Business Capability Acquisition Cycle (BCAC)

DAUAA Symposium

April 4, 2017

Topics

- DoDI 5000.75 Overview
- Business Capability Acquisition Cycle Intro

DoDI 5000.75

- The reason behind the changes:
  - DoDI 5000.02 milestones, models and documentation did not provide the proper structure for managing business systems
  - In practice… tailoring for a business system often took too much time and effort, making it hard to justify the benefits it produced
- The biggest differences from previous state of practice:
  - Alignment of acquisition, functional, infrastructure and IT investment governance to streamline decision-making
  - Information-centric approach to evaluating programs rather than reliance on acquisition and requirements documentation
  - Reflects elimination of statutory requirements for Major Automated Information Systems (effective September 30, 2017)

Further Guidance

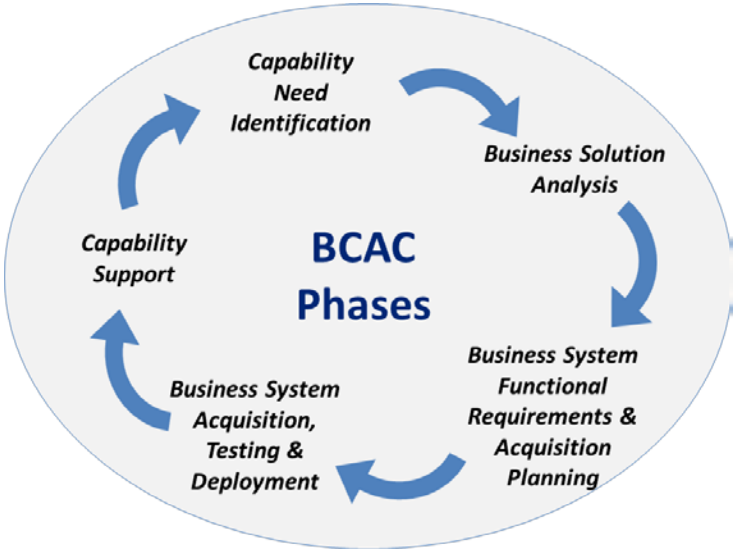
- Supporting guidance will come in several forms:
  - BCAC Concept of Operations & BCAC Process Guide
  - Updated policy memos or DoDIs as needed, e.g.:
    - Investment Review Guidance (DCMO)
    - Cost estimation and cost data collection (CAPE)
  - Defense Acquisition Guidebook (or equivalent) update
- New initiative for best practices and information sharing:
  - A community of practice for business systems

"A community of practice is a group of people who share a concern or a passion for something they do, and learn how to do it better as they interact regularly" (http://wenger-trayner.com/,social learning theorists and consultants)

BCAC Overview

5 Step Process

1. Capability Need Identification
2. Business Solution Analysis
3. Business System Functional Requirements & Acquisition Planning
4. Business System Acquisition Testing & Deployment
5. Capability Support



Keys to Success:

- Authority to Proceed (ATP) to Next Phase
- Teamwork, not stovepipes
- Inputs—Processes—Outputs
- Decision Authority may change – but leaders must stay involved throughout
- Information, not Documents

BCAC is cyclical and flexible with steps repeating as necessary in order to drive more rapid achievement of intended outcome(s)

