

# RIM

Resource Management

2nd Quarter 2010  
PB48-10-2

THIS ISSUES FOCUS

## Enterprise Management

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RMM



*This medium is approved for official dissemination of material designed to keep individuals within the Army knowledgeable of current and emerging developments within their areas of expertise for the purpose of professional development.*

By order of the Secretary of the Army:

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GENERAL, UNITED STATES ARMY  
CHIEF OF STAFF

ADMINISTRATIVE ASSISTANT TO  
THE SECRETARY OF THE ARMY

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ASSISTANT SECRETARY OF THE ARMY  
FINANCIAL MANAGEMENT  
AND COMPTROLLER

**Ms. Mary Sally Matiella**

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## A Message from the Assistant Secretary of the Army (FM&C)

*The Honorable Mary Sally Matiella  
Assistant Secretary of the Army (Financial Management and Comptroller)  
Office of the Assistant Secretary of the Army*

Fellow Financial Managers, I am excited about the opportunity to address you through the RM Publication each quarter and will try to pass along the important issues we are facing here in the Pentagon. In the short time I have been on board, I am amazed at the amount of work that is being accomplished and thank each of you for your efforts.

As we build and justify budgets for our Army, we must ensure we do so as proper stewards of our taxpayer's money. The Army has several ongoing initiatives to improve our financial capabilities and performance and I am requesting your help in making them a reality. In particular, I need your continued support and assistance in the implementation of the General Fund Enterprise Business System (GFEBS), successfully executing our Financial Improvement Plan, and continuous development of our Financial Management workforce. As such, you will hear more of our efforts to improve the quality of our financial data so that we can make cost informed decisions that consider best value and cost benefits in resourcing decisions.

As Financial Managers, you must account for both prior year and current year budgets. Currently, the Army is executing a plan to assert audit readiness for the Statement of Budgetary Resources (SBR), and existence and completeness of mission critical assets by October 1, 2014. These audits will analyze prior year and current year accounting data. I am hosting a workshop in the Pentagon Conference Center on June 28-29, 2010 to articulate the help needed to allow the Army to achieve these audit

objectives and to provide details of the Army's audit readiness plan. Focusing on prior year and current year data integrity will help realize our audit readiness.

There is also a great deal of work going on related to our Financial Management personnel. The Army Financial Management School, USAFINCOM and ASAFM&C with support from DFAS, are all working together to improve Financial Management across Doctrine, Organization, Training, Materiel and Leadership and Education in improving our capabilities to support the warfighter. It is truly through our highly motivated and trained personnel that are serving throughout the Army

commands and organizations that we succeed in the execution of our FM mission. I encourage each of you to continue to engage and participate as we work together to enhance our capabilities and support to these four key priorities:

- ♦ **Support our warfighters**
- ♦ **Improvement of financial information and audit readiness**
- ♦ **Making our appropriated dollars go further**
- ♦ **Developing our Financial Management workforce**

I look forward to seeing many of you at this year's PDI in Orlando June 1-4, 2010, it promises to be a great opportunity for training and exchanging ideas.

– RM –



# A Message from the Principal Deputy Assistant Secretary of the Army (FM&C)

By Mr. Robert Speer

## Greetings, Financial Management Community!

Since the publication of our last RM Magazine, we have been honored by the arrival of the Honorable Mary Sally Matiella, the Assistant Secretary of the Army for Financial Management and Comptroller. Ms. Matiella brings a wealth of experience and understanding of Defense and Federal financial management. In the short time she has been onboard, she has clearly demonstrated an understanding of the challenges we face and awareness of the important mission we perform. She has spent a significant amount of time as a civil servant, to include supporting those who serve. In addition, she has spent much of her adult life as a military spouse and as such she brings a love for military families and respect and admiration for our soldiers and civilians.

I assure you, both Ms. Matiella and I are deeply committed to outstanding financial management and to those in defense of our nation. We proudly serve along side the many professional Army Financial Management (FM) personnel who have done remarkably well in resourcing, costing, and accounting for an Army that has been at war for more than 8 years. I have been extremely impressed by your professional efforts and your dedicated support to our warriors.

While successfully maintaining current FM operations, you and our FM leaders, such as LTG Stanton, Ms. Kathy Miller, Mr. John Argodale, Mr. Steve Bagby, Ms. Kristyn Jones, and many others, have developed a sound transformational plan for the improvement of FM operations, known as the Army Financial Improvement Plan (FIP). It is through refinement and timely execution of the FIP that we will solidify the Army's reputation as the best in Defense financial management. The elements of our plan include successfully fielding of our enterprise resource planning (ERP) financial system - General Fund Enterprise Business System

(GFEBS), audit readiness, and realistic and defensible budgets built through cost informed decisions.

During the week of June 28th, 2010 we will meet with many of you to discuss the way ahead on elements of our FIP. In particular, we will focus on the critical importance of the Army to meet both past legislative requirements and current emphasis by Congress and DoD on becoming audit ready. For instance, the National Defense Authorization Act (NDAA) of 2010 requires all Services to attest to auditability of their Statement of Budgetary Resources (SBR) and to the existence and completeness of critical warfighting equipment. Our FIP includes our efforts and milestones to meet these requirements. As we clarify and discuss the way ahead, we look for your feedback and ideas on how we can move forward with the most likelihood of success.

Secretary Matiella and I recognize it is you, our Army FM workforce, at the core of our ability to accomplish our FM missions, today and in the future. As such, we expect any FIP to have the development, training, and education of our FM soldiers and civilians as the center of our future accomplishments and successes. In addition, in order to ensure success, we need your input, commitment and involvement.

In the coming months we look forward to sharing more on our vision while inviting you to share in our plans and effort to improve the quality, timelines, and accuracy of our Army financial management programs and workforce.



Mr. Robert Speer

— RM —

## CP 11 FCR Corner

By Terry Placek

**The theme of this issue of the Resource Management publication is Enterprise Management. The theme was chosen to focus on the world of Enterprise Management in the Army. Over the last few years, our leadership focal point has been on the Army as an “Enterprise.”**

There are many initiatives that focus on the “Enterprise” approach. Two of the most recent civilian workforce initiatives with an Enterprise focus are the Civilian Talent Management Program and the Senior Service College Civilian Selection and Placement Program.

The Civilian Talent Management Program aligns the senior civilian management at the GS-15 level with that of colonels, generals and the Senior Executive Service - providing an enterprise view of leadership positions and the available talent. The initiative is designed to fuse the Army’s current and projected civilian leadership requirements with the individual employee’s desires for reassignment and career growth. Currently, the Army has only limited visibility of its senior civilian workforce and the positions that they occupy. Civilian Talent Management has four purposes: 1) promote continuous learning through education and assignments; 2) cultivate senior leaders with a joint mindset; 3) foster interchangeable leaders who are comfortable operating in a global, multicultural environment and 4) improve succession planning and knowledge transfer.

