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Business System Rationalization Playbook

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Executive Summary

Business system rationalization is a strategic lever to reduce IT duplication, strengthen audit and cyber compliance, and align resources to mission outcomes. This playbook provides a structured, 6-play approach co-led by Functional Sponsors and CIOs—anchored in governance, data, and enterprise priorities.

It enables Components to identify redundancies, retire or modernize legacy systems, reengineer business processes, and sustain progress through institutionalized governance. Success depends on joint leadership, authoritative data, and disciplined execution.

Rationalization isn't just about cutting systems—it's about building an enterprise ready for what's next.

1. Introduction

The Department of War (DoW) and other large federal agencies operate thousands of business systems—ranging from enterprise platforms to locally developed tools—supporting functions such as human resources, finance, logistics, and acquisition. While many of these systems are critical to mission execution, decades of decentralized investments have resulted in system sprawl, functional duplication, inconsistent data standards, audit vulnerabilities, and increased sustainment costs.

Business System Rationalization addresses this challenge by providing a structured, mission-driven approach to streamline the IT portfolio, eliminate redundancy, and improve alignment between business needs and technology solutions. It is not solely a technical activity, but a cross-functional transformation effort that ensures systems support simplified, efficient, and compliant business processes.

This playbook presents a repeatable framework for rationalizing systems in alignment with statutory mandates such as Title 10 U.S.C. § 2222, the Clinger-Cohen Act, and DoW acquisition policies. It emphasizes the essential role of Functional Sponsors, who define the mission requirements and drive Business Process Reengineering (BPR)—ensuring that system reductions are accompanied by process improvement, not just technology change.

The playbook is built on key principles:

- **Mission First** – Rationalization decisions must be anchored in validated business needs, not just system inventories.
- **Functional Sponsor Ownership** – Sponsors lead capability alignment, validate redundancies, and authorize transition actions.
- **BPR Integration** – System transitions must be informed by streamlined workflows and business rule clarity.
- **Shared Governance** – CIOs, PEOs, Architects, and FM officials must collaborate through structured governance.
- **Structured Execution** – Rationalization should follow a lifecycle approach: framing, analysis, planning, execution, and sustainment.
- **Platform-Driven Modernization** – Rationalization should converge capabilities onto approved, enterprise platforms that enable scalable automation, secure data integration, and reuse. Leveraging a “Digital Core” of SaaS and low-code platforms reduces duplication, accelerates delivery, and ensures modernization investments are sustainable and interoperable.

This guidance provides the tools, roles, and step-by-step methods necessary to plan, execute, and institutionalize rationalization at the enterprise and component levels. It is designed for use by CIO offices, mission area leads, program executive offices (PEOs), and budget and audit stakeholders. The result is not just fewer systems—but **better systems that serve the mission more effectively, securely, and affordably.**

2. Purpose

Building on the need for coordinated, mission-focused modernization outlined in the introduction, this playbook provides a practical framework for business system rationalization across the Department of Defense (DoD) and other large federal organizations. It supports leaders in reducing duplication, strengthening compliance, and aligning systems with operational needs—not in isolation, but as part of a broader enterprise transformation effort.

The playbook equips decision-makers with a structured approach to evaluate and rationalize systems in coordination with Business Process Reengineering (BPR), ensuring that system consolidation is functionally justified and operationally feasible. It also defines the distinct but collaborative roles of Functional Sponsors, CIOs, PEOs, Enterprise Architects, and Financial Managers, supporting shared accountability through every phase of execution.

This playbook enables organizations to:

- Align business systems with streamlined, reengineered mission processes through integrated BPR.
- Improve auditability, compliance, and data integrity by reducing reliance on shadow systems and manual workarounds.
- Eliminate redundant, obsolete, or siloed systems that increase risk and operational inefficiency.
- Reallocate resources from legacy sustainment toward enterprise platforms, automation, and emerging technologies.
- Enable cross-functional governance among Functional Sponsors, CIOs, PEOs, Architects, and Financial Managers.
- Support statutory and policy compliance, including Title 10 U.S.C. § 2222, the Clinger-Cohen Act, and DoD acquisition policies.
- Accelerate modernization through platform-based consolidation and workflow automation using the Digital Core—standardize business capabilities on approved SaaS and low-code platforms to deliver agile, scalable solutions.

By using this playbook, Components can move beyond fragmented, system-centric planning and instead drive rationalization as a strategic, repeatable discipline—anchored in functional outcomes and executed through shared enterprise responsibility.

3. Guiding Principles

These principles provide a strategic foundation for business system rationalization across the Department of Defense. They ensure efforts are mission-aligned, data-informed, and executed with shared accountability—supporting lasting impact through disciplined governance and enterprise-wide coordination.

1. **Mission-Driven Outcomes** - System decisions must enhance operational readiness, auditability, and mission effectiveness—not just IT efficiency.

2. **Joint Functional–CIO Leadership** - Rationalization is co-led by Functional Sponsors and CIOs to align business needs with technical solutions and governance.
3. **Enterprise Over Duplication** - Prioritize shared, enterprise-aligned capabilities; eliminate redundant, siloed, or legacy systems.
4. **Governed and Accountable** - Use structured governance with defined roles, thresholds, and alignment to DBC and DoW CIO oversight.
5. **Data and Process First** - Drive decisions using authoritative data, and prioritize business process reengineering before system modernization.
6. **Continuous Portfolio Stewardship** - Rationalization is an enduring enterprise function—integrated into governance, budgeting, and capability planning.