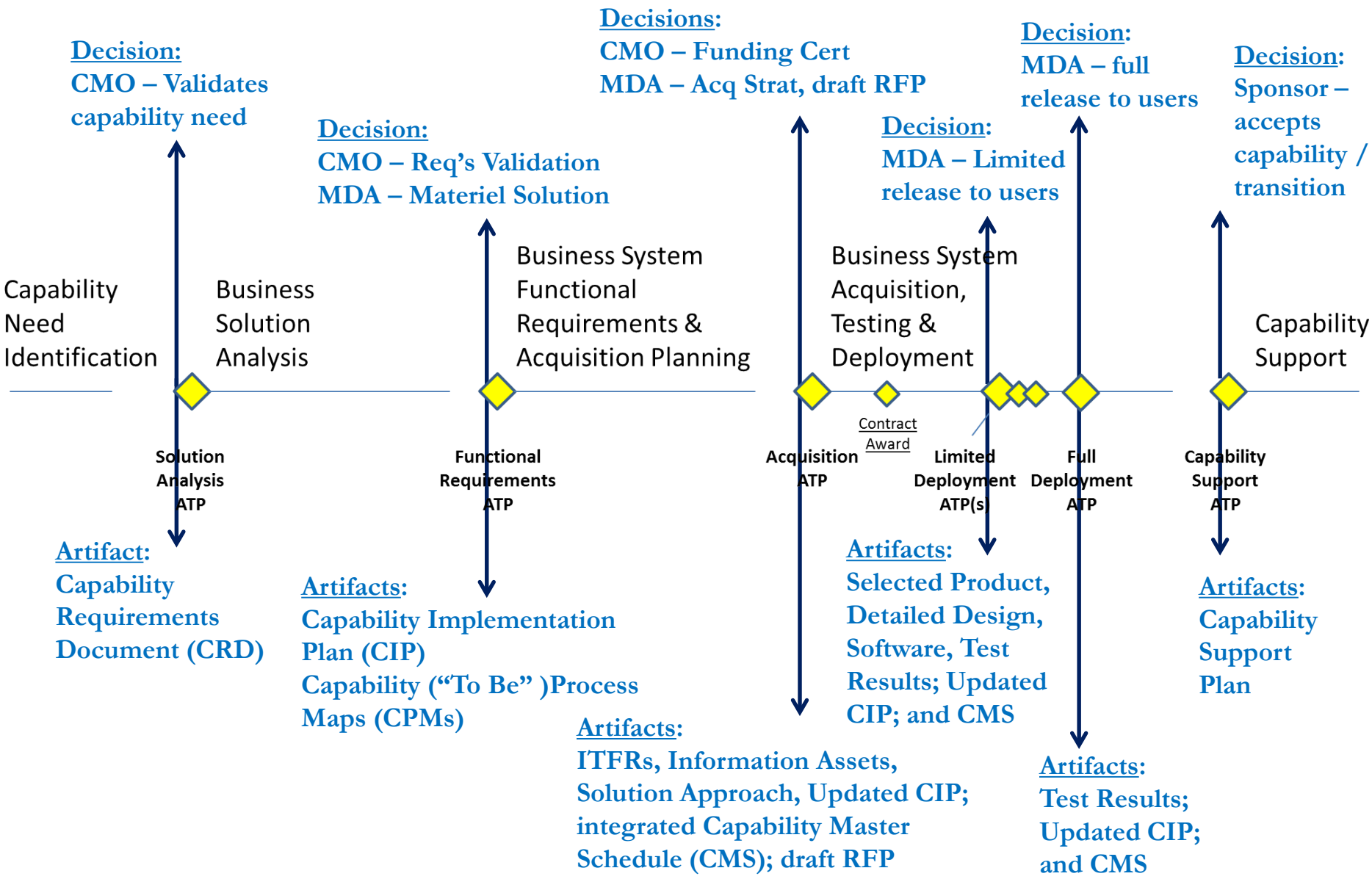
Roles, Responsibilities

- DCMO / CMOs:
  - Determines requirements are valid, capability requirements are achievable, and capability development efforts have feasible implementation plans
  - Determines the DBS in development are aligned to processes in the BEA and meet applicable enterprise standards
  - Provides CMO Certification
- USD(AT&L) / Milestone Decision Authority (MDA):
  - Approves critical acquisition decisions at ATP decision points or concurs on contractual commitments (i.e., RFP decisions)
  - Oversees delivery within cost, schedule and performance parameters
  - Establishes oversight controls for programs
- CIO:
  - Confirms CCA compliance, not as a separate process
  - Reviews/approves the cybersecurity strategy before decision points or contract awards for system development
  - Establishes standards/supports development of program IT infrastructure