Civilians who are identified in this program are considered Army Enterprise Employees (AEEs) Some AEEs may be in Army Enterprise Positions (AEPs) which influence the enterprise and have Army-wide application and strategic impact on the success of the Army mission. To date 387 AEPs have been identified at the HQDA, ACOM, ASSC and DRU levels. Organizations will be asked to identify additional AEPs in the future.

The Senior Service College (SSC) prepares civilians for positions of greatest responsibility in the Department of Army, including but not limited to Army Enterprise Positions. Under the new Senior Service College (SSC) Civilian Selection and Placement Program process civilians who are selected for SSC will be placed in AEPs. Prior to starting SSC the civilian selectees will agree to accept an unidentified AEP. They will be notified of their AEP assignments four to six months prior to graduation. Mandatory placement of civilian SSC students will become a reality.

The Comptroller Civilian Career Program (CP 11) has had an “Army Financial Management Enterprise” focus for many years. It covers our CP11 DA Intern, Defense Comptrollership and Comptroller Accreditation Programs. The CP 11 DA ACTEDS Intern Program is a structured two year developmental program with fifteen mandatory training courses and a minimum of two 90 rotational assignments. Upon graduation, CP 11 interns have a solid foundation in financial management whether their internship was at Fort Huachuca or HQs FORSCOM. Another example of this enterprise approach is the Defense Comptrollership Program (DCP) civilian selection process. Starting in 1992 civilian students selected for DCP (the Army Comptrollership Program until 2002) also are selected for operational assignments. DCP civilian selectees must accept both the DCP educational opportunity and the operational assignment---selectees cannot have one without the other. DCP selectees are not only Army assets but also they are Army FM Enterprise assets. The Comptroller Accreditation Program is an enterprise approach for the continuous professional development of our military and civilian financial management professionals. It has five components education, training, performance enhancing job experiences, certification and professional development. This provides the blueprint for the career development of our multi-disciplined/multi-functional Financial Management workforce and prepares them to handle the financial management challenges that the Enterprise faces today and tomorrow.



Remember,  
GROW  
PEOPLE!

— RM —



Fiscal Year 2009

## Army Resource Management Award Winners

By Cathy Rinker

### Congratulations to all Fiscal Year 2009 Resource Management Award Winners!!!

The OASA (FM&C) sponsors the RM Annual Awards Program to recognize and encourage outstanding performance of individuals, teams, and organizations that make significant contributions to the improvement of resource management. Open to both Soldiers and Civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the accomplishments of extraordinary performances of resource managers in the Army comptroller community.

The panels met and Mr. Robert M. Speer, the Acting Assistant Secretary of the Army for Financial Management and Comptroller during that time period approved the selections for the FY 2009 Resource Management (RM) Awards. He, and the new and current Assistant Secretary of the Army, the Honorable Mary Sally Matiella, are proud to announce the following awards for each deserving recipient:

#### **ASSISTANT SECRETARY OF THE ARMY (FM&C) CIVILIAN AWARD**

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Mr. Aaron P. Brown, Auditor, U.S. Army Audit Agency (AAA), Fort Carson, Colorado – Mr. Brown independently completed a complex audit related to property accountability and identified numerous problems with property during the Responsible Drawdown in Iraq. He identified gaps in processes, lack of communication, missing documentation and inaccurate recordkeeping. Mr. Brown became the go-to expert for property accountability for both the audit team and command.

He reviewed property records for 112 closed bases and analyzed closure processes for the remaining 200 plus open bases with property valued in the billions. Because of his dedication and involvement in three high priority audits in Iraq, Multi-National Force, Iraq improved security over sensitive items, improved the base closure process, and took corrective actions to better manage shipping containers. Mr. Brown received 100 per cent satisfaction ratings from clients and stakeholders for all aspects of engagements.

#### **ASSISTANT SECRETARY OF THE ARMY (FM&C) MILITARY AWARD**

The ASA (FM&C) Military Award recognizes the top Soldier serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Military Award recipient is LTC Michael P. Naughton, Deputy C8, MNC-I (USARCENT). LTC Naughton while serving in a contingency operation in Bagdad, Iraq, performed in an innovative and outstanding manner. During the nine month period ending September 30, 2009, his leadership and motivational spirit created an environment for business realignment and change. His leadership helped create a new “Cost Culture” for Iraq which resulted in over \$5 billion in direct cost avoidance savings for Army and Department of Defense. The savings directly resulted from his and his team’s hard work and the carefully scrutinizing of all requirements. LTC Naughton demonstrated what the Army needs for its future leaders by taking an incredibly diverse team of joint warriors and leading them to mission success. He has the drive and leadership skills to take an idea and make it a reality. LTC Naughton is a visionary leader for the Army and for the Department of Defense.

#### **FUNCTIONAL CHIEF REPRESENTATIVE (FCR) SPECIAL AWARD**

The FCR Special Award recognizes someone serving in a leadership capacity whom the FCR personally cites for outstanding contributions to the CP11 Program. The FCR Special Award recipient is Ms. Shannon M. Kester, Financial Management Analyst, U.S. Army Training and Doctrine Command (TRADOC), Fort Leavenworth, KS--As a second year intern Ms. Kester volunteered to review and update course titles and descriptions of over four hundred resident and on-line financial management and leadership courses and programs. These descriptions had not been reviewed and updated for over six years. While on rotational assignments at TRADOC HQS and DFAS Shannon took on this additional duty. During

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her review Shannon discovered that many of the courses and programs no longer existed but were replaced by new courses and programs. She not only added new courses and programs and updated the titles and descriptions of current ones but also included the course lengths, sponsors/locations, target career phases, competency group/CPE/CEU websites and Executive Core Qualifications for each. Because of her contributions CP 11, as well as our BC 36 professionals, will now have accurate information about available financial management and leadership courses and programs. Ms. Kester's accomplishments are in keeping with the finest traditions of the Civil Service and the United States Army.

## **OUTSTANDING RESOURCE MANAGEMENT ORGANIZATION AWARD**

(Above Army Command) – USARCENT C8/G8 (FWD) Camp Arifjan– this Organization has successfully deployed 21 of 24 planned FM/Contracting Information Systems in Theater, which has increased visibility and accountability of Army funds, strengthened the host nation banking and financial systems, and reduced the need for U.S. currency on the battlefield. The organization has implemented web-based systems such as Resource Management Tool and Defense Travel System replacing manual paper-based labor intensive processes and systems providing a quicker and more efficient work flow with real time information. Even though there were increased requirements in Afghanistan, USARCENT's final FY 2009 costs were \$3.8 billion lower than initially projected which resulted in a return of \$400 million to HQDA to fund other critical operational requirements.

Organization Members: The Organization Lead is COL Lester Campbell. This organization worked together in theater with 84 various commands, companies, and offices for this great effort.