4. Key Lessons Learned

Effective business system rationalization requires more than identifying redundant tools or cutting sustainment costs. Across the Department of Defense and other federal organizations, past efforts have shown that success depends on a coordinated, mission-first approach—anchored by strong functional leadership, clear governance, and thoughtful sequencing of both technical and business change.

Several consistent lessons have emerged from enterprise and Component-level initiatives:

1. Functional Sponsors Must Lead with Mission Clarity

System-level decisions must be grounded in validated business needs. Rationalization efforts that lack functional sponsor engagement often stall due to unresolved mission concerns, stakeholder resistance, or process misalignment. Functional Sponsors are best positioned to define capability requirements, lead process redesign, and make authoritative determinations on system relevance.

Takeaway

Rationalization gains legitimacy and sustainability only when Functional Sponsors co-lead decision-making.

2. Business Process Reengineering (BPR) is Non-Negotiable

Too often, rationalization focuses on retiring or consolidating systems without redesigning the underlying workflows. This approach simply migrates inefficiencies into new platforms. BPR ensures that technology decisions are informed by reengineered processes, clarified business rules, and simplified user interactions.

Takeaway

Without BPR, rationalization may reduce technical sprawl but perpetuate functional complexity.

3. Incomplete Inventories Undermine Execution

Authoritative, current, and metadata-rich system inventories are a prerequisite for rationalization. Inventories must go beyond system names to include cost data, usage levels, business capabilities supported, technical dependencies, and cybersecurity posture. Programs often underestimate the number of shadow, duplicative, or legacy tools in use

Takeaway

A clear understanding of the system landscape is essential before prioritization or planning can begin.

4. Shared Governance Enables Informed, Coordinated Action

Rationalization impacts multiple domains—mission operations, IT architecture, acquisition timelines, cybersecurity, and budgeting. Effective efforts are co-governed by Functional Sponsors, CIOs, PEOs/Program Managers, Architects, and Financial Managers. This coordination ensures that system decisions are operationally viable, technically sound, and fiscally responsible.

Takeaway

Siloed rationalization efforts fail; integrated governance is essential for end-to-end alignment.

5. Timing and Incentives Matter

System transitions are most successful when aligned with natural decision points—such as contract renewals, modernization milestones, audit cycles, or enterprise platform deployments. Similarly, Components are more likely to retire systems when incentive structures (e.g., reinvested savings, reduced audit burden, workforce efficiencies) are clear and achievable.

Takeaway

Rationalization readiness depends on timing, sequencing, and visible value to stakeholders.

6. Rationalization is an Ongoing Discipline, Not a One-Time Project

Initial system reductions are valuable, but lasting impact requires integration of rationalization into annual IT portfolio reviews, functional governance boards, and capital planning processes. Sustained effort helps prevent the re-emergence of shadow systems, duplication, and technical debt.

Takeaway

Institutionalizing rationalization processes creates a culture of continuous improvement and portfolio discipline.

7. Digital Core Transitions Require Platform Discipline and Functional Alignment

Rationalizing to a Digital Core is not a technical migration—it is a strategic shift. Efforts that succeed pair strong platform governance with mission-driven configuration. Without clear reuse policies or process alignment, shared platforms risk becoming fragmented with duplicative, siloed solutions. Functional Sponsors must work closely with CIOs to lead process standardization, embrace low-code capabilities, and drive configuration decisions that align to enterprise workflows. Establishing platform discipline early—through governance, architecture, and BPR—ensures the Digital Core delivers scale, interoperability, and long-term sustainment.

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| Takeaway | Convergence on a Digital Core only creates enterprise value when platform use is governed, processes are standardized, and Functional Sponsors lead with mission clarity. |
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5. Roles and Responsibilities

Business system rationalization is not only CIO-led initiative—it is an enterprise effort that demands close coordination across mission owners, IT leadership, acquisition professionals, architects, and financial managers. Effective execution depends on clearly defined roles, shared governance, and synchronized planning across all phases of the rationalization lifecycle. The central role of the Functional Sponsor cannot be overstated; they are responsible for defining capability needs, leading business process reengineering (BPR), and validating system decisions in alignment with mission outcomes.

The table below outlines the core stakeholder roles and their key responsibilities in the rationalization process:

| Role | Primary Responsibility | Key Contributions |
|-----------------------------------|--|---|
| Functional Sponsor | Leads capability alignment and BPR | Defines business needs, validates system relevance, approves transitions, ensures user adoption, monitors outcomes |
| CIO / IT Portfolio Manager | Oversees enterprise IT governance | Maintains inventories, co-leads governance, enforces policy, tracks performance, ensures cybersecurity and compliance |
| PEO / Program Manager | Executes system transitions | Manages decommissioning, migration, integration, and delivery of new capabilities |
| Enterprise Architect | Supports technical analysis and capability mapping | Identifies redundancy, applies the 6R framework, ensures alignment with architecture and interoperability standards |
| FM / Budget Official | Aligns funding with transition plans | Tracks cost drivers, validates savings, supports business case development, coordinates with PPBE cycle |

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| Internal Controls / Audit Lead | Ensures auditability and compliance | Identifies risk, confirms documentation standards, monitors audit outcomes pre- and post-rationalization |
| Governance Body (Cross-functional) | Provides decision-making and oversight | Approves roadmaps, resolves issues, aligns enterprise priorities, and ensures coordinated execution |

When each of these roles operates with clarity and collaboration, rationalization becomes more than a technical exercise—it becomes a coordinated enterprise capability. Clear governance and shared accountability ensure that system decisions reflect not only what is technically possible, but what is mission-relevant, operationally sustainable, and strategically valuable.

