DIMHRS: Examining The Primary RISKS

Defense Integrated Military Human Resources System

"…after 10 years of effort, poor performance and difficulties with that program, I would say that what we've gotten for a half a billion dollars is an unpronounceable…acronym."

Comments on the cancellation of DIMHRS made (respectively) by Secretary of Defense Robert Gates and Chairman of the Joint Chiefs of Staff Admiral Michael Mullen in testimony before the Senate Armed Services Committee on February 2nd, 2010.
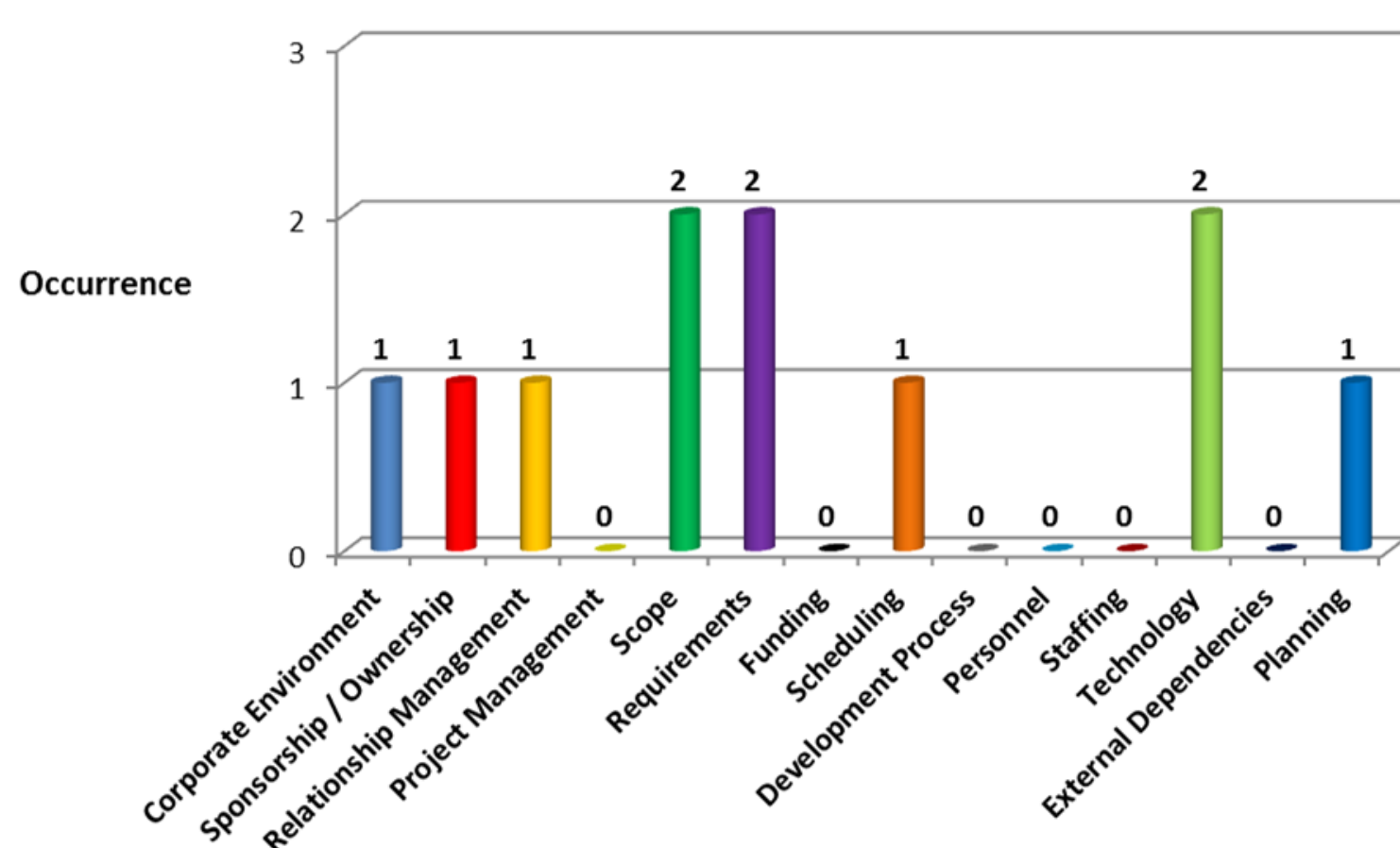