(Below Army Command) – Army Materiel Command (AMC), Headquarters, Joint Munitions Command (AMSJM-RM)), Resource Management, G8, Rock Island, IL – this organization secured funding to ship 300,000 short-tons of ammunition in support of ARFORGEN/Joint Service requirements, effectively inspected and stored a \$32B ammunition stockpile and successfully supported production of \$4B of ammunition requirements for the Army and other military services. The organization also accounted for \$463M in Foreign Military Sales, effectively executed \$50M in Base Realignment & Closure efforts, and supported the Army Working Capital Funds Industrial Operation installations execution of \$754M in new orders. The organization has embraced a cost culture and has

focused on Continuous Process Improvement. It has completed six Green Belt projects and one Black Belt project resulting in a cost avoidance of \$141K in FY 09 and \$580K across the POM. The organization has received the Secretary of the Army Award for Excellence in Force Management for relevant, timely and innovative solutions for transforming an Army at war.

Organization Members: The Organization Lead is Ms. Rhonda VanDeCastele. In addition to Ms. VanDeCastele, the organization had 63 other hardworking members.

## **OUTSTANDING RESOURCE MANAGEMENT TEAM AWARD**

(Above Army Command) – Directorate of Information Management (DOIM) Transition Tiger Team, (NETCOM), 9th Signal Command (Army), NETC-OPI, Fort Huachuca, AZ – this tiger team accomplished the transfer of previous Installation Management Command (IMCOM) DOIMs, normally a two-to-three year process, in less than one year. The team collaborated and coordinated with IMCOM and others to include the geographically separated DOIM offices. The team researched, negotiated, and wrote the final draft that laid out the phased approach for this transfer execution. The team members served as the “go-to” experts providing guidance on all matters relating to associated contracts, property accountability, human resource actions, facilities and engineering, strategic communications, and public affairs issues for these transfers. They also managed all transition requirements in the areas of physical security, communications security, systems, and circuitry issues. The team members' outstanding performance and professionalism have allowed this DOIM-NEC transition to take place on schedule and within the constrained resource environment of today's Army. The transition provides many advantages, such as, eliminating network capability gaps, dramatically improving the network posture, realizing economies and efficiencies, and enhancing the ability to share information with Joint forces and Coalition partners.

**Team Leader: Mr. Neil A. Hains**

Team Members: COL Paul English, Mr. Jeffrey Richardson, Ms. Rhonda Compton, Ms. Kathleen Crockett, Mr. Kevrain Ford, Mr. Ric Bolan, Mr. Vincent Speece, Ms. Connie Avallone, Mr. William Hagerl, Mr. Richard Outenreath, Ms. Janet White, Ms. Kathleen Adams, Ms. Tina Dare, Mr. Sandres Mann, Mr. Peter Criscuolo, Mr. Joe Griego, Mr. Thomas Roubal, Ms. Margaret Aira, and Mr. Jaime Alvarez.

(Below Army Command) – MNC-I C8 Budget Execution, U.S. Army Central Command (USARCENT), Bagdad, Iraq –



While serving in a contingency operation in Bagdad, Iraq, this team performed in an innovative and outstanding manner. The team created, designed, developed, marketed, implemented, and conducted training for a Resource Management tool called Resource Management Document Integrated Information Interface System (RMDI3S). The team created training procedures and policies that enabled new personnel to quickly adjust to the budget execution environment located in a combat zone. Due to hard work, identified cost savings, and document reconciliation, the team returned over \$200M to ARCENT and the Army to help fund mission critical issues—the largest savings from a wartime operation ever. Truly the most inspiring part of the team's performance was their ability to pull together in a combat zone, far from families and friends, and dedicate themselves to something bigger than all of them—for Iraq, the U.S. Army, and the United States of America.

**Team Leader: LTC Michael P. Naughton**

Team Members: Capt Nicholas Pier (Air Force), CW4 Stephen Jones (Navy), 1Lt Matthew Mueller (Air Force), SSgt Michelle Pringle (Air Force), SSgt Raymond Bertram (Air Force), SK2 Timothy McDonald (Navy), SSgt Micah Mincey (Air Force), SGT Adam Achors (Army), Mr. Raymond Jones (DA Civ), Mr. Jon Pugh (DA Civ), Mr. Joseph Turner (DA Civ), Mr. Patrick Dalton (DA Civ), and Capt Jacqueline Luden (Air Force).

## CIVILIAN INDIVIDUAL AWARDS

### Accounting and Finance

(Above Army Command) - Mr. Arturo Lomas, Financial Systems Analyst, U.S. Army Medical Command (MEDCOM), Fort Sam Houston, TX -- Mr. Arturo is "the" financial systems subject matter expert who ensures the Medical Command's financial systems are balanced correctly on a timely and daily basis. Mr. Lomas has created trend analyses and tracking mechanisms for monthly review conditions, which enables the command to pin point aged and abnormal condition trends and reduce unliquidated obligations. He provides outstanding customer service and is a team player with great attitude and an endless willingness to help. Through his persistence and determination, he ensured the correction of over \$20M inaccurate adjustments. In partnership with the Defense Finance and Accounting Service (DFAS), he identified the full scope of the problem with adjustments and provided the means to monitor and correct. Mr. Lomas' unique understanding of financial data reporting and ability to identify and resolve problems quickly is outstanding. His performance has markedly improved MEDCOM's financial efficiency and asset availability. Mr. Lomas' identification of

systematic weaknesses has greatly aided the efforts of DFAS and has had a positive impact across the Department of Defense.

(Below Army Command) - Ms. Sandra K. Mims, Accountant, U.S. Army Corps of Engineers (USACE), Vicksburg, MS – Ms. Mims exceptionally performed her duties and exceeded all expectations while taking on additional challenges for the organization. She created several procedures and wrote associated guidance to improve validation and certification of work items within her organization. Her modeling efforts for operational asset accounts resulted in calculations that decision makers used for business case analyses on major structure and equipment investments. Ms. Mims' efforts allowed utilization of expiring FY 09 resources in a manner that will save her organization approximately \$2M in the future. The savings will be passed to customers, lessening the burden they must pay towards indirect overhead and allowing them to focus more on direct project costs. Ms. Mims is a great team player and assisted another functional area by writing a detailed set of procedures to standardize processing guidance on customer orders and creating a more efficient process. She has proven herself an outstanding steward of resources and exceptional public servant. Ms. Mims exemplifies the best qualities one could hope to encounter in an employee, with her tireless devotion to duty, honor, keen analytical mind, and tremendous professional attitude.

### Analysis and Evaluation

(Above Army Command) - Mr. Patrick M. Reynolds, Chief, Program and Capabilities Division, U.S. Army North (ARNORTH), San Antonio, TX – Mr. Reynolds developed and submitted USARNORTH critical requirements for inclusion in the USNORTHCOM Integrated Priority List. In this process, he led a cross-directorate team to work with NORTHCOM and Department of Army Staff to identify and prepare requirements. Mr. Reynolds meticulously developed methodology and succinct verbiage clearly communicating the Commander's intent, priorities, and potential impacts of capability gaps. He was chosen to lead the ARNORTH participation in the Quadrennial Defense Review. Mr. Reynolds brought together ARNORTH subject matter experts to develop a methodology to clearly and concisely present course of action for review during a Table Top Exercise. All of his efforts have resulted in ARNORTH being adequately resourced for the first time. Mr. Reynolds is a selfless servant who sets the example by his actions in both his professional and personal life.