6. Approach to Rationalization

Business system rationalization is not a compliance only activity—it is a disciplined, mission-aligned transformation process that unfolds through a series of coordinated, repeatable plays. Each play drives the organization closer to an optimized system portfolio that is secure, compliant, cost-effective, and functionally relevant. These plays reflect lessons learned across the DoW: governance must be shared, business processes must be modernized, and system decisions must be grounded in operational need—not convenience or legacy.

The following six plays constitute the core of the rationalization lifecycle. Each play has defined objectives, critical actions, and clear leadership roles to ensure coordinated execution. Together, they provide a structured path from discovery to institutionalized portfolio discipline.

This playbook presents six core **Plays** that form the rationalization lifecycle:

- **Play 1: Establish the Governance and Baseline the Landscape** – Build the foundation with joint leadership, enterprise inventories, and initial process discovery.
- **Play 2: Analyze Systems and Processes for Functional Value and Redundancy** – Evaluate systems based on mission alignment, cost, risk, and functional relevance.
- **Play 3: Build the Rationalization Roadmap** – Apply the 6R framework and align transitions with fiscal, contractual, and modernization timelines.
- **Play 4: Execute System Actions and Enable Business Transition** – Decommission, consolidate, or modernize systems while deploying reengineered workflows.
- **Play 5: Sustain Rationalization and Optimize the Portfolio** – Institutionalize rationalization as a continuous governance function and reinvest savings into future-ready capabilities.
- **Play 6: Converge Around a Digital Core** – Rationalize legacy and duplicative systems into secure, enterprise SaaS platforms to streamline automation, reduce technical debt, and deliver standardized capabilities at scale.

Together, these plays provide a flexible yet structured approach for Components and mission areas to drive enterprise-wide improvements in system performance, operational efficiency, and mission readiness.

Play 1: Establish Governance and Baseline the Landscape

Rationalization efforts fail without clear leadership, enterprise visibility, and alignment to DoW oversight. Play 1 ensures a strong start by activating joint governance between the Functional Sponsor and CIO, aligning with the Defense Business Council (DBC), and building a complete, validated system baseline. It also surfaces fragmented processes and shadow systems that require Business Process Reengineering (BPR). Without this foundation—shared priorities, authoritative data, and early functional engagement—future decisions risk being uncoordinated, incomplete, or misaligned with mission needs.

Play 1 lays the groundwork for enterprise-wide business system rationalization by standing up governance, defining the scope, and building a validated inventory of systems, capabilities, and business processes.

Step-by-Step Execution

Step 1: Stand Up Integrated Governance

- Establish a cross-functional governance board co-led by the Functional Sponsor and Component CIO, aligned to Defense Business Council (DBC) oversight expectations.
- Define governance authorities, decision thresholds, and escalation paths.
- Assign key roles: Program Executive Offices (PEOs), Financial Management (FM), Cybersecurity, Internal Controls/Audit, and Enterprise Architects.
- Set a recurring governance cadence to track progress and validate decisions across all phases of the rationalization effort.

Step 2: Define Scope and Strategic Objectives

- Align with leadership on why rationalization is needed—e.g., reduce duplication, support audit readiness, improve cybersecurity, and align with enterprise systems.
- Scope the initial effort to a manageable mission area or business function (e.g., finance, HR, logistics).
- Ensure objectives align with applicable policies and statutory mandates including Title 10 U.S.C. § 2222, the Clinger-Cohen Act, and DoDI 5000.75.
- Document these goals in a rationalization charter or project plan.

Step 3: Build the Authoritative System Inventory

- Pull data from authoritative sources such as DITPR, the DBC Rationalization Module, and internal Component registries.
- Annotate each system with essential metadata, including:
 - Business function and capability
 - System owner and funding source
 - Lifecycle stage and contract timelines

- Sustainment cost and user base
- Cybersecurity status (RMF compliance)
- Audit findings or risks
- Technical dependencies
- Validate this data through coordination with system owners and Functional Sponsor representatives.

Step 4: Map Systems to Business Capabilities

- Use the DoW Business Enterprise Architecture (BEA) or a Component-specific framework to map systems to validated business capabilities.
- This step enables functional alignment and highlights potential redundancies or capability gaps.
- Ensure mappings are reviewed by Functional Sponsors to confirm accuracy and relevance.