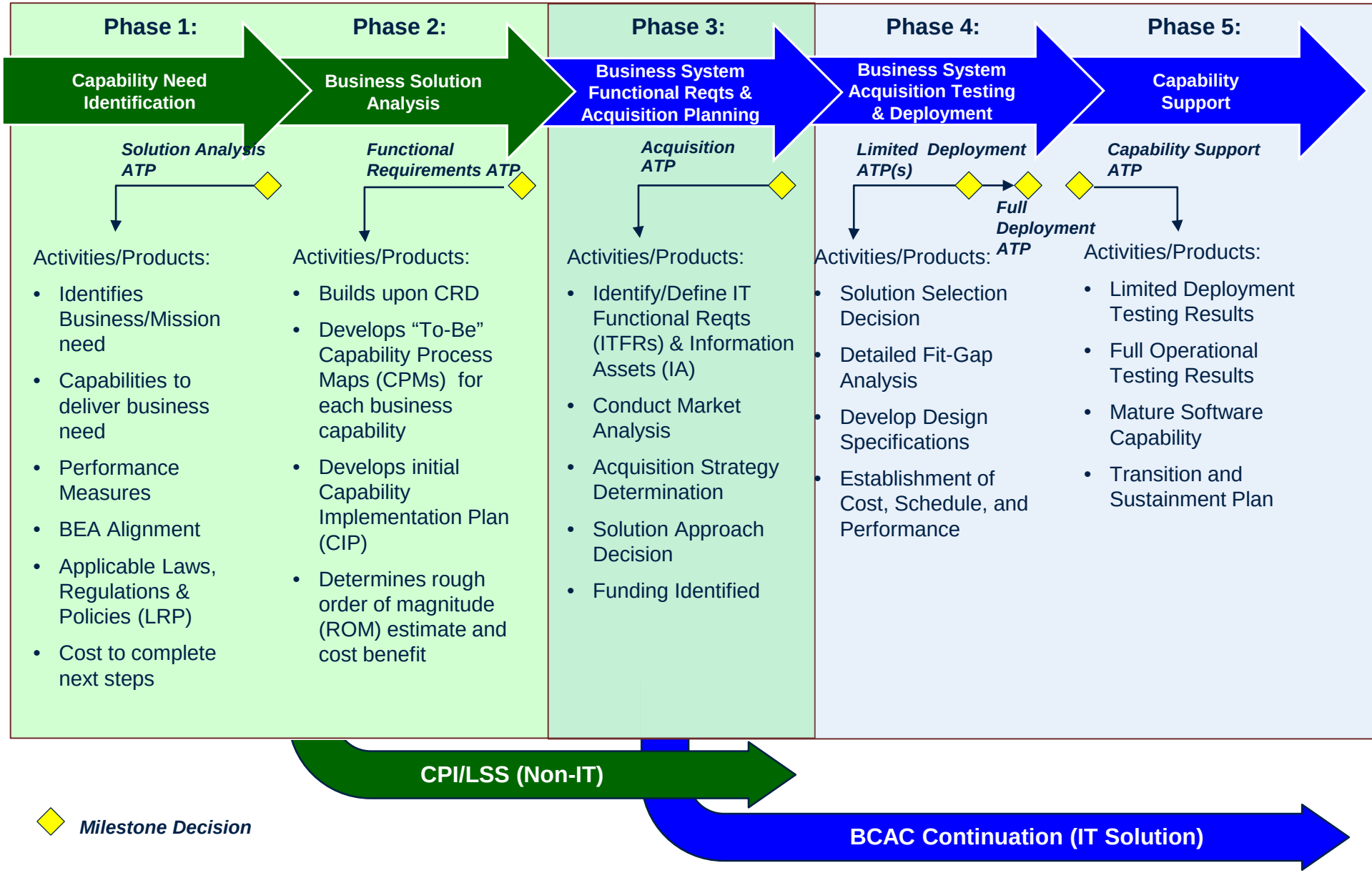
Responsibilities (cont.)

- Functional Sponsor:
  - Has the authority to lead and sponsor organizational change efforts
  - Ensures funding availability for the effort
  - Seeks to improve mission performance and outcomes; leads solution analysis
- Functional Lead:
  - Provides input to the functional sponsor on process design, requirements, training and other matters influencing the acquisition strategy for DBS
  - Distills and translates user community requirements – ensures they are achievable
  - Works hand-in-hand with the Program Manager to deliver a comprehensive DOTMLPF-P solution
- Program Manager
  - Leads development/delivery of the DBS
  - Influences the acquisition strategy through the MDA
  - Works hand-in-hand with the Functional Lead to deliver a comprehensive DOTMLPF-P solution

