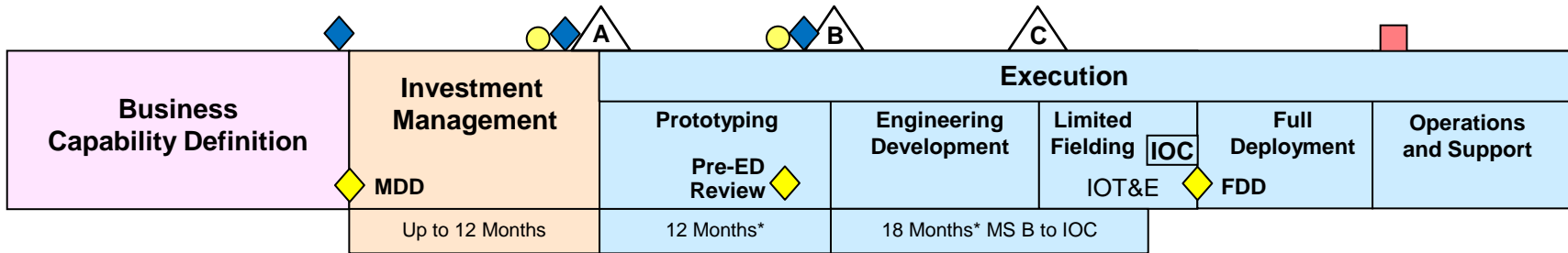
Governance



Governance model subject to change as a result of 2012 NDAA sec. 901



BCL Model

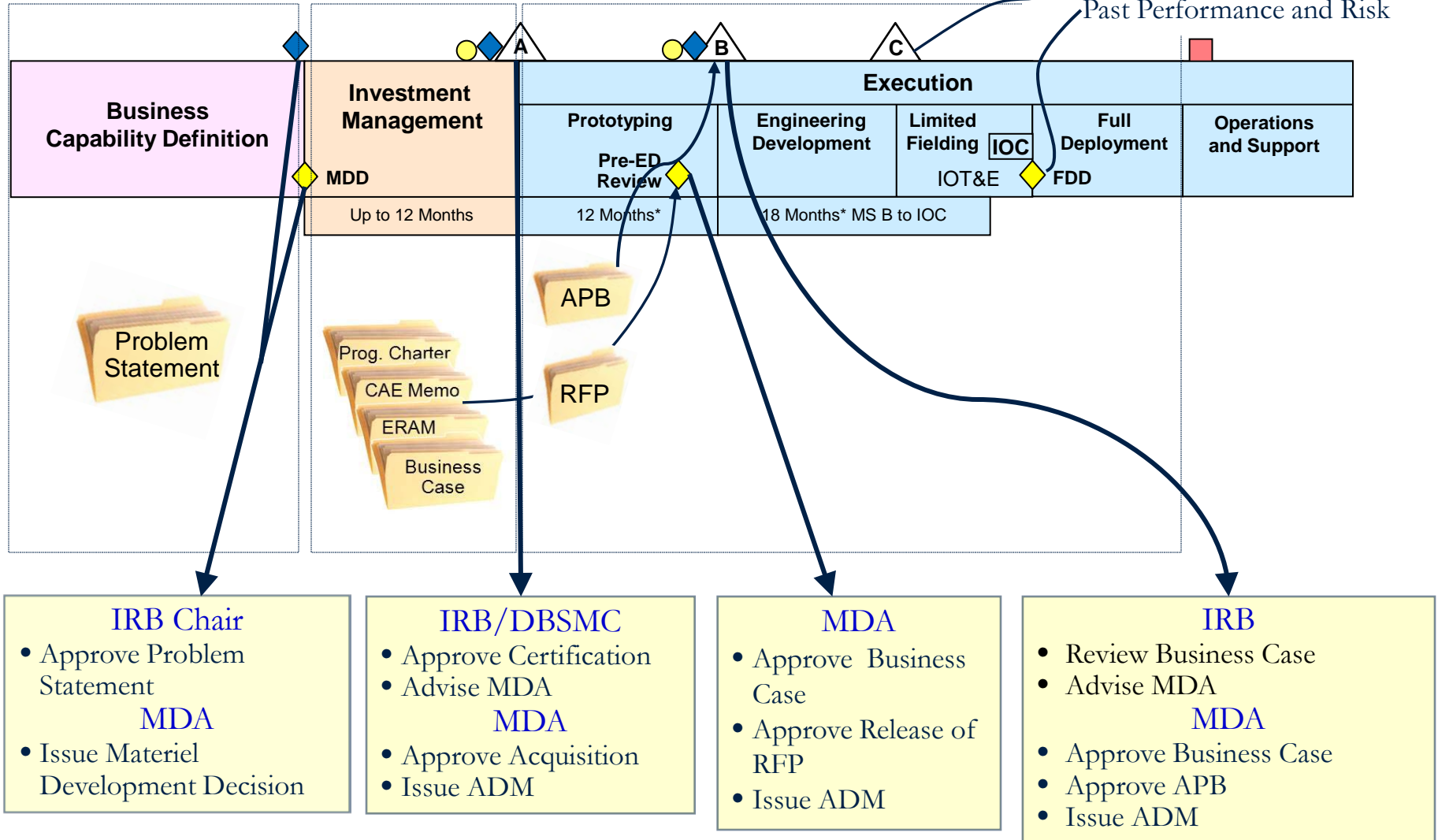


- ◆ = IRB/DBSMC Chair Decision ◆ = MDA Decision Point △ = Milestone Review
- * = From Contract/Option award ● = Independent Risk Assessment (ERAM for MAIS)
- = IRB Close Out Review



BCL Decision Points

MDA Decision points may be delegated to Component based on Past Performance and Risk





Unique BCL Documents

Business Case

Provides an integrated, executive-level justification for the recommended approach to solving a defined problem. Includes the Problem Statement.

Contents

- Executive Summary
- Problem Statement**
 - Problem & Root Cause
 - Description and Context
 - DOTMLPF
 - High-Level Outcomes
 - BPR
 - ROM
 - Recommendation
- Materiel Solution Analysis
 - AoA Summary
 - Program Outcomes
 - DOTMLPF-P Impact
 - Risk Identification & Mitigation
 - Acceptance Criteria / Metrics
- Program Definition
 - CONOPS
 - Funding Profile
 - Acquisition Approach
 - Capability Delivery Schedule
- Information Requirement Summaries
 - Integrated Approach to: Test, Engineering, Interface Design and Maintenance, Information Assurance, Sustainment

Program Charter

Documents the managerial methods, responsibilities, and governance needed to successfully execute the program.

Contents

- Program Governance and Integration
 - Roles and Responsibilities
 - Governance Structure
 - Integration
- Program Management
- Scope Management
 - Program Scope
 - Scope Management Methods and Standards
- Schedule Management
 - Program Schedule
 - Schedule Management Methods and Standards
- Risk Management
 - Risk Identification and Mitigation
 - Risk Management
- Procurement Management
- Financial Management
 - Program Budget
 - Financial Management Methods and Standards
- Stakeholder Management
- Communication Management