Step 5: Segment and Tag Systems for Analysis

- Categorize systems into preliminary buckets to support scoring and roadmap development in Play 2. Use tags such as:
 - Enterprise-aligned
 - Duplicate/overlapping
 - Non-compliant or legacy
 - BPR candidate
- Prioritize one or more business capabilities or system clusters for deeper analysis in the next phase.

Play 1 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|---------------------------|---|---|---|
| Governance | Activate a CIO–Functional Sponsor board; assign roles (PEO, FM, Cyber, Audit); define cadence and decisions | Governance structure in place; roles documented | Board operational; leaders actively engaged |
| Strategic Framing | Define goals (e.g., audit, savings); confirm scope; align with Title 10, DoDI 5000.75, Clinger-Cohen | Rationalization charter; prioritized focus area | Scope approved; goals aligned to policy and mission |
| Inventory | Compile systems from DITPR, DBC, internal sources; collect metadata (owner, cost, RMF, lifecycle); validate with stakeholders | Validated, metadata-rich inventory | 100% in-scope systems captured; metadata ≥ 90% complete |
| Capability Mapping | Map systems to DoW BEA capabilities; identify overlaps and redundancies | Capability-system map; duplication summary | All systems mapped; overlaps flagged for action |
| Process Discovery | Conduct SME walkthroughs; identify manual workarounds and shadow systems; flag initial BPR needs | Shadow systems logged; BPR targets identified | At least one process/function flagged for BPR |

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| Prioritization | Tag systems (e.g., duplicate, enterprise, non-compliant); shortlist capability for next-phase analysis | Tagged inventory; target area confirmed | Portfolio segmented; Play 2 scope defined and ready |
|-----------------------|--|---|---|

Play 2: Analyze Systems and Processes for Functional Value and Redundancy

With governance activated and systems baselined in Play 1, Play 2 shifts focus from visibility to insight by evaluating the functional value, technical health, and mission alignment of each system. The objective is to identify redundancies, gaps, and inefficiencies through structured analysis—using enterprise-aligned criteria and input from the Functional Sponsor, CIO, system owners, and SMEs. This play also deepens business process understanding to surface areas where rationalization must be paired with Business Process Reengineering (BPR), ensuring system decisions reflect not just technical considerations but operational realities. In the DoW context, where portfolios often contain overlapping legacy systems, Play 2 is critical to inform disciplined disposition planning, enable cost-effective modernization, and meet oversight expectations under Title 10 § 2222 and DBC governance.

Step-by-Step Execution

Step 1: Build the Rationalization Scoring Framework

- Develop a standardized scoring rubric to evaluate system value, performance, and risk.
- Include scoring criteria such as:
 - **Cost to Sustain** (O&M and development spend)
 - **Mission Relevance** (alignment with functional priorities and operational outcomes)
 - **Cybersecurity Posture** (e.g., RMF compliance, ATO status)
 - **Audit Risk** (e.g., internal control findings, FM compliance gaps)
 - **User Satisfaction** (based on survey data or usage trends)
 - **Lifecycle Status** (e.g., nearing end-of-life, in active modernization)
- Apply weighted values to reflect Functional Sponsor and CIO priorities.
- Validate the framework with the governance board and publish for consistent application.

Step 2: Conduct System Scoring and Evaluation

- Facilitate working sessions with system owners, Functional Sponsors, and subject matter experts (SMEs) to apply the scoring rubric.
- Use authoritative data from DITPR, DBC Rationalization Module, CPIC tools, audit reports, and program documentation.
- Document scoring results and rationale for traceability.
- Flag systems with low value, high risk, or misalignment for follow-up in subsequent steps.

Step 3: Identify Redundancies and System Clusters

- Analyze systems mapped to the same business capabilities (as established in Play 1).
- Identify duplicative, overlapping, or fragmented systems serving the same function.
- Create clusters of similar systems and flag candidates for consolidation, retirement, or enterprise migration.
- Use capability heatmaps or overlap matrices to support analysis and visualization.

Step 4: Deepen Business Process Reengineering (BPR) Readiness

- Conduct in-depth process discovery for workflows tied to high-risk or duplicative systems.
- Map current-state processes and identify:
 - Manual workarounds
 - Control weaknesses
 - Data redundancies
 - Integration challenges
 - Process bottlenecks and barriers
 - Other inefficiencies
- Engage Functional Sponsors and process owners to outline “to-be” process improvements.
- Document areas where BPR is a prerequisite for rationalization decisions to be effective.

Step 5: Validate Findings and Prioritize with Governance

- Consolidate scoring results, redundancy insights, and BPR findings into briefing materials.
- Present to the rationalization governance board for validation and refinement.
- Adjust categorizations or weightings based on mission impacts, constraints (e.g., contracts, statutory requirements), and leadership feedback.
- Secure agreement on priority systems and functions to advance to disposition planning in Play 3.