Decisions and Artifacts



BCAC Overview



Business System Categories – DoDI 5000.75

Business System Category / Reason for Designation		Decision Authorities
I	• Priority defense business system expected to have a total amount of budget authority over the period of the current Future Years Defense Program (FYDP) in excess of $250,000,000; or • DCMO designation as priority based on complexity, scope, and technical risk, and after notification to Congress.	Requirements Validation / CMO Certification: DoD DCMO or as delegated MDA: DAE or as delegated (not below CAE) CCA Compliance / Cybersecurity Strategy: CCA: DoD CIO for joint systems; otherwise MILDEP or DoD Component CIO Cybersecurity: DoD CIO
II	• Does not meet criteria for category I, and any of the following: • Expected to have a total amount of budget authority over the period of the current FYDP in excess of $50,000,000. • DCMO or MILDEP CMO designation as requiring CMO certification.	Requirements Validation / CMO Certification: MILDEP CMO or as delegated; DoD DCMO or as delegated for all other DoD Components MDA: CAE or as delegated CCA Compliance / Cybersecurity Strategy: DoD CIO for joint systems; otherwise MILDEP or DoD Component CIO
III	• Does not meet criteria for category II	All Decision Authorities: Same as category II, except CMO certification not required

Explainer: 5000.02 to 5000.75 Transition

- New programs: enter into BCAC like you would the DoDI 5000.02
- Programs in development
  - Only revise your documentation in the case it makes sense – leverage what you already have; map things to BCAC requirements and see where gaps may exist
  - **MAIS**: we are drafting a memorandum that will transition all existing MAIS programs over to the right business systems category and MDA
  - **Non-MAIS**: your MDA should provide guidance to transition you to BCAC and place you into the right category
- Programs in sustainment:
  - You don't need to do anything unless you have to modernize, upgrade, etc.

Explainer: 5000.02 to 5000.75 (cont.)

- Transitioning to the 5000.75 provides programs an opportunity to engage the MDA on tailoring the program to apply best practices
- Key BCAC considerations for programs in development:
  - Level of detail in functional requirements

    Could your functional requirements be over-specified? How has that impacted competitive forces or led to a customized solution?
  - Managing baselines for cost/schedule/performance

    Does your baseline include cost, schedule and performance constraints for releases that are not in development? How does the uncertainty in those releases influence managing the program?

Explainer: 5000.02 to 5000.75 (cont.)

- Key considerations for programs in Capability Support:
  - Understand how the capability is actually supported, whether or not it is documented in a detailed plan
  - Codify or establish governance structure for capability support, including thresholds for changes and re-initiation of the BCAC
  - Provide information to the CMO and MDA on the tailored approach in place to capture requirements for minor changes to the system and implement them

Explainer: 5000.02 to 5000.75 (cont.)