(Below Army Command) - Mr. John E. Riley, Senior Evaluator, U.S. Army Materiel Command (AMC), CECOM LCMC, Fort Monmouth, NJ -- Mr. Riley provided extensive liaison services

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between external audit agencies for 45 Army Audit Agency (AAA), Government Accountability Office and Department of Defense Inspector General audit teams. He also coordinated and processed nine quality command replies to AAA audit reports within 30 days. Mr. Riley monitored all internal review and external audit findings for management control weaknesses, provided advice to activities on reporting those weaknesses and prepared and briefed the Commanding General, CECOM LCMC. He reviewed and analyzed a new Management Control Program automated system and provided professional opinions and recommendations on the system's suitability for Command use. Mr. Riley continually provides advice, counsel, and mentoring to the staff creating an atmosphere of trust, support, and team spirit in the organization.

## Auditing

(Above Army Command) – Mr. Stephen P. Green, Auditor, U.S. Army Audit Agency (AAA), Redstone Arsenal, AL—Mr. Green produced outstanding assistance to the Army during his assignment as lead auditor on the Audit of Automatic Reset Induction. His innovative depot analyses identified excessive serviceable assets being expedited through the program that were not needed to meet short-term operational demands and unveiled post completion bottlenecks at two maintenance depots. Mr. Green's detailed analyses led the Army to take immediate action during the audit to cancel a tracked vehicle reset depot program resulting in \$33 million of FY 09 reset funds being used to meet higher priority needs. His observations, analysis, and efforts were critical in ensuring that the Army's reset supplemental funding requirements were accurately identified and could withstand Congressional scrutiny. Mr. Green's efforts proved to have a positive impact on the Army's sustainment level reset processes and associated budget builds.

(Below Army Command) – Mr. Aaron P. Brown, Auditor, Army Audit Agency (AAA), Fort Carson, CO – Mr. Brown was instrumental in three high priority audits in Iraq. He worked under extreme conditions to complete the high paced and high priority effort. This required travel to a dangerous and hostile site outside the wire in Baghdad where he completed his work under armed guard. He identified multiple sensitive items that were stored at a warehouse that was not being tracked for disposition that would have gone undetected and could have been pilfered for use by insurgents. Mr. Brown led a team on four site visits throughout Iraq. He continuously shared information and provided assistance to others when needed. Mr. Brown demonstrated outstanding leadership skills on a daily basis and encouraged growth and development of assigned staff. Mr. Brown proved his dedication

to his team, his agency, and his country by continually remaining deployed and dedicated to the mission in Iraq.

## Author of the Year

(Above Army Command) – Ms. Cathy D. Rinker, Program Manager, HQDA, Assistant Secretary of the Army (Financial Management and Comptroller), Comptroller Proponency Office, Washington, DC – Ms. Rinker contributed an article for the 1st Quarter Resource Management (RM) Publication entitled, "Extra! Extra! Read All About It!" The purpose of the article was to inform the resource management community about the information-filled Comptroller Proponency Office Army Knowledge Online (AKO) page. She was very succinct in the article so that the reader would have no problem finding and navigating the page. Ms. Rinker has written many articles for the RM Publication. She writes to inform resource managers about training and professional development opportunities. She composes articles to encourage resource managers to learn about centrally-funded courses and to take advantage of the award programs that are available to all. Ms. Rinker truly cares about the Army's RM community and that care shows in her work and within her articles.

## Budgeting

(Above Army Command) – Ms. Duk Kim Ro, Budget Analyst, HQDA, Executive Services Division, Washington, DC – Ms. Ro is the primary budget analyst responsible for the planning, preparation, and execution of the Assistant Secretary of the Army (Financial Management & Comptroller) (ASA(FM&C)) budget. She is immersed in the details of monitoring and executing the FM&C program. She obtained and executed over \$37M in funding in the final hours of the fiscal year. Ms. Ro maintains regular contact with customers regarding their needs and addresses the questions in the most professional and timely manner. She voluntarily took on the challenge of the transfer of the Enterprise Task Force from the vice Director of the Army Staff to the G8. Ms. Ro corrected countless accounting/execution errors that were potential Anti-Deficiency Act Violations and ensured that proper documentation was created. She accepts additional duties without complaint. Ms. Ro is always ready to support other member of the Resource Management Branch, when another analyst is out Ms. Ro will step in to assist no matter the job.

(Below Army Command) – Ms. Cynthia R. Powers, Chief, Budget, Management & Manpower Branch, United States Army Corps of Engineers (USACE), Savannah, GA – Ms. Powers volunteered to take on the role of Facility Account

Standardization Project Delivery Team Leader. She led numerous project delivery team (PDTs) to develop standard methodology for recording and distributing facility costs in 27 different facility accounts. Ms. Powers carried the preponderance of the workload in her role as PDT lead. She mentored several new and inexperienced budget officers. Ms. Powers trained the budget officers and their staff on how to analyze budget input from functional offices. She participated as a key member and financial advisor for a national PDT charged with developing business processes for the USACE Information Technology Office. Ms. Powers' performance has had significant positive impact on the quality of resource management within the U.S. Army Corps of Engineers.

### **Comptroller/Deputy Comptroller**

(Below Army Command) – Ms. Leia Dawne Brunner, Acting Comptroller, U.S. Special Operations Command (USASOC), AOCM-BED, Fort Bragg, NC – Ms. Brunner's flexibility and willingness to support the Command wherever she was needed literally kept a new and rapidly-growing unit afloat. She designed an APC structure that facilitated accurate reporting. Ms. Brunner provided oversight and advocacy during significant force structure change and establishment and stand-up of 98th/91st battalion. She developed the Brigade's FY 10 Overseas Contingency Operations and Baseline O&M Budget submissions and execution plans. Ms. Brunner demonstrated an exceptional ability to supervise employees, define problems, formulate solutions, and meet the commander's intent. She planned, coordinated, and executed a Resource Management program that radically improved operations throughout the command. Ms. Brunner's technical prowess, caring leadership, and effective management yield a very positive impact on the U.S. Army Special Operations Command. Ms. Brunner is a great example for our military and civilian financial managers.

### **Cost Analysis**

(Above Army Command) – Ms. Robin H. Jones, Lead Budget Analyst, U.S. Army Special Operations Command (USASOC), AOCM-BED, Fort Bragg, NC – Ms. Jones is literally the analyst "who can do everything". When the command's civilian pay analyst retired, Ms. Jones volunteered to provide continuity until a new analyst could be hired. As she delved into the job, she discovered that some internal records were incorrect. Ms. Jones worked countless extra hours to rebuild the database. She remained the CIVPAY analyst and took on additional duties as analyst for the Force Modernization program. Ms. Jones was appointed the lead in the FY11 Budget Estimate Submission and met all suspense dates. She is an absolutely priceless asset to the command. A quiet professional, a selfless leader, she sets the standard for her peers, subordinates, and leaders. Ms. Jones is part of what makes the

Special Operations financial management team the great team that it is.