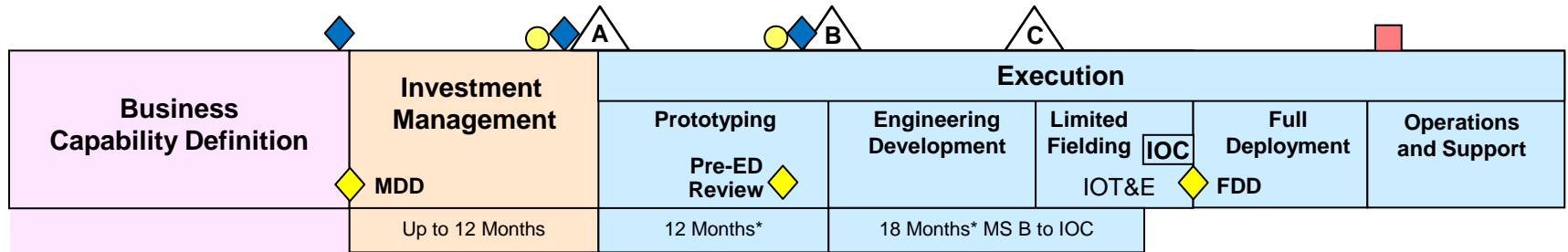
Policy / Guidance: Status

- DTM 11-009, “Acquisition Policy for Defense Business Systems (DBS)”, extended to 31 December 2012
- Revised Business Case and Program Charter Templates available
- In Process:
 - DoDI 5000.02, “Operation of the Defense Acquisition System”, to Enclosure 1-3: Defense Business Systems.
 - BCL Defense Acquisition Guidebook Chapter (Ch. 12)
- NDAA 2012 will have the following impact:
 - All DBS will be reviewed for funds certification
 - DCMO is redefining IRB roles (IRB is OPIT for DBS)

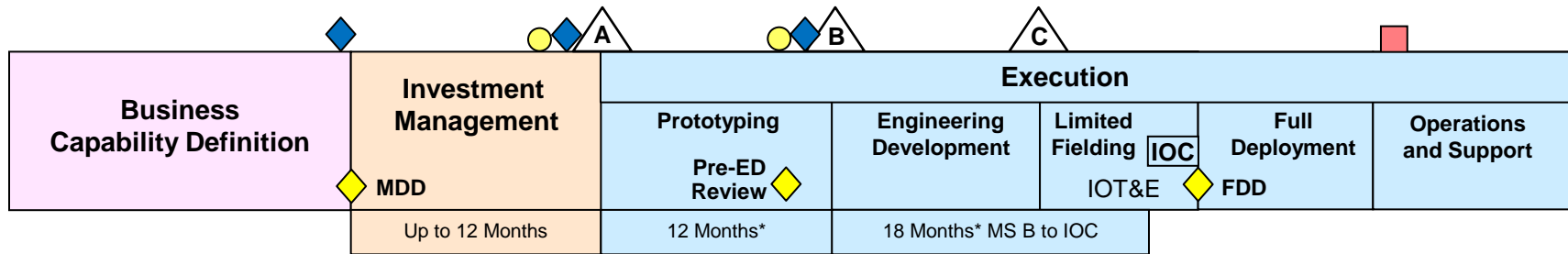
<https://www.milsuite.mil/book/groups/business-capability-lifecycle-bcl>



Activities – BCD



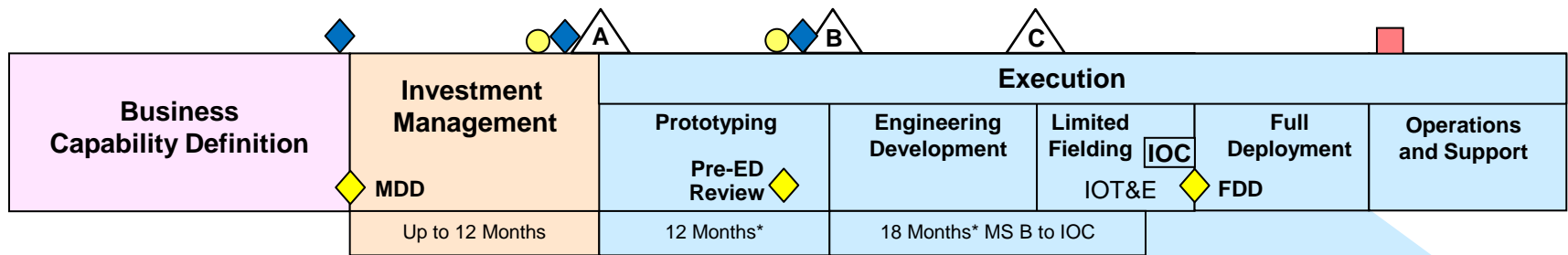
- Analyze business need – identify root cause(s);
- Conduct “As-Is” analysis – including DOTMLPF-P;
- Identify alignment with SMP / other key strategies;
- Identify end-to-end business process(es);
- Conduct business process reengineering (BPR);
- Define high-level outcomes and corresponding measures;
- Recommend Approach across DOTMLPF-P spectrum including ROM cost estimate; and
- Write Problem Statement and seek IRB Chair Approval.