"…this program's been a disaster"
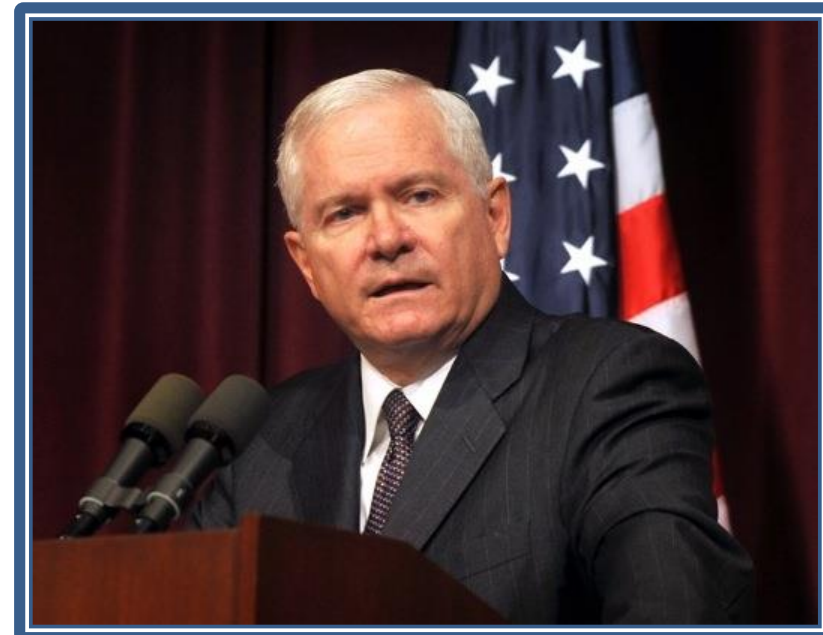
Case Study: Examine the risks identified at the outset of the DIMHRS program and identify the risks that led to the programs downfall.
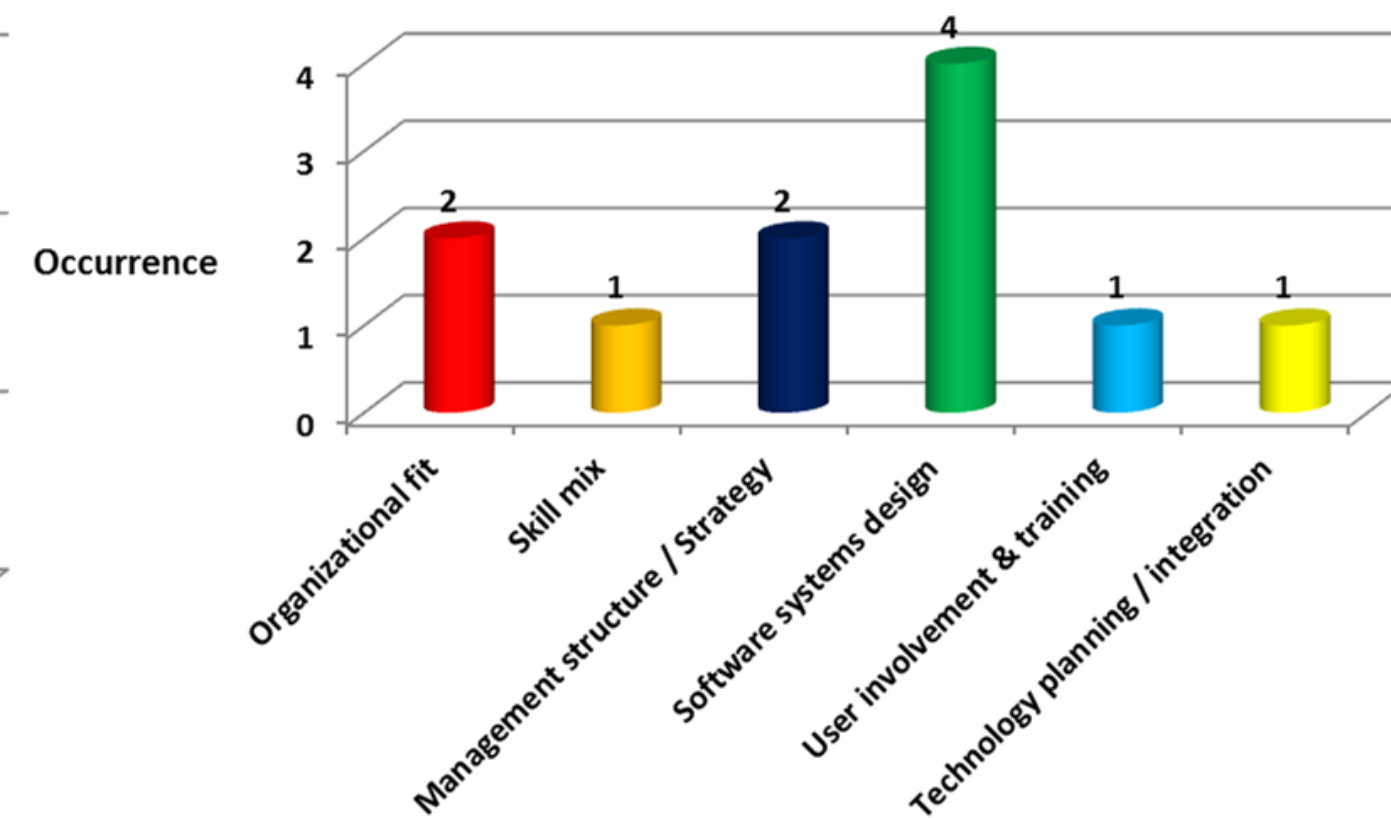
What is DIMHRS?