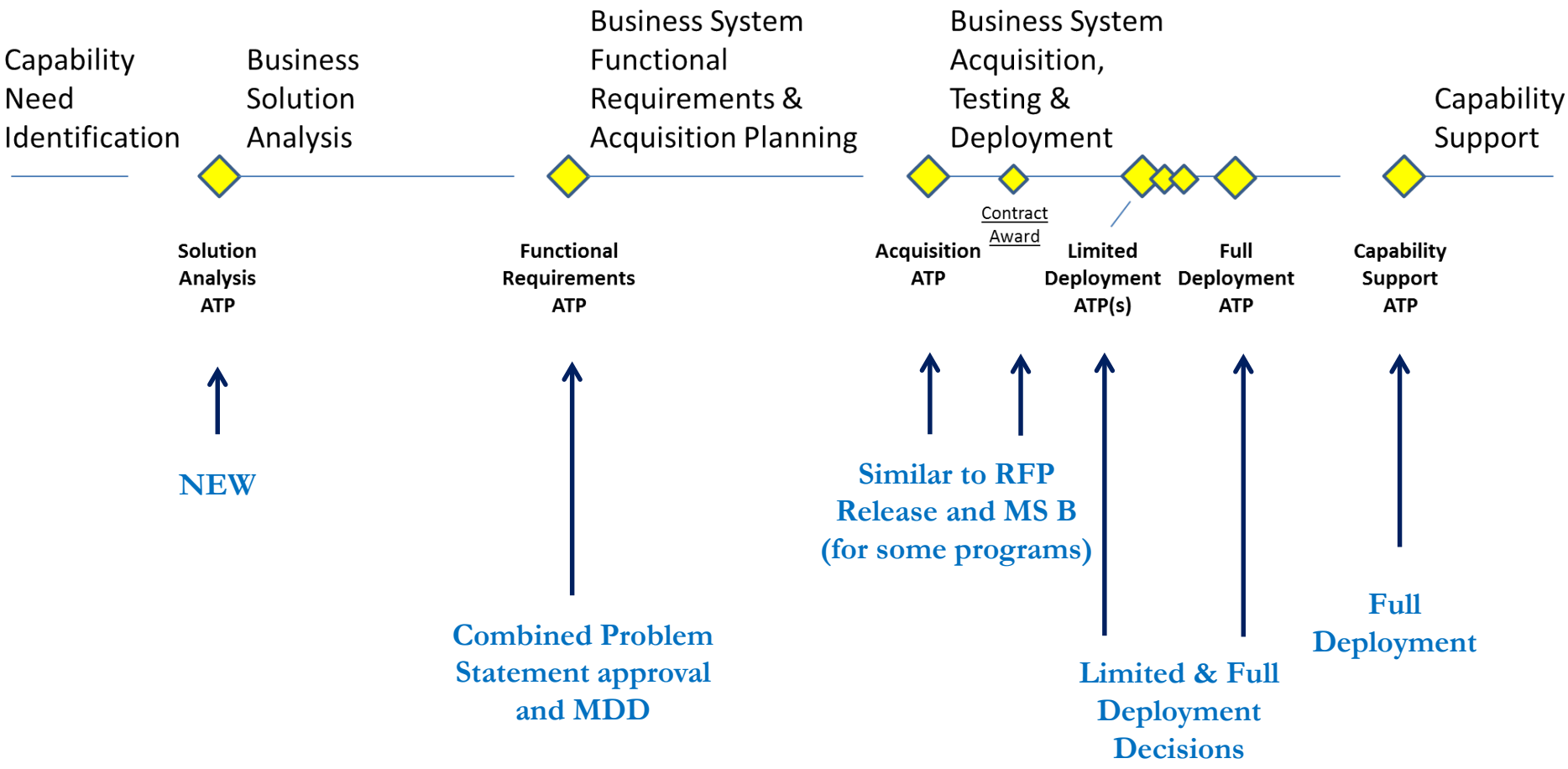
"Minor Modifications"
Entering BCAC at a mid-point step

- Software version upgrade which does not require major process change (i.e., "fact of life")

"Starting Over"
Going back to the beginning of BCAC

- Software version upgrade which requires significant BPR
- LRP change which drives modification to software or process
- Organizational realignment which modifies roles and responsibilities
- Major budget cuts

Explainer: BCAC and DoDI 5000.02 Model 3 Comparison



Explainer: Capability Performance Measures

- Phase 1 Activity: Determine Capability Performance Measures
- What Specific Measures Apply to Each Capability
- Typical Examples
  - Efficiency: How Much Does Capability Cost? How Much Time Does Capability Require?
  - Effectiveness: What Quality Metrics Matter to Customers of Capability?
- Why? Functional Sponsors Need to Know
- Capability Performance Measures May Not Decompose Easily to Business Process Performance Measures…or System Performance