- Assign PM;
- Conduct AoA;
- Conduct Materiel Solution Analysis;
- Define program;
 - BPR(detailed)
 - DOTMLPF-P
 - Test, engineering, technical planning
 - Detailed cost analysis
 - Business/program-level outcomes and metrics
- Define Acquisition Approach;
- Summarize activities and key information in Business Case;
- Prepare Program Charter (governance, roles); and
- Conduct Independent Risk Assessment.



Activities – Execution



Prototyping – initial contract or option award following MS A

- Refine business and system requirements, and design; install software in a development environment and validate against user and BPR requirements per the Business Case; conduct requirements trade-off. Plan Increment. Conduct pre-ED review to let contract at MS B. Begin sustainment planning.

Engineering Development – contract or option award following MS B

- Configure software, build functionality as required, test, and plan for operational testing and fielding

Limited Fielding

- Limit risk by fielding in an operational environment; conduct IOT&E; declare IOC.

Full Deployment

- Field an increment of DOTMLPF-P capability for operational use; prepare for close-out review.

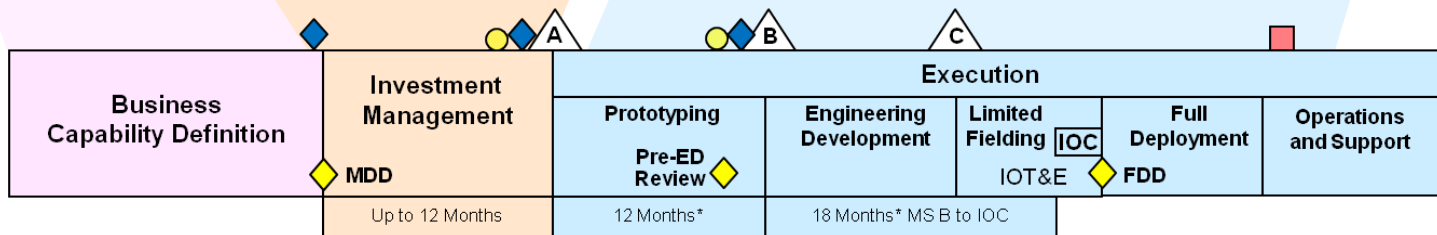
Operations and Support

- Conduct a close out review; operate a program that meets materiel readiness and operational support performance requirements.



Metrics and BCL

- Support Problem Statement
 - Strategic linkages
 - High-level Outcomes with corresponding measurement criteria
 - Recognize the “goal”, the current state, and the measurable gap between them
- Build the Business Case
 - Greater level of detail
 - End-to-End
 - Business and Program Outcomes
 - Interim achievements
- Make execution progress visible
- Show incremental progress against plan (“Actuals”); incremental progress toward “whole” (overall Problem Statement)
- Depict or project variances from plan



- Metrics are used for decision support and program management
- Re-used in the Enterprise Transition Plan (ETP) / Congressional Report process



BCL Highlights:

- Consolidates traditional requirements, Investment, and Acquisition processes under single governance (IRB);
- Based on industry best practices;
- Usage of BEA (E2E) enables Enterprise Integration and improved Portfolio Management;
- Single document (Business Case) used for approvals; and
- Requires capabilities to be delivered incrementally, in 18 months or less.

BCL offers greater transparency and visibility, enabling senior decision-makers to affect outcomes.



Office of the
DEPUTY CHIEF MANAGEMENT OFFICER
DCMO

<http://dcmo.defense.gov>



BCL Policy Approval History

Department of Defense Instruction (DoDI) 5000.02 Enclosure 11
December 28, 2008

- Recognizes and integrated investment management and acquisition governance structure for DBS.
- DCMO is currently working to incorporate BCL into DoDI 5000.02 update.

