

Project critique



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The Navy Marine Corps Intranet (NMCI) project, undertaken by Electronic Data Communications (EDC) is the biggest government undertaking of its kind. It aims to provide a single seamless network which would provide a centralized communication to the Navy and Marine. It also aims to integrate the legacy systems with the new secured environment. The NMCI project aimed to connect about 400, 000 desktops into a common network, which would provide a unified communication to all Navy and Marine bases (Calbreath, 2004).

Due to the magnitude of the project, it has been subject to much speculation. Despite of initial claims by the EDS, there have been serious issues. EDS aimed to have 160, 000 seats by 2002 fall, where in reality only 60, 000 seats were likely to be in place by the end of year, as per EDS's program director for Navy Operating Forces (Verton, Huge Navy IT Outsourcing Deal Passes First Hurdle, 2002). According to Lt. Gen. Edward Hanlon of the Marine Corps, EDS was not fully prepared to implement the contract.

The reason could have been lack of insight or not understanding the process. He also observed that the network services were not always available to the users due to which the rate of progress is very slow, which is extremely frustrating for everyone. This slow rate also poses the danger of reduction in workforce. "'We will lose the government workforce if we don't very soon start to produce the same level of efficiencies that they've had before,' Lengerich said.

'They will leave and you would leave too, if you worked for a business that no longer had efficient processes. (Onley & McLaughlin, NMCI officials press for

big changes, 2004)”. The delays have been due to several reasons, due to which it has not been an easy ride for the EDS. EDS claimed to have lost about \$171 million in the integration process for the U. S. Navy and Marines during the earlier parts of 2004. The project ultimately became more complicated than was earlier anticipated. This is mainly due to the fact that the establishment of the secured network was a challenging task.

The replacement of legacy applications proved to be an expensive task due to dismantling of legacy applications and migration of the applications from the Navy inventory and establishment of enterprise hosting system (Rufolo, 2004). The NMCI had not anticipated this. This process of reduction in the number of legacy applications is proved to be a tedious task. Around 100,000 legacy applications had to be rationalized, validated and migrated if Navy’s cost saving goal had to be achieved. In order to enhance the business practices of the Navy and leverage NMCI’s leveraging capabilities, the application hosting was an essential task.

In order to achieve this, the NMCI contract has been modified by the Navy. This would enable EDS to accept orders for server and network management, security, storage, hardware/software and application hosting services. This would ultimately lead to cost savings (Rufolo, 2004). There was a reported net loss of about \$126 million in the first quarter. However, a profit of \$354 million was declared during the previous year, which helped raise revenue of 8%, thus enabling growth of IT outsourcing services (Perez, 2004).

NMCI made some adjustments, like a reorganized account team, which would report directly to the president of EDS and better communication with

the Navy. The results of end user satisfaction surveys, conducted by GAO (U. S. Government Accountability Office), showed that the average satisfaction for the customers, who were end users, commanders and network operators, was 74%, far below the average of 85% (DOD Needs to Ensure That Navy Marine Corps Intranet Program Is Meeting Goals and Satisfying Customers, 2006). Without customer satisfaction, the Navy would face a very difficult challenge of meeting its goals.

Despite the delays, the end result is highly desirable in terms of management of IT and budget. Recommendations/Remedies GAO's report, prepared under the authority of the Comptroller General, reviewed the following: "(1) whether the program is meeting its strategic goals, (2) the extent to which the contractor is meeting service level agreements, (3) whether customers are satisfied with the program, and (4) what is being done to improve customer satisfaction" (DOD Needs to Ensure That Navy Marine Corps Intranet Program Is Meeting Goals and Satisfying Customers, 2006).

The Navy also developed a performance plan in order to measure and report the success of the NMCI project. GAO's analysis further showed that the Navy had met only 15% of the performance targets. A careful study of these results shows that if the Navy doesn't implement its performance plan, then effective result and management cannot be achieved. The GAO analysis also reveals that the service level agreements of the NMCI is of a mixed nature, with some agreements met, others not consistently met, while still others not met at all.

GAO's analysis also gives suggestions for the Department of Defense, in order to adopt effective practice. By adhering to the suggestions given by GAO, the Department of Defense is more like to get a detailed understanding of significant issues, which will prove beneficial while making outsourcing decisions, along with suggestions to be kept in mind while making such decisions (Information Technology: DOD Needs to Leverage Lessons Learned from Its Outsourcing Projects, 2003).

In order to achieve satisfactory results, effective management practices have to be adopted. The satisfaction agreement must be analyzed from multiple perspectives, must be reduced in number and must be made to a manageable number. Careful evaluation of the original plan has to be done and alterations have to be made and the plan has to be carried out on a priority basis in order to achieve the goal.

The officials at EDS informed that the Navy had not anticipated the amount of work involved in the undertaking of the project, due to which it found itself in a vexing position of having to adjust with 2 systems, one which had hosting environment and the other which ran the legacy application, which didn't run on windows 2000 (Verton, Delays, technical problems plague Navys intranet program , 2002). To avoid such situations in future, a common means of communication must be established which would make both Navy and Marine aware of the mistakes and issues raised by the EDS, and also educate them about the nature of the project.

Substantial information must be gathered through intensive research in order to avoid such expensive tasks. The areas of dissatisfaction must be made aware to the decision makers and appropriate steps must be taken to

improve customer satisfaction. Care should also be taken to allow modifications which would enable better communication and produce quality work in terms of efficient utilization of budget and cost estimation.