DIMHRS (pronounced dime-ers) was a program intending to replace the armed forces legacy personnel and pay systems. Personnel and pay problems encountered in the first Gulf War raised congressional calls to resolve the problems. A Defense Science Board (DSB) was convened in 1996 to examine solutions. The DSB recommended the services pursue a joint integrated personnel and pay system using COTS software and consolidating the records of 3.1 million service men and women. PeopleSoft was selected as the platform for the new system and Northrop Grumman was selected as the prime contractor. After repeated delays and cost overruns, the program was cancelled in 2010.

What Risks did the DSB identify?
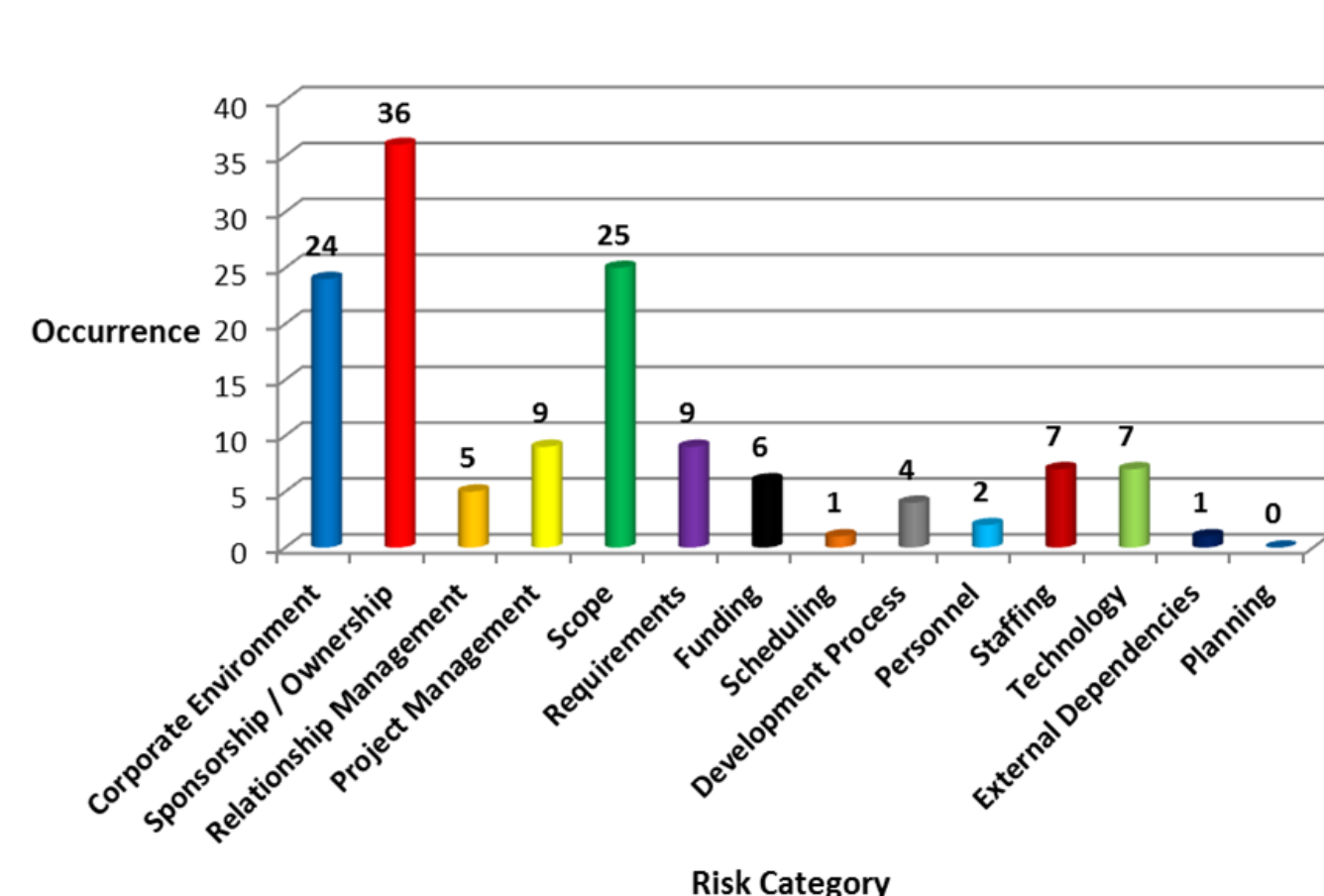
DSB Risks Identified - Delphi Framework

Occurrence (y-axis: 0 to 3)

Risk Category	Occurrence
Corporate Environment	1
Sponsorship / Ownership	1
Relationship Management	1
Project Management	0
Scope	2
Requirements	2
Funding	0
Scheduling	1
Development Process	0
Personnel	0
Staffing	0
Technology	2
External Dependencies	0
Planning	1

DSB Risks Identified - Sumner Framework

Occurrence (y-axis: 0 to 4)