Directive-Type Memorandum (DTM) 08-020, "Investment Review Board (IRB) Roles and Responsibilities"
January 29, 2009

- Expanded the roles of the IRBs to include acquisition review and oversight of DBS throughout their lifecycles.
- This DTM is now expired.

Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3170.01G
March 1, 2009

- Allows DBS to use BCL and the BCL Business Case rather than JCIDS documents to justify need for a solution; where joint oversight is required, Business Case vice JCIDS documents will be reviewed.

Interim Acquisition Guidance for Defense Business Systems
November 15, 2010

- Instantiates BCL and requires use of BCL as the acquisition process for DBS.

DTM 11-009, "Acquisition Policy for Defense Business Systems", extended through December 31, 2012
June 23, 2011

- Implements BCL as DoD Policy.

End-to-End Business Flows

Procure to Pay

- Execute Requisition
- Source Goods & Services
- Manage Contract
- Execute Purchase
- Perform Receipt, Acceptance & Return
- Process Invoice & Match
- Execute Disbursement

Acquire to Retire

- Concept to Product
- Procure to Pay
- Placement into Service
- Manage Asset
- Dispose of Asset

Budget to Report

- Perform Planning
- Perform Program Development
- Perform Budget Planning & Formulation
- Distribute Budget
- Manage Budget
- Perform Reporting

Hire to Retire

- Manage Organization
- Acquire Human Resources
- Develop Human Resources
- Assign Human Resources
- Maintain Human Resources
- Separate or Retire Human Resources

Order to Cash

- Manage Customers
- Accept Orders
- Prioritization of Orders
- Fulfill Orders
- Perform Distribution
- Manage Receivables
- Manage Cash Collection

Plan to Stock

- Create Inventory Plan
- Determine Source
- Receive, Accept and Warehouse Inventory
- Distribute and Pre-Position Inventory
- Perform Inventory Management
- Dispose of Inventory

Concept to Product (R&D)

- Recognize Problem
- Define Capability
- Develop Product Concept
- Initiate Planning & Obtain Commitment
- Initiate Product Development
- Introduce Product

Environmental Liability

- Identify Sites/Assets with Environmental Liability
- Develop EL Cost Estimates
- Perform Environmental Cleanup, Closure, or Disposal Action
- Report Environmental Liabilities

Service Request to Resolution

- Identify Requirement
- Fund Requirement
- Source Service
- Schedule Service
- Diagnosis Repair
- Finalize Requirements
- Perform Service
- Close & Post Record
- Create Bill
- Return to Inventory or Use

Service to Satisfaction

- Identify Requirements
- Establish Service Capability
- Provide Service
- Measure Customer Satisfaction & Improve

Cost Management

- Establish Cost Accounting Procedures
- Develop Cost Methodology
- Perform Cost Assignment
- Perform Period End Close
- Develop Reports

Proposal to Reward (Grants)

- Identify & Prioritize Needs
- Execution & Review of Grant Application
- Review & Award Grant Application
- Execute Grant
- Perform Management & Administration

Market to Prospect

- Establish Marketing Plan
- Target Audiences
- Plan & Define Marketing Campaigns
- Execute Marketing Campaigns
- Measure & Evaluates Marketing Campaign Performance

Prospect to Order

- Forecast Sales
- Generate Leads
- Negotiate Order
- Manage Accounts
- Service & Support Customer

Deployment to Redeployment/ Retrograde

- Perform Planning
- Notify Organization
- Prepare for Deployment
- Execute Movements
- Perform Reception
- Execute In-Theatre Support
- Execute Redeployment and Retrograde
- Execute Reset



Risk Assessment

- Independent risk assessment conducted prior to MS A and MS B
 - For MAIS - Enterprise Risk Assessment Methodology (ERAM)
 - Below MAIS – similar process / procedure at Component level
- ERAM:
 - Is a leading indicator
 - Focuses on 7 areas of risk both internal and external to the program and their corresponding mitigation strategies
 - Intended to help programs keep moving and implement capability
 - Provides insight to Senior Leaders for informed decision making

