



### The P&R PFM Scope:

- All investments for which USD(P&R) is responsible and accountable per DoD Directive (DoDD) 5124.02 (investments are defined as IT systems, services, and initiatives (e.g., congressional mandate or USD Directive))
- All capabilities for which USD(P&R) is the civilian co-lead per DoDD 7045.20
- HRM investments and capabilities in acquisition or sustainment, regardless of dollar amount
- Defense business systems with HRM functionality within the eight Functional Areas:

Financial Management	Logistics and Materiel Readiness
Acquisition	Human Resources Management
Defense Security Enterprise	Security Cooperation
Installations and Environment	Enterprise IT Infrastructure

### Authority:

DoDD 5124.02 and 7045.20 give USD(P&R) the authority to oversee the HRM Portfolio – USD(P&R) designated P&R IM as the body to manage the HRM Portfolio and to provide oversight and validation of IT investments. The Clinger Cohen Act of 1996 establishes a comprehensive approach improving the acquisition and management of information resources.

For more information, please visit the P&R IM Web site at <http://www.prim.osd.mil/> or email [HRMInvestmentManagement@osd.pentagon.mil](mailto:HRMInvestmentManagement@osd.pentagon.mil).

### The What?

Portfolio Management (PFM) is a business management tool that facilitates the oversight of IT investments. The Department of Defense (DoD) defines PFM as the management of selected groupings of information technology (IT) investments using strategic planning, architectures, and outcome-based performance measures to achieve a mission capability. In alliance with PFM, Capital Planning and Investment Control (CPIC) aids in effectively managing the Human Resources Management (HRM) Portfolio. The Office of Management and Budget (OMB) defines CPIC as a decision-making process for ensuring IT investments integrate strategic planning, budgeting, procurement, and the management of IT in support of agency missions and business needs. Leveraging both PFM and CPIC, Personnel & Readiness (P&R) reviews IT investments across the HRM Functional Area to ensure IT investments not only support the greater business need, but also drive efficiencies across the HRM Functional Area. Personnel and Readiness Information Management (P&R IM) manages the HRM Portfolio on behalf of Under Secretary of Defense for Personnel and Readiness (USD(P&R)).

### What are the benefits?

- Drives informed decision-making through transparent accessible data that supports the HRM Functional Area and Strategic Management Plan (SMP)
- Enhances evaluation of investment to identify and minimize duplicative efforts by reviewing current processes and systems
- Improves accuracy and interoperability of data across the HRM Functional Area
- Strengthens the value of the investment through communications with stakeholders and decision makers

### The How?

An IT investment portfolio is developed and managed to best meet the present and future needs of an organization. There are several ways to manage an IT portfolio. P&R IM is leveraging the Hire to Retire (H2R) End to End (E2E) Framework to initially manage the HRM Portfolio. In 2010-2011, the Office of the Deputy Chief Management Officer (ODCMO) developed 15 E2E Business Flows that represent full life cycles of key DoD business processes. ODCMO mandated the use of E2Es to guide and constrain business system investments and to conduct business process reengineering determinations as required by statute. The H2R E2E encompasses 16 agreed-upon functional groups (with eight “additional capabilities”) that represent the majority of human resource activities.

Existing HRM systems were initially categorized against the H2R E2E Framework (see chart below). This initial grouping established a snapshot of capability coverage that will be used to reveal potential gaps and redundancies. To continue to improve the overall health of the HRM Portfolio, the second layer of analysis will include an examination of systems and processes against tailored scoring criteria (e.g., business value, compliance, user needs, etc.). Management of the HRM Portfolio is an ongoing, cyclical process.