Explainer: Engineering Reviews

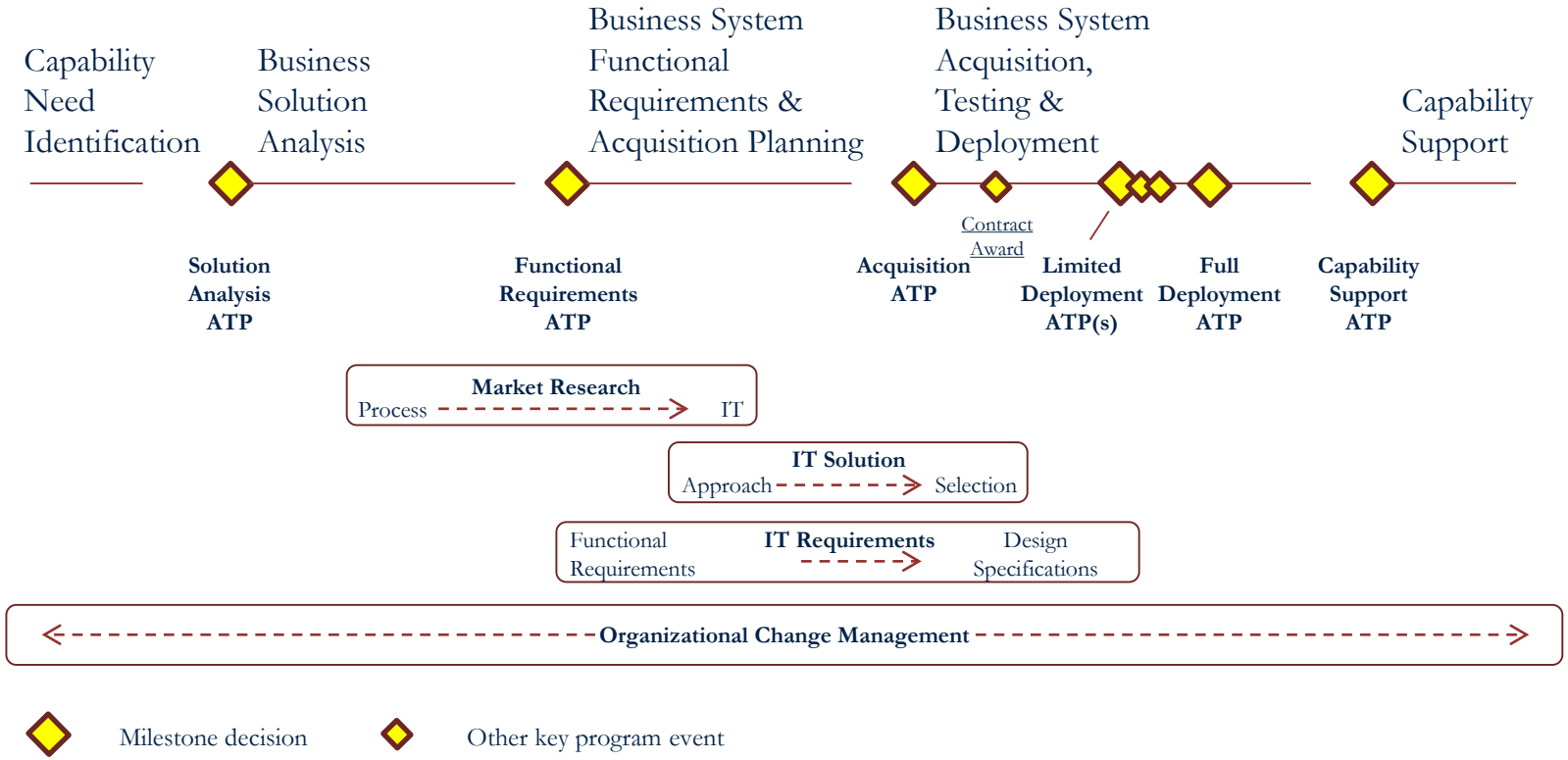
- Technical and Management Reviews
  - Before Acquisition ATP: planning and communication
  - After contract award: program progress, health and risk management
  - Programs should propose approach to acquisition leadership
- Examples of Technical Reviews
  - Engineering planning review with MDA staff
  - Test planning review with DT/OT
  - Technical reviews based on waterfall lifecycle (SRR, PDR, CDR, TRR)
  - Tailored reviews based on other lifecycles (spiral, incremental, or Agile)

Explainer: Capability Support Governance

- Once you reach Capability Support:
  - The work described in BCAC processes continues but the go/no-go decisions are managed by governance
  - Functional leadership is critical for prioritization and meeting business needs
  - It is still important to focus on business problems and not IT solutions
- Common business problems for governance to address:
  - Version upgrades and technical refreshes to the delivered solution
  - Capability gaps of the solution identified by continuous process improvement
  - Cost and impact analysis for potential new capabilities
  - Prioritization, funding and implementation planning (intake) for system(s)

QUESTIONS?

Business Capability Acquisition Cycle



ATP: Authority to Proceed

DoDI 5000.75 (dated February 2, 2017) was approved by USD(AT&L), DoD CIO and DCMO.