(Below Army Command) – Ms. Donna A. Traversa, Operations Research Analyst, U.S. Army Materiel Command (AMC), HQs, U.S. Army CECOM LCMC, Fort Monmouth, NJ – Ms. Traversa restructured and completely revised the Tactical Network Management System (TNMS) life cycle cost estimate based on the final requirements in the Capability Production Document (CPD) in less than two months. She was able to maintain the schedule supporting validation and timely approval of the CPD. Ms. Traversa worked with lead functional area experts to translate requirements into cost elements. She made recommendations on an issue that if not resolved would have been a "show stopper". Due to the foresight and perseverance of Ms. Traversa to complete the life cycle cost estimate in minimal time while providing excellent recommendations for cost methods, the CPD validation and approval process continued without interruption. Ms. Traversa's efforts helped develop a compelling and defensible position to support base funding for the full TNMS program through the POM build process.

### **Cost Savings Initiatives**

(Below Army Command) – Mr. Lee R. Price, Chief, Casualty Assistance Center (CAC), U.S. Army Installation Management Command (IMCOM), Fort Hood, TX – Mr. Price developed a plan and process to significantly reduce the amount of man hours and paperwork involved in processing the thousands of individual travel vouchers for Fort Hood Funeral Honors Teams. His initiative resulted in saving two entire man years and an estimated overall annual savings of over \$150,000. Mr. Price worked for over three years to gain approval for the program that he now has in place. The Casualty Assistance Center now has corporate type credit cards to issue to the NCOIC of each funeral team to pay for lodging and food for the entire team. The new process alleviates the manual processing of thousands of travel vouchers, significantly reduces problem disbursements, and eliminates manual follow up. Mr. Price is truly deserves the recognition and kudos for his cost savings initiative.

### **Education, Training, and Career Development**

(Above Army Command) – Mr. Jeffrey P. Moon, Executive Officer, Assistant Chief of Staff Resource Management, U.S. Army Medical Command (MEDCOM), Fort Sam Houston, TX – Mr. Moon was highly successful in promoting and actively supporting the U.S. Army Health Services Comptroller Internship program. He personally assisted, mentored and guided nine Army Officers through the Long Term Health Education and

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Training application process to formal acceptance and official designation as Comptrollership Intern. Mr. Moon developed an onsite Capstone Training Course and Headquarters Orientation for the interns. As a direct result of his involvement, all nine completed their required training and successfully passed the rigorous oral examination. This particular intern class achieved an unprecedented 100% pass rate. Mr. Moon's proactive engagement, comprehensive oversight and personal and steadfast commitment to the Intern Program was, and continues to be, truly outstanding.

(Below Army Command) – Ms. Tamara K. O'Meara, Team Leader, Budget Analyst, U.S. Army Materiel Command (AMC), HQ Joint Munitions Command, Rock Island, IL – Ms. O'Meara provided exemplary leadership and mentoring skills supporting team members, new employees and interns. She developed detailed work plans, provided desk-side training and encouraged team members to take opportunities to enhance their skills and career progression. Ms. O'Meara led efforts to document and to publish detailed budget processes/desk procedures to enhance employee knowledge. The documents will be used to train incoming employees and will support cross-training of personnel. She played an integral role in providing meaningful input to the division's website and Professional Development Course. Ms. O'Meara is a very professional, capable individual who ensures that everything that she does is with great dedication, technical skills, leadership skills and focus to accomplish the best results possible.

## Resource Management

(Above Army Command) – Mr. Robert W. K. Lau, Jr., Supervisory Financial Management Specialist, U.S. Army Corps of Engineers (USACE), Far East District, Korea – Mr. Lau oversaw the provision of fiduciary and manpower management support and services for a District that executed over \$381 million in engineering and construction services. He postured and provided resource management for the massive Yongsan Relocation Program, the Army's largest construction project with a combined total value of over \$10 billion. Mr. Lau established a climate of cohesiveness by communicating, coaching and mentoring a well-integrated team of achievers in Financial Staff

Services, Finance and Accounting, Budgetary Management, Manpower Management, and Reporting. His fiscal leadership and sound decision-making assured the District's ability to work effectively with the local engineering and construction industry. Mr. Lau's many accomplishments and his keen attributes reflect great credit upon himself, the Far East District and the U.S. Army Corps of Engineers.

(Below Army Command) – Ms. Patricia Jane Roberts, Regional Chief Financial Officer & Chief Business Resource Division, U.S. Army Corps of Engineers (USACE), HQ South Atlantic Division, Atlanta, GA – Ms. Roberts pioneered and led her region through tests of various cost pooling methods and



establishment of customer rates, the results of which were adopted. As a direct result of her efforts, the South Atlantic Division has a set of policies and associated processes that provide extremely successful decision-making forums that have resulted in: (1) a two percent drop in overhead rates charged customers; (2) identification and reduction of unnecessary cost imbalances; (3) automation of overhead and labor cost evaluation and cost distribution of a multi-billion dollar operation; (4) significantly improved overhead and labor cost estimation; (5) identification and standardization of best business practices; and (6) more informed and rapid command

decisions. Ms. Roberts is a well-rounded professional who brings a wealth of resource management knowledge and experience to every task and ensures mission accomplishment with excellence.

## Resource Management in an Acquisition Environment

(Above Army Command) – Mr. Todd C. Shaffer, Resource Systems Officer, U.S. Southern Command (SOUTHCOM), Resources and Assessments Directorate, Miami, FL – Mr. Shaffer's extensive expertise, total commitment and hands-on approach enabled him to stand up the USSOUTHCOM Contracting Center of Excellence (CCE) early in FY 2009. He designed the required policies and processes and successfully advocated for their adoption across the USSOUTHCOM enterprise. The CCE is a phenomenal success. It has provided expert coordination and oversight for over 250 contractual



requirements. Mr. Shaffer's superlative expertise and indefatigable efforts have made the CCE the success that it is today. At present, both the U.S. Africa Command and the U.S. European Command are studying the CCE for possible adaption to their specific needs. From the perspective of USSOUTHCOM senior leadership and resource management officials, the CCE conserves precious resources and allows, for the first time, for the analysis of Command contracts on an enterprise-wide basis. Mr. Shaffer is truly an outstanding acquisition and financial management professional.

(Below Army Command) – Ms. Ann Cahill, Supervisory Program Analyst, U.S. Army Special Operations Command (USASOC), Technology Applications Program Office, Fort Eustis, VA – Ms. Cahill's purview includes resource management of in excess of 100 acquisition programs valued in excess of \$3.65 billion across the Five Year Defense Plan. She utilizes a comprehensive knowledge of the respective operating programs and their interrelationships to evaluate and analyze adherence to resource estimates. Her knowledge of all phases of the Planning, Programming, Budgeting and Execution process enabled her to participate directly in every aspect of the USASOC FY 11-15 Program Review and the planning and preparation of the FY 12-17 Program Objective Memorandum. Ms. Cahill's diligent efforts resulted in additional resourcing for the 160th Special Operations Aviation Regiment (SOAR)'s requirements. Her accomplishments more than demonstrate that Ms. Cahill is a consummate professional and has clearly established herself as an outstanding Army resource manager.