Play 2 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|--------------------------|--|---|---|
| Scoring Framework | Define evaluation criteria (e.g., cost, mission fit, cyber, audit, lifecycle); apply weights with governance input | Approved rubric published for system evaluation | Framework validated by Functional Sponsor and CIO |
| System Evaluation | Score systems using SME input and data (DITPR, CPIC, DBC); document rationale | Scored inventory with traceable logic | 100% of in-scope systems scored with consistent methodology |

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| Redundancy Mapping | Group systems by capability; identify overlap, duplication, and fragmentation | System clusters and redundancy matrix | At least one cluster flagged for consolidation or migration |
| BPR Readiness | Map key processes; identify inefficiencies, workarounds, and gaps linked to systems | List of BPR candidate processes and “to-be” opportunities | At least one capability flagged for BPR to enable rationalization |
| Governance Validation | Present analysis to governance; refine based on mission risk, operational constraints, and leadership input | Approved list of candidate systems for roadmap planning (Play 3) | Endorsed disposition readiness list aligned to Component and enterprise goals |

Play 3: Build the Rationalization Roadmap

A rationalization strategy is only effective when it translates insight into action. Play 3 builds the bridge from analysis to execution by converting system scoring, redundancy findings, and process insights into a sequenced roadmap. This roadmap leverages the 6R framework—Retain, Rehost, Re-platform, Refactor, Replace, Retire—to define disposition paths for each system, while also accounting for fiscal constraints, contracting dependencies, and alignment with enterprise modernization efforts.

For the Department of Defense, where legacy systems are intertwined with statutory mandates and multi-year funding cycles, this play ensures decisions are not just logical—but executable. The roadmap becomes a key decision-support tool for CIOs, Functional Sponsors, and the Defense Business Council (DBC), guiding investments, transition plans, and policy compliance across Components and mission areas.

Step-by-Step Execution

Step 1: Apply the 6R Framework to Each System

- For each system analyzed in Play 2, assign a disposition path from the 6R taxonomy:
 - **Retain** – Maintain as-is with minimal change
 - **Rehost** – Shift to a new infrastructure or hosting environment
 - **Re-platform** – Make limited technical changes to improve performance
 - **Refactor** – Redesign core code or architecture for improved agility
 - **Replace** – Transition to a new solution or enterprise capability
 - **Retire** – Decommission the system
- Base decisions on technical viability, functional relevance, cyber posture, and BPR readiness.

Step 2: Group and Sequence Transitions into Waves

- Organize systems into execution waves based on risk, mission impact, and readiness:
 - **Wave 1** – Quick wins (low-dependency retirements or rehosts)

- **Wave 2** – Medium-complexity transitions with minor dependencies
- **Wave 3** – High-impact replacements or systems requiring major BPR
- Align waves to budget cycles, FYDP plans, and available transition resources.

Step 3: Map Timelines to Contractual and Fiscal Realities

- Integrate system lifecycles, sustainment contracts, and acquisition milestones.
- Identify end-of-life dates, contract renewals, and technology sunset timelines.
- Flag where financial or contractual constraints may delay or enable transitions.

Step 4: Identify Prerequisites and Gaps for Execution

- Document dependencies for each disposition action, including:
 - Business Process Reengineering (BPR) completion
 - Data migration or cleansing
 - Workforce reskilling or staffing
 - Acquisition lead times or funding alignment
- Highlight barriers to execution and develop mitigation options for Play 4 planning.

Step 5: Validate the Roadmap with Governance

- Present roadmap to the governance board, Functional Sponsor, and CIO for review.
- Confirm sequencing logic, policy alignment, and resourcing feasibility.
- Secure agreement on roadmap and hand off wave plans to transition teams.

Play 3 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|----------------------------|---|--|---|
| Transition Planning | Apply the 6R framework (Retain, Rehost, Replatform, Refactor, Replace, Retire) to each system | 6R transition path assigned to all in-scope systems | 100% of systems mapped to a defined transition strategy with supporting rationale |
| Wave Sequencing | Group systems into transition waves based on readiness, complexity, and mission impact | Wave 1 (quick wins), Wave 2 (moderate), Wave 3 (complex) groupings | Executable waves aligned to enterprise goals, resource availability, and risk posture |

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| Fiscal & Contractual Alignment | Crosswalk transition timelines with budget cycles, contract renewals, and tech refresh plans | Roadmap aligned to financial and acquisition constraints | No key transitions blocked by unresolved funding or contractual limitations |
| Execution Prerequisites | Identify critical enablers (e.g., BPR, data cleanup, staffing, acquisition approvals) | Transition-readiness checklist with gaps and mitigation actions | All planned system actions linked to clear preconditions for execution in Play 4 |
| Governance Approval | Present roadmap to Functional Sponsor, CIO, and governance board for validation | Approved roadmap and endorsed transition waves | Roadmap approved and cleared for detailed transition planning in next phase |

Play 4: Execute System Actions and Enable Business Transition

Play 4 marks the shift from planning to tangible change—executing system actions and enabling the functional transformation they support. The objective is to carry out the roadmap developed in Play 3 by decommissioning, consolidating, or modernizing systems, while simultaneously deploying reengineered business processes and enabling capabilities. This phase ensures that technical actions are paired with functional outcomes, minimizing disruption and delivering measurable mission value.

In the Department of Defense, rationalization is not just about reducing IT footprint—it’s about strengthening operational readiness, improving data integrity, and aligning systems with reengineered workflows and enterprise controls. Play 4 delivers on those outcomes by integrating system execution with cybersecurity, auditability, and BPR milestones—ensuring transitions are successful, compliant, and sustainable.