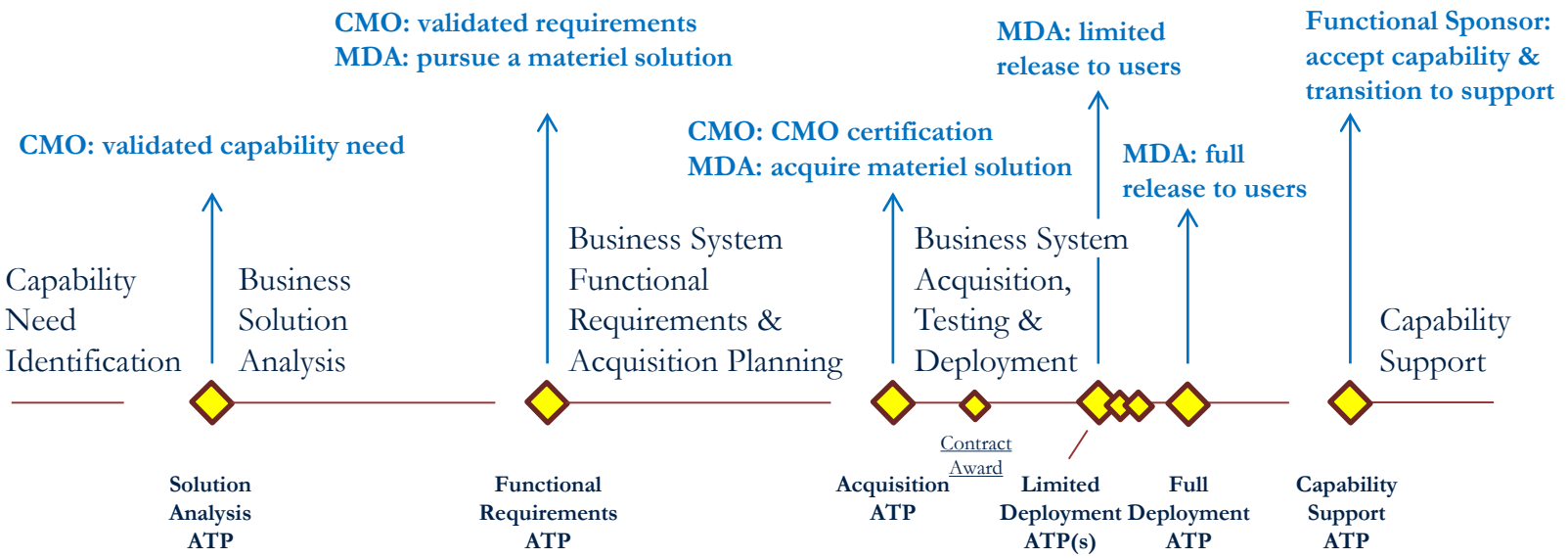
Guiding Principles

Work as a Team: Work together as one team with functional, acquisition, and IT members involved throughout the lifecycle.
Plan to Evolve: The lifecycle is continual. Sustainment requires criteria and triggers that define on-ramps back into business need analysis to restart the cycle.
Adopt Best Practices: Don't reinvent the wheel. Be willing to prioritize requirements, deploy the 80% solution, change processes to minimize customization, and stop the effort if it is not going to achieve the outcome.
Show the Money: Increase transparency by allocating and tracking funding for all activities across the DOTMLPF spectrum, including the cost of requirements development and sustainment.
Do Work Once: Avoid bottlenecks and eliminate competing processes. Work products are for the use of the process operators – eliminates extraneous documentation for documentation's sake.
Deliver Value: Deliver a capability that addresses the entire DOTMLPF spectrum –not just an IT system. Increase value by reducing time to deliver capability.

Address the need holistically – don't assume IT is the answer!