## MILITARY INDIVIDUAL AWARDS

### Accounting and Finance

(Below Army Command) – SFC Chrysanthia Davis, Senior Finance NCO, U.S. Army Reserve Command (USARC), Houston, TX – SFC Davis is the Agency Program Coordinator for the Division and led the effort of overseeing the Division Travel Charge Card program for five Brigades and sixteen subordinate units totaling over 2,500 accounts with a credit line exceeding \$20 million. She is responsible for considerably decreasing the delinquency rates. SFC Davis spearheaded the Division's Debt Management Process. She has singlehandedly discovered and resolved over sixty collection actions. SFC Davis has also cross-trained other team members in the DTS Debt Management process. During the year a confluence of unrelated situations left the Division with a shortage of Soldiers. SFC Davis stepped in to assist. She designed and implemented remote in and out-processing procedures for AGR personnel resulting in a substantial TDY cost savings to the Division. SFC Davis is an

excellent Non Commissioned Officer who epitomizes the lead by example from the front attitude of the NCO Corps.

### Budgeting

(Below Army Command) – LTC Michael P. Naughton, MNC-I Deputy C8, U.S. Army Central (USARCENT), Bagdad, Iraq – LTC Naughton led a small four person team that created, designed, developed, marketed, implemented, fielded, troubleshoot and conducted training for a Tactical Resource Management Financial Tool, Resource Management Document Integrated Information Interface System. The system integrates Resource Management Operations, Contracting Operations, and Finance operations. He worked tirelessly with Multi-National Forces, Iraq staff, MNC-I staff, Major Subordinate Commands, CENTCOM and USARCENT to ensure coalition forces, numbering over 150,000 personnel, had the requisite resources necessary to successfully execute the campaign plan for Iraq. LTC Naughton's budget execution team was responsible for closing out a Fiscal Year 2009 operations budget that exceeded \$10.5 billion. He demonstrated exceptional leadership and innovation. LTC Naughton's vision of what "can be" instead of "what is" is motivational and inspiring.

### Comptroller/Deputy Comptroller

(Above Army Command) – COL Marcus W. Cronk, Assistant Chief of Staff Resource Management/Comptroller, U.S. Army Medical Command (MEDCOM), Fort Sam Houston, TX – COL Cronk was instrumental in planning, coordinating, implementing and monitoring the medical financial management components of the Army Medical Department. He was actively engaged in developing and resourcing the Army's Traumatic Brain Injury and Psychological Health programs to improve care to our returning wounded warriors, and led the effort to increase Fiscal Year 2009 funding for this program by \$232 million. COL Cronk's proactive engagement, fiscal oversight and personal commitment to ensure successful implementation and management of Army Medicine programs were vitally important to improving care to Soldiers and their families, and in reducing the stigma of seeking vital Suicide Prevention and Health Promotion programs. COL Cronk's fiscal management, steadfast commitment to improve Army Medicine, champion comprehensive Soldier and family care and his tireless efforts to resource Army health promotion and wellness programs are exceptionally noteworthy. COL Cronk is truly a strong and effective leader.

(Below Army Command) – LTC Brian H. Harrington, Comptroller, U.S. Army Reserve Command (USARC),

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Deployment Support Command, Birmingham, AL - LTC Harrington created the Comptroller/G8 Division of the Deployment Support Command (DSC), a new Reserve General Officer command. In the DSC's maiden year with a financial infrastructure created literally from the ground up, he successfully managed a total of \$17 million, \$12 million in various pots of Reserve Personnel Army and \$5 million multiple appropriations of Operations and Maintenance Army Reserve. LTC Harrington displayed exceptional skill in assessing the most strategic way to insert his financial management experience into the development and formulation of the DSC command mission and implemented accounting and finance principles. Because of his direct leadership and vision, Soldiers in his division took ownership and performed at their highest level and displayed superb customer service skills to support the Soldiers and missions of the Deployment Support Command. LTC Harrington's personal accomplishments as well as those achieved under his leadership and direction have set and enforced the standard for both DSC and the U.S. Army Reserve.

## Cost Analysis

(Above Army Command) – LTC Anthony E. Boyda, Operations Research Cost Analyst, HQDA, Deputy Assistant Secretary of the Army-Cost and Economics (DASA-CE), Washington, DC – LTC Boyda provided significant contributions in cost analysis during Fiscal Year 2009 for the Deputy Assistant Secretary of the Army – Cost and Economics. He provided substantial and critical support for the development of a model to estimate the costs for increasing the level of the Afghan National Army and Police. LTC Boyda provided cost estimates for several issues, such as operating and support estimates for Mine Resistant Ambush Protected (MRAP) vehicle home station training, the Conditions Based Maintenance (CBM) Product Improvement Pilot Program (PIPP) Cost Benefit Analysis, and cost estimates to substantiate that the Army achieved projected cost savings by modifying the procurement of lower cost containers. He independently established a working group of Installation data base owners to review data dictionaries and business practices. LTC Boyda's work ethic and initiative is commendable and sets a primary example for others.

## Resource Management

(Above Army Command) – MAJ Jeffery L. Keating, Program Budget Analyst, HQ, U.S. Army Europe (USAREUR), Office of the Deputy Chief of Staff – G8, Germany – MAJ Keating deployed on short notice to Afghanistan to develop the resource management concept in support of establishing the newly designed International Security Assistance Force (ISAF). He developed funding solutions to support the infrastructural development of

the ISAF Joint Coalition Command. MAJ Keating developed standardized policies, procedures and systems to ensure future requirement submissions are submitted accurately and timely. Along with his coordination efforts, he sought and attained appropriate congressional approval ensuring the full compliance of projects with established law. MAJ Keating drove the entire funding solution for a very complex, fast-moving and highly visible mission. He demonstrated superior dedication to mission accomplishment and diplomatic finesse while working with NATO and combatant command counterparts. MAJ Keating is an outstanding resource manager who did a superb job!

(Below Army Command) – MAJ Nicholas Lasala, Resource Manager, U.S. Army Special Operations Command (USASOC), HQs, 75th Ranger Regiment, RMO, Fort Benning, GA – MAJ Lasala deftly managed a myriad of challenges providing world-class financial management support to over 3,000 Airborne Rangers organized into four geographically separated Ranger Battalions and a Regimental Headquarters. He implemented detailed cost analysis with corresponding cost saving initiatives which enabled the Regiment to accomplish increased objectives associated with an expanded role in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) while holding resource levels essentially flat. MAJ LaSala achieved improved efficiencies with Regiment travel. He personally briefs Regimental and Battalion leaders on travel program policies and procedures, and all individual travel settlements within the regiment must process through MAJ LaSala's office. MAJ LaSala's superb management of a complex, robust funding program is truly remarkable.