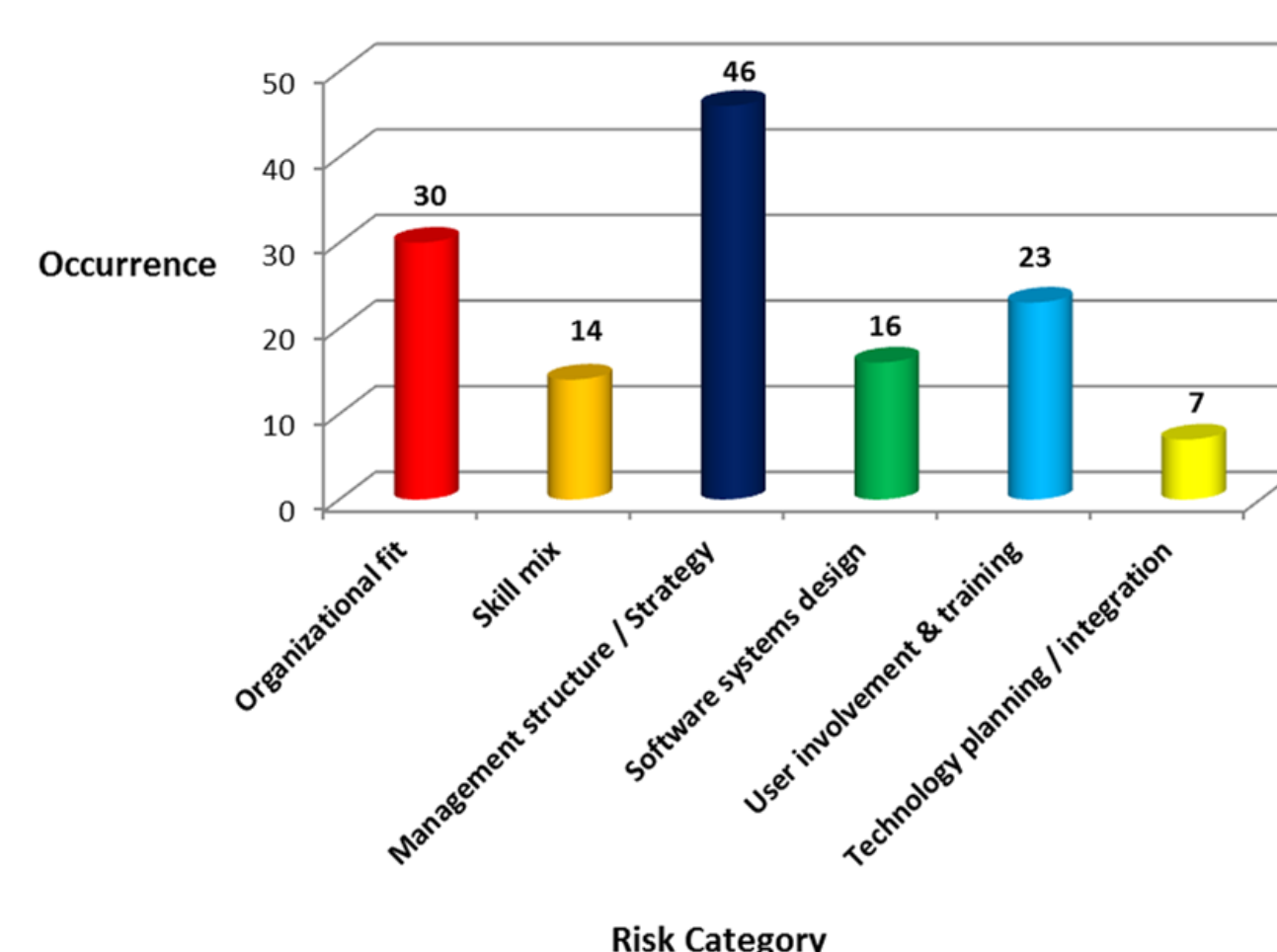| Risk Category	Occurrence
Organizational fit	2
Skill mix	1
Management structure / Strategy	2
Software systems design	4
User involvement & training	1
Technology planning / integration	1

Risks identified within the DSB report were coded using two separate risk frameworks to validate findings.

What were the actual Risks encountered?

Interview Risks Identified - Delphi Framework

Occurrence (y-axis: 0 to 40)

Risk Category	Occurrence
Corporate Environment	24
Sponsorship / Ownership	36
Relationship Management	5
Project Management	9
Scope	25
Requirements	9
Funding	6
Scheduling	1
Development Process	4
Personnel	2
Staffing	7
Technology	7
External Dependencies	1
Planning	0

Interview Risks Identified - Sumner Framework

Occurrence (y-axis: 0 to 50)

Risk Category	Occurrence
Organizational fit	30
Skill mix	14
Management structure / Strategy	46
Software systems design	16
User involvement & training	23
Technology planning / integration	7

Risks identified within interview transcripts were coded using two separate risk frameworks to validate findings.

FINDINGS:

Risk 1: Lack of a management structure with the authority to force the individual services to conform to the principles of a joint personnel and pay system

Risk 2: Changing scope of the program; unwillingness of the involved parties to adjust their business processes for the sake of a joint project

Risk 3: Inflexible corporate environments of the individual services, the agencies involved, and their resistance to change

IMPACT:

Examination of project risks and failures produce lessons learned for future projects. Future joint ERP projects within the DoD sphere (or any project combining dissimilar parts) must be mindful of the challenges that lie ahead when working with multiple disparate organizations who have the will and the means to resist change. Additionally, ERPs are not the panacea to an organizations information problems. ERPs require well defined business processes to effectively organize and recall data. Organizations must be wary of adopting technology that does not fit their business model.

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