BCAC Decisions and Information

Decisions



Capability Requirements

Business Processes

Functional Requirements

Acquisition Strategy

Solution Approach

Detailed Design

Delivered Software

Test Results

Capability Support Plan

Implementation Plan

CMO: Chief Management Officer
MDA: Milestone Decision Authority

Information

Plan to Evolve | Show the Money | Deliver Value

Work as a Team | Adopt Best Practices | Do Work Once

BCAC

Benefits of BCAC

- Aligns acquisition of DoD business systems to commercial best practices
- Achieves performance improvements, efficiencies and effectiveness
- Ensures acquisition is a joint responsibility of the functional and acquisition communities
- Drives toward COTS and existing GOTS solutions and away from home-grown, customized solutions
- Establishes tailorable ATP decision points to deliver business capabilities
- Complete lifecycle management of business systems under 10 U.S.C. § 2222

Policy and Guidance

- **NEW:** DODI 5000.75, Business Systems Requirements and Acquisition ("BCAC"); February 2, 2017
  - Removes DBS from the DoDI 5000.02 policy and process models
  - **Applies to**: DoD, OSD, MilDeps, Joint Staff, CCMDs, DoD IG, Defense Agencies, DoD Field Activities, and all DoD Components
  - **Will not apply to**: DBS that hit the MDAP threshold after MAIS goes away (we are working on a solution for this – stay tuned!)
  - Joint Effort with OUSD(AT&L), OCIO, and ODCMO and SMEs from the Services and Agencies
- Status of other supporting resources:
  - Community of Practice (alpha): https://www.milsuite.mil/book/groups/bcaccommunity/
  - DCMO Investment Review Guidance: in final coordination, almost published!
  - BCAC Concept of Operations: draft posted on Community of Practice
  - Other materials are being planned and will live on the Community of Practice

Explainer: Investment Management Changes

New Investment Management Process Guidance is about to be released – here are some of the changes:

- Clarifies Covered DBS
- Revises thresholds for review/certification: Military Department CMOs have approval authority for DBS investments below $250M/FYDP; DCMO has approval authority for Fourth Estate DBS investments $1M / FYDP and all DBS investments over $250M / FYDP
- Implements a process to meet 10 U.S.C. § 2222 requirements for acquisition strategy, required documentation and auditability compliance
- Implements the new 10 U.S.C. § 2222 requirement that DoD business processes be continually reviewed and revised by requiring components to report the results of this review as part of their OEP annual review of systems
- Codifies Defense Business Council as an advisory authority

Explainer: IT Compliance

- IT compliance perspective
  - BCAC is based on IT project management fundamentals
  - CCA enforces application of fundamentals
- How will CIOs engage to ensure fundamentals are applied?
  - Engagement throughout specification, design, development and testing
  - Participation in ATP governance bodies:
    - Defense Business Council (DBC) or equivalent
    - Defense Acquisition Board (DAB) or equivalent
- Requires transparency into IT design specifications

Explainer: IT Compliance

CCA Requirement	BCDC Coverage
Make a determination that the acquisition supports core, priority functions of the DoD	Approve capability requirements
Establish outcome-based performance measures linked to strategic goals.	Capability requirements
Redesign the processes that the system supports to reduce costs, improve effectiveness and maximize the use of commercial off-the-shelf technology.	BPR, Fit-gap leading to Design Specifications
Determine that no private sector or government source can better support the function.	Capability requirements, BPR, solution approach evaluation
Conduct an analysis of alternatives	Solution approach evaluation
Conduct an economic analysis that includes a calculation of the return on investment; or for non-AIS programs, conduct a life-cycle cost estimate.	Solution approach evaluation, solution selection
Develop clearly established measures and accountability for program progress.	CIP – acquisition objectives CIP – integrated master schedule Baseline management to IMS
Ensure that the acquisition is consistent with the DoD Information Enterprise policies and architecture, to include relevant standards.	ATP decision criteria
Ensure that the program has a Cybersecurity Strategy that is consistent with DoD policies, standards and architectures, to include relevant standards.	ATP decision criteria
Ensure, to the maximum extent practicable, (1) modular contracting has been used, and (2) the program is being implemented in phased, successive increments, each of which meets part of the mission need and delivers measurable benefit, independent of future increments.	CIP – acquisition strategy
Register Mission-Critical and Mission-Essential systems with the DoD CIO.	ATP decision criteria

Explainer: Future BEA

- BEA Improvement Project Underway
- BCAC Information Assets from Every Phase Useful in BEA
- Current BEA Lacks Support for Phases 1-3 Work Products
- Sharing Functional Capabilities, Business Process Maps, and IT Functional Requirements will Add Value
  - Better Visibility Across Functional Teams
  - Shorter Times to Develop BCAC Work Products
  - Higher Standardization; Less Duplication
- Bridging Gap Between Functional Strategies and IT System Investment Details