## Outstanding Intern Award

(Above Army Command) – Mr. Aaron J. Thomasy, Financial Management Analyst Intern, U.S. Army Installation Management Command (IMCOM), Directorate of Resource Management, Program Analysis and Evaluation, Arlington, VA – Mr. Thomasy quickly learned the Army structure and how the Army runs. He has picked up on the importance of asking questions while collecting data to make informed recommendations. Mr. Thomasy took on the massive task of the resource transfer between the Installation Management Command (IMCOM) and the Network Communication Command (NETCOM). He identified and coordinated the transfer of approximately 3,000 manpower spaces along with \$500 thousand. Mr. Thomasy prepared recommendations and briefed General Officers both in IMCOM and NETCOM. He has wisely used his time as an intern to learn more than class work; he takes every opportunity to learn and assist those around him. He is a master at various databases and software and more than willing to teach others better ways to use



them for complicated analysis of Army programs. Mr. Thomas epitomizes the CP 11 Intern Program with his can-do attitude, talent, drive and initiative.

(Below Army Command) – Mr. Matthew N. Wilcoxson, Staff Auditor III/IV, U.S. Army Audit Agency (AAA), Fort Carson Field Office, Fort Carson, CO – Mr. Wilcoxson was assigned as a staff auditor to three significant audits; two audits that followed up on the Corps of Engineer's efforts in New Orleans after Hurricane Katrina, and an audit of Defense Coordinating Officers. He identified and articulated complex strategic staffing issues and developed finding elements and recommendations to help the Corps reduce its dependence on temporary workers and contractors and focus on retaining the valuable experience gained from the extraordinary event. Mr. Wilcoxson identified potential monetary benefits (pending investigation) of \$44 million from debris removal contractors; identified \$3.4 million in temporary duty cost savings from reducing temporary Corps personnel in New Orleans; initiated just-in-time training for himself and his team that provided each team member 40 hours of Continuing Professional Education; and provided a single point of contact for DoD to support civil authorities. Mr. Wilcoxson performed beyond expectations with a level of maturity and professionalism that his peers, subordinates, clients and supervisors admire and respect.

The FY 2010 RM Awards Program announcements will be available at the ASMC PDI at the Comptroller Proponency Office booth. The announcements will also be available on the ASA, (FM&C) website: <http://www.asafm.army.mil/> and on the Comptroller Proponency Office AKO site. Even though Army resource managers did an excellent job winning awards in FY 2009, our goal is to accept many more award nominations in FY 2010. The key is to submit resource managers who have made significant contributions to the improvement of resource management.....nominate, nominate, nominate..... Nomination is easy just follow the instructions included in the announcements. It is up to you to take the time to thank our busy, dedicated, and motivated resource managers with a nomination (which may result in an award!) in the available (and various) RM award opportunity programs.

*About the Author:*  
Ms. Cathy Rinker is a Program Manager in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

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## Army Business Enterprise Management Requires

# “REALPOLITIK” Resource Management

## “Re-Thinking Army Resource Management Philosophy”

By John Walsh

**“Through want of enterprise and faith men are where they are, buying and selling, and spending their lives like serfs” (Henry David Thoreau).**

Two years of isolated meditation brought Thoreau to the conclusion that for lack of enterprise, we are slaves to the status quo. Nine years of war and transformation finds the Army leadership reaching a similar conclusion and directing that an enterprise management philosophy be adopted and practiced throughout the Department of the Army.

This significant course correction begs the questions, what exactly is an enterprise and how is it managed? One authority defines enterprise as “a project undertaken or to be undertaken, especially one that is important or difficult or that requires boldness or energy”, a “willingness to undertake new ventures; initiative.” Without question, the Army’s mission is vital and, to say the least, challenging. It is equally certain that execution of this mission requires boldness and initiative. In a word, it requires change. More to the point, it requires fundamental, mindset change.

It is often said that there is nothing more constant than change. Incongruously, it is also contended that the more things change the more they remain the same. While I am not familiar with the original author or the context of either adage, as a result of experience and intuition, I believe both to be valid and capable of coexisting within an organization. In fact I believe that both are currently present within the Department of the Army.

The Department of the Army spent the better part of the past decade transforming or changing in form and appearance adjusting to the national and international security dynamics of globalization. The Army’s metamorphosis from a division base deterrent force forward deployed to a modular brigade combat team base expeditionary force primarily, CONUS power projected is a clear example of that type of change. Army transformation provides dramatic demonstration and support

for the constancy of change contention. Transformation in this context is arguably never ending change.

Internally, however, within Army management, as with many large organizations, there is a certain amount of institutional inertia or hesitance to adjust our core philosophy of operations. Change in Army management philosophy comes more slowly and somewhat reluctantly. This resistance to change in management philosophy is nowhere more evident than in Army resource management.

While we tinker on the margins with organizational and procedural adjustments to enhance the Planning, Programming, Budgeting and Execution (PPBE) process converting Panels to Program Evaluation Groups (PEGs) to align better with Title 10 United States Code functional responsibilities; initiating the Army Campaign Plan to track performance and execution; establishing Budget Requirements and Program (BRP) Boards to accelerate decision-making; relabeling Army Strategic Planning Guidance as The Army Strategy to provide better strategic focus; and installing a new analytical tool the Army PPBE Enterprise Data Warehouse to provide ready access to the most current Army data; we steadfastly maintain the same resource management mindset of “doing more with less” rationalizing that we can always operate more effectively and that there are plenty of lean six sigma efficiencies that can be garnered.

Rigid adherence to this resource management philosophy is understandable as a reflection of the admirable Army “can do” culture. But at the Department of the Army level it can also be a recipe for disaster by overestimating and over extending our capabilities and accepting an unwarranted level of risk to the point of breaking the institution. It also demonstrates support for the notion that despite dramatic transformation in appearance the core management philosophy remains the same.

Thus, within the current context of Army transformation and Army resource management both change adages are simultaneously present. Army through transformation has embraced the constancy of organizational change, but concurrently retained an outdated and untenable resource management philosophy manifesting the adage that the more things change the more they remain the same.

Just as the Army accepted the necessity for continuous organizational change and adapted through transformation, it must now concede that there are limits to the capabilities it can provide and to the missions it can execute. Acceptance of these limits require abandonment of the “doing more with less” resource management philosophy and adoption of a realpolitik resource management approach, that is, an approach that acknowledges the reality of limitations and the direct, causal,

and proportional interrelationships among resource allocation, capability development, and risk assumption. Arguably, an increase in resources leads logically to development of more capability and a reduction in risk assumption. Conversely, a reduction in resources results necessarily in less capability and greater assumption of risk. A corollary to these two axioms is the tacit understanding that there are definite levels of risk beyond which we dare not go.

## The Challenge and Responsibility of Military Leadership

**“The major military error, Vietnam, was a failure to communicate to the civilian decision makers the capabilities and limitations of American military power.”**

The flame of revolution in Army resource management that was ignited in 2006 with the bold decision to withhold submission of Army’s BESPOM 8-13 and to dramatically assert the existence of a strategy resources mismatch needs to be rekindled. This requires acceptance of the reality that resources are finite even in the wealthiest nation on earth and so are the capabilities they produce. Capabilities are resource dependent. There are limits to Army’s ability to execute strategy. Recognition and acceptance of those limitations requires a major adjustment in Army resource management philosophy. Not change in the transformation sense, but change in the adaptation sense. The Department of the Army must change not its resource management architecture or methodology, but rather its resource management philosophy.