Step-by-Step Execution

Step 1: Launch Transition Workstreams for Approved Systems

- Activate system-specific transition teams based on Play 3 roadmap sequencing.
- Assign roles across IT (Program Managers, Architects), functional (Business Owners, SMEs), and enterprise enablers (Cybersecurity, FM, Contracting).
- Establish integrated transition plans that include technical execution and business process cutover activities.
- Use transition charters to define scope, roles, milestones, risks, and reporting cadence.

Step 2: Execute Technical System Actions (Retire, Replace, Modernize)

- Retire legacy systems by planning for data archival, decommissioning steps, and user offboarding.
- Replace or modernize systems through planned acquisition, DevSecOps, or platform migration.

- Ensure secure data migration, continuity of operations, and validated system cutovers.
- Confirm actions comply with RMF, DoDI 5000.75, and relevant sustainment or modernization authorities.

Step 3: Deploy Reengineered Business Processes

- Implement new or improved business processes identified during BPR in Play 2.
- Provide updated SOPs, control documentation, and user training aligned to the to-be workflows.
- Use pilot runs or shadow mode operations to validate business process effectiveness.
- Monitor for functional gaps, workflow breakdowns, or compliance risks post-cutover.

Step 4: Manage Enterprise Dependencies and Risks

- Address enabling needs (e.g., data standards, cybersecurity packages, role-based access).
- Resolve interdependencies between systems within and across Components.
- Track risks related to readiness, mission impact, acquisition delays, or workforce constraints.
- Escalate unresolved issues through the rationalization governance board.

Step 5: Monitor Execution and Validate Transition Outcomes

- Use defined success metrics to assess each transition: system decommissioning status, capability coverage, audit compliance, user adoption.
- Conduct post-implementation reviews (PIRs) with CIO and Functional Sponsor oversight.
- Document lessons learned and apply to upcoming waves (Play 5).
- Report transition outcomes to the DBC and DoW CIO as required.

Play 4 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|------------------------------------|--|--|--|
| Transition Workstreams | Launch system transition teams; define scope and roles; set milestones | Integrated transition plans with assigned owners | All priority systems have active, resourced workstreams |
| System Execution | Execute system actions: retire, replace, modernize; ensure continuity and compliance | Decommissioned or modernized systems with validated handoffs | System actions completed without mission disruption; RMF-compliant |
| Business Process Deployment | Deploy reengineered workflows; deliver SOPs, training, and post-cutover support | Functioning new business processes; trained user base | Users operating within reengineered workflows with minimal issues |

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| Enterprise Dependencies | Resolve data, cyber, and integration dependencies; track risks and mitigations | Resolved blockers; documented risk mitigations | No critical enterprise blockers; unresolved issues escalated to governance |
| Outcome Validation | Monitor outcomes using KPIs; validate success; conduct PIRs and report to governance | Validated outcomes; PIR documentation; success metrics achieved | All transitions validated with governance; metrics reviewed and lessons captured |

Play 5: Sustain Rationalization and Optimize the Portfolio

Rationalization is not a one-time initiative—it’s a continuous governance function. Play 5 institutionalizes rationalization practices to ensure sustained portfolio discipline, updated system inventories, and reinvestment of savings into future-ready capabilities. The objective is to transition from episodic clean-up to a proactive, mission-aligned portfolio management approach that delivers long-term efficiency, agility, and operational resilience.

In the Department of Defense, portfolios must evolve continuously to reflect changing missions, policy shifts, cyber threats, and modernization priorities. Without a sustained approach, progress achieved in earlier plays risks erosion through system sprawl, duplication, and misaligned investments. Play 5 embeds rationalization into Component governance, budgeting, and acquisition planning—ensuring the enterprise stays optimized and aligned to strategic outcomes.

Step-by-Step Execution

Step 1: Track Realized Benefits and Portfolio Performance

- Measure outcomes from executed transitions (cost savings, risk reduction, capability gains).
- Use KPIs to assess:
 - Total system count reduction
 - Financial impact (cost avoidance, reinvestment potential)
 - Compliance gains (cyber, audit, RMF)
 - User experience and performance improvement
- Report to CIOs, Functional Sponsors, and the Defense Business Council (DBC).

Step 2: Institutionalize Governance as a Standing Function

- Make rationalization a recurring governance agenda item—quarterly or semi-annually.
- Maintain a CIO–Functional Sponsor co-led body to assess system investments, retirements, and overlaps.
- Establish thresholds requiring portfolio review (e.g., new IT spend >\$XM, duplicative business capabilities).

Step 3: Embed Rationalization into Budgeting and Capability Planning

- Integrate rationalization checkpoints into PPBE reviews and milestone decisions.
- Require business case alignment to enterprise architecture and rationalization scoring.
- Use data from Plays 2–4 to inform new system approvals, sustainment funding, and contract renewals.

Step 4: Keep Inventories and Architecture Current

- Update system registries (e.g., DITPR, internal tools) to reflect retired and modernized systems.
- Refresh BEA capability maps and process models to represent the optimized landscape.
- Establish a data stewardship process to ensure metadata remains complete, validated, and actionable.

Step 5: Launch the Next Rationalization Wave

- Use lessons learned to define the next set of mission areas, capabilities, or system clusters for review.
- Tailor scoring rubrics and BPR approaches based on prior transition insights.
- Announce future waves in governance sessions, linking them to strategic initiatives or modernization efforts.

Play 5 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|---|--|---|---|
| Portfolio Performance Tracking | Measure outcomes from system transitions (cost, audit, cyber, user experience) | Rationalization benefits report; KPI dashboard | Benefits traceable across cost, risk, and mission performance dimensions |
| Institutional Governance | Make rationalization a recurring governance function; define oversight cadence and roles | Standing CIO–Functional Sponsor board chartered for ongoing oversight | Governance actively monitors and guides portfolio decisions on a scheduled basis |
| Budget & Capability Integration | Integrate rationalization checkpoints into PPBE, milestones, and acquisition reviews | Policy-aligned investment criteria and decision thresholds | No major IT investment proceeds without rationalization alignment check |
| Inventory & Architecture Stewardship | Maintain updated system inventories and BEA maps reflecting current portfolio state | Validated system registry and refreshed capability/process models | All retired or modernized systems removed from inventory; mappings current and complete |

| | | | |
|---------------------------|---|---|--|
| Next Wave Planning | Identify next capability areas and system clusters for future plays; update tools and templates | Play 1 artifacts (scope, teams, charter) for next rationalization cycle | Future rationalization wave scoped, resourced, and briefed to governance |
|---------------------------|---|---|--|

Play 6: Converge Around a Digital Core

To sustain progress and accelerate modernization, Components should move beyond system-by-system rationalization and converge capabilities around a Digital Core—a set of enterprise-approved SaaS and low-code platforms (e.g., Salesforce, ServiceNow, Appian). These platforms enable configurable, secure, and scalable solutions that replace legacy systems, automate workflows, and serve as the foundation for digital transformation.

The Digital Core is more than a collection of tools—it is the strategic backbone for delivering business capabilities with speed, auditability, and agility. Rationalizing to the Digital Core shifts the focus from point solutions to platform-based ecosystems that reduce duplication, lower technical debt, and support reengineered, mission-aligned processes. By consolidating into this shared environment, the Department can improve interoperability, accelerate delivery, and scale innovation across Components.

Step-by-Step Execution

Step 1: Define Your Digital Core

- Identify the common SaaS/low-code platforms already approved, licensed, and operational across the Department (e.g., Salesforce for case/task management, ServiceNow for workflow/ITSM, Appian for low-code process automation).
- Establish a Component-level or enterprise-level list of designated Digital Core platforms with functional sponsors and CIOs.

Step 2: Inventory Redundant or Overlapping Systems

- Using capability mapping from earlier Plays, identify legacy systems replicating functionality available within the Digital Core.
- Tag systems that are eligible for migration, retirement, or integration.

Step 3: Evaluate Fit and Complexity

- Conduct fit-gap analyses to assess functional alignment, configuration needs, data requirements, and integration pathways.
- Prioritize platforms with existing enterprise licenses, cybersecurity approvals, and support infrastructure.

Step 4: Align BPR with Platform Capabilities

- Work with Functional Sponsors to redesign business processes to align with Digital Core standards.
- Avoid replicating custom workflows—embrace standardization where possible.

Step 5: Plan and Execute Transitions

- Sequence transitions into waves aligned with license terms, mission priorities, and platform releases.
- Coordinate with enterprise service providers (e.g., DISA, shared service offices) to ensure support and sustainment.

Play 6 Checklist:

| Category | Key Actions | Expected Outputs | Success Criteria |
|------------------------------------|--|---|---|
| Digital Core Defined | Designate enterprise-approved SaaS/low-code platforms (e.g., Salesforce, ServiceNow, Appian) | Approved list of core platforms with governance alignment | Platforms endorsed by CIO/Functional Sponsor and integrated into Component planning |
| System Alignment | Map and tag legacy systems that overlap with core platform capabilities | Candidate system list for migration or decommissioning | ≥ 2 high-value legacy systems per functional area mapped to the Digital Core |
| Fit-Gap and BPR | Conduct platform fit-gap and process reengineering analysis | Process alignment plan and BPR targets | ≥ 1 reengineered workflow per transition; minimal customization needed |
| Platform Adoption | Transition legacy capabilities to shared platform instances | Platform-based apps/workflows operational | Reuse of shared platform features; 100% platform-native or low-code configuration |
| User Experience and Support | Implement change management, training, and enterprise support model | Onboarding plan; user training completion | >90% user adoption within 3 months of go-live; positive user feedback |
| Sustainment and Governance | Integrate platform ownership into governance and shared services | Platform sustainment model; metrics in Advana | Digital Core platforms tracked in CPIC/Advana and used in future system proposals |

7. Key Takeaways and Highlights

The Business System Rationalization Playbook outlines a structured, mission-aligned approach for reducing IT duplication, improving enterprise performance, and advancing modernization across the Department of Defense. The following key themes emerge across all six plays:

1. Leadership Must Be Joint and Persistent (Play 1)

Successful rationalization depends on enduring, co-led governance between Functional Sponsors and CIOs. Joint leadership ensures decisions are both operationally relevant and technically sound—and sustained beyond one-time initiatives.

2. Governance Drives Discipline and Accountability (Play 1 & 2)

Establishing formal, recurring governance aligned to the Defense Business Council (DBC) is essential. Governance must include cross-functional roles (e.g., PEOs, FM, Cyber, Audit) and be empowered to validate decisions, remove blockers, and hold execution accountable.

3. Process Reengineering Unlocks Enterprise Gains (Play 2, 4, & 6)

Systems don't transform outcomes—business processes do. Business Process Reengineering (BPR) must accompany system changes to streamline operations, reduce manual workarounds, and ensure new platforms deliver optimized workflows, not just re-skinned legacy processes.

4. The Digital Core Is the Target State (Play 6)

Rather than modernizing in isolation, rationalize to a set of enterprise SaaS and low-code platforms—your **Digital Core**. Platforms like Salesforce, ServiceNow, and Appian provide common, secure foundations for case management, workflow automation, and mission enablement at scale.

5. Data Is the Engine of Execution (Play 1 & Play 2)

Inventory completeness and quality are foundational. Rationalization efforts must be built on accurate system metadata (function, cost, compliance, lifecycle) and mapped to validated business capabilities using frameworks like the DoW BEA.

6. Transition Planning Must Be Realistic and Aligned (Play 3)

Every system must be evaluated through the lens of fiscal timing, contractual obligations, user readiness, and technical complexity. Transition waves should be prioritized for maximum impact—quick wins first, complex cases sequenced with care.

4. Functional Value and Redundancy Must Be Analyzed Together (Play 2)

Scoring systems in isolation is insufficient. True insight comes from analyzing functional overlap, process fragmentation, and user impact in parallel. Redundant systems and shadow processes must be surfaced together to inform disposition decisions.

7. Rationalization Is an Enterprise Function, Not a Project (Play 5)

Play 5 reminds us that rationalization is not a project but a core enterprise function. Success requires embedding checkpoints in budgeting, acquisition reviews, and capability planning—supported by updated inventories and recurring governance.

8. Value Must Be Measured and Reinvested (Play 5 & 6)

Success is not just system reduction—it's about capturing value (cost savings, audit gains, cyber risk reduction) and reinvesting in future-ready capabilities. Metrics, dashboards (e.g., via Advana), and enterprise-level tracking ensure transparency and accountability.

8. Sample Scenarios

Finance and Audit Readiness

A Component initiated rationalization in its financial reporting domain after identifying duplicative legacy systems feeding fragmented data into enterprise resource planning (ERP) tools. Using Play 1 and Play 2, the team baselined its inventory and discovered three systems performing overlapping general ledger and reconciliation functions. Through scoring and process mapping, they determined one could be sunset, another rehosted, and a third modernized as the system of record. Transition actions in Play 4 reduced manual journal entries by 40% and resolved a key material weakness flagged in the prior audit.

Human Capital Management (HCM) Consolidation

Faced with multiple disconnected platforms managing training, performance, and personnel data, a military department used the playbook to rationalize its HCM environment. Governance activated under Play 1 brought together the HR Functional Sponsor, CIO, and PEOs to assess the portfolio. Plays 2 and 3 identified two platforms for retirement and aligned remaining systems to the DoW enterprise HR solution. BPR efforts streamlined hiring workflows, cut processing times by 30%, and reduced help desk ticket volume during onboarding.

Enterprise License Optimization

An analysis of software license usage across components uncovered significant duplication of analytics tools and productivity platforms. Rationalization governance convened under Play 1 developed a policy for license pooling and enterprise-wide agreements. Plays 3 and 4 retired low-usage tools and consolidated contracts under a shared services model. The initiative avoided over \$12M in redundant license spend and enabled consistent data sharing across functions.

Digital Task Management and Workflow Automation

A Component identified over a dozen disconnected systems used for task tracking, approvals, and internal correspondence—including custom apps, SharePoint workflows, and email chains. Under Play 1, the CIO and Functional Sponsor established governance and created a unified inventory. Play 2 revealed significant functional overlap and process fragmentation across these tools. Plays 3 and 4 developed and executed a phased roadmap to sunset six legacy tools and consolidate operations into a shared service-based platform already designated as part of the Digital Core. Business Process Reengineering aligned task workflows to platform-native features, reducing process time by 50% and improving leadership

visibility. Play 6 institutionalized the use of the Digital Core for routing and case management functions, eliminating siloed tools and enabling faster enterprise response across directorates.

9. Conclusion & Call to Action

Business system rationalization is not just an exercise in efficiency—it is a strategic imperative for the Department of Defense. Every duplicative system, disconnected workflow, and outdated platform represents more than technical debt; it reflects lost opportunities to serve the mission faster, smarter, and more securely.

This playbook offers more than steps—it offers a mindset. A mindset that says modernization begins with the courage to simplify, the discipline to prioritize, and the leadership to act.

The challenge ahead is not small. But neither is the return. Through joint governance, data-driven insight, and aligned execution, we can reduce fragmentation, strengthen our enterprise, and reinvest in what matters most: warfighter readiness, operational agility, and the future of our digital force.

Now is the time to lead decisively. To operationalize what we've outlined here. To turn insight into action—and action into impact.

Because the systems we choose to modernize—or retire—will define how we deliver the mission tomorrow.

Let's make every decision count.