The recent global financial crisis clearly demonstrated that forces other than direct military threats can put national security at risk. Imprudent allocation of finite fiscal resources and over extending personnel resources attempting to do more with less can be just as damaging. Unconscionable annual deficits and over extended national debt controlled by foreign powers is a recipe for disaster.



The fiscal posture of the United States is in jeopardy.

The Department of Defense expends in excess of 50 per cent of the President’s annual discretionary spending within the executive branch. In 2009 and 2010, not including supplemental appropriations, that amounts to more than half a trillion dollars annually. While there are certainly other areas of federal spending that must be addressed, DOD resource allocation and management cannot escape strict scrutiny.

This article is intended to initiate and energize discussion and debate on revising Army resource management philosophy in order to be better prepared for the inevitable down turn in overall DOD funding. Army must be prepared for not only a marked reduction in Overseas Contingency Operations funding, but also a reduction in base budget funding.

The harsh reality is that Army cannot have everything it would like to have. The even starker reality is that Army cannot have everything it validly requires. And everything currently funded with OCO funds cannot be moved to the base, especially a declining base. Difficult tradeoff decisions are ahead that will require considerable intestinal fortitude, firmness of purpose, and an adjusted resource management philosophy to deal with the practical realities as they are, not as we would ideally like them to be. The proposition to be considered is whether or not Army should adapt its “can do” resource management approach of doing more with less to an Army “capable of” resource management approach that clearly articulates what Army can and cannot do.

To generate discussion on the proposition, this article is offered as the first installment in a trilogy. The intent is to follow with a second article intended to put things into fiscal perspective and demonstrate the magnitude of the resource management challenge we face and the likely impacts on planning, programming, and budgeting for national security, homeland security, and homeland defense. Then a third and final article discussing some thoughts on how to make the institutional transition from a “can do” to a “capable of” business enterprise resource management philosophy.

In a December 23rd, 2009 New York Daily News article entitled

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“Obama. Tell Me How This Ends” retired Army Colonel and Professor Andrew Bacevich of Boston University makes the cogent argument that “The Long War” requires “... a persuasive narrative” articulating a clear vision of the successful end game in order to retain popular support. Professor Bacevich contends that the nation’s leaders are struggling to define “victory” and consequently have reverted to the discredited strategy of attrition with a 21st century twist that is counterinsurgency nation building at significant cost in lives lost and dollars expended. His argument echoes and closely parallels Lesson Five in Gordon Goldstein’s book, *Lessons in Disaster*, to “Never Deploy Military Means in Pursuit of Indeterminate Ends”.

The end game of such an approach is, according to Professor Bacevich, a fore gone conclusion – “The Long War ends not in victory but in exhaustion and insolvency, when the United States runs out of troops and out of money.” History would seem to support Professor Bacevich’s contention on the lack of victory. We can only hope his conclusions on exhaustion and insolvency prove to be inaccurate.

This discussion on adapting the Army’s core resource management philosophy from “can do” to “capable of” is necessary in order to avoid Professor Bacevich’s conclusion from becoming a self fulfilling prophesy. As a significant component of national military power and a major contributor to United States foreign policy implementation, the Army is an institution this nation can ill afford to exhaust or weaken.

Your thoughts on the issues raised by this article would be greatly appreciated. .

Please feel free to contact the author at [john.walshjr@us.army.mil](mailto:john.walshjr@us.army.mil) to provide your comments and start the dialogue on the advisability of moving away from an Army “can do” resource management philosophy to a “capable of” resource management approach.

*About the Author:*

*Mr. John Walsh is author and instructor at the Army Force Management School.*

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## Enterprise Management within the Office of the Assistant Secretary of the Army (Financial Management & Comptroller) (ASA (FM&C))

*By: Cheryl Darlington-Wright, Frank Distasio, and Greg Goebing*

The United States Army is a large, diverse, world-wide organization that is operating at a very demanding pace. The Army prepares, provides and sustains forces for the Combatant Commanders. The scope and breadth of the mission gives rise to complexity that is compounded by ‘stovepipe’ processes and systems, which were developed in a very different operating environment and often over decades. Many of the systems operate well within the scope of their original purpose but the systems are not integrated and do not produce enterprise-wide information. The lack of integration contributes to sub-optimization of Army resources.

Enterprise management is a widely accepted practice to remedy this sort of situation. It involves describing all aspects of what the ‘enterprise’ does, and uses the integrated information to improve operations, performance and strategic decision making. Enterprise management requires applying management techniques, tools and metrics, and considering processes, systems, organizations, and the skills of the workforce.

The Assistant Secretary of the Army (Financial Management & Comptroller), ASA (FM&C), is pursuing a financial enterprise transformation strategy. The goal is to improve accountability, visibility and resource management support for decision makers. The strategy focuses on replacing redundant, non-integrated, and geographically unique legacy systems with enterprise solutions that better manage the expenditure of funds, provide opportunities to manage cost and maximize performance, and provide relevant, accessible, consistent and timely information for decision-making.

The on-going financial enterprise transformation efforts contribute to one of the Secretary of the Army’s and the Chief of Staff of the Army’s Objectives for Calendar Year 2010:

**“Establish an Integrated Management System for Army Business Operations. Effective stewardship requires an integrated**

**management system for the Army's business operations, and reformed acquisition and requirements processes. It also requires an information architecture that provides decision makers with timely and accurate information and efficient data management and automation processes. With these systems in place, we can generate the most capable and ready Army at the best value for our country."**

## The Challenge

In the past two decades, financial accountability has been of great concern to successive Presidents and Congresses, as evidenced by statutes and regulations including the Chief Financial Officers (CFO) Act, the Federal Financial Management Improvement Act (FFMIA), National Defense Authorization Acts (NDAAs) and multiple Office of Management and Budget (OMB) circulars. The Comptrollers of the Department of Defense have also expressed the need to improve financial accountability, visibility and performance.

The Defense Appropriation Act of 2002 mandated that the Department of Defense (DoD) prepare an auditable financial statement within seven years. Achieving the statutory intent requires transforming Army financial business processes and systems and was the key stimulus for the financial enterprise transformation.

The Military Deputy to the ASA (FM&C) took the lead in transforming the Army's financial enterprise. The initiative began with setting goals that included increasing the reliability of financial reporting, making significant improvements in financial visibility, introducing a new cost management culture, improving operational efficiency, and substantively reducing material deficiencies.

In order to transform, you need to have a sense of where you are, the "As-Is," and where you are going, the "To-Be." The Army applied an enterprise management strategy that included building an information-based inventory or portfolio of financial systems used throughout the Army. This included defining the requirements, scope and processes of the current systems; developing an understanding of how those systems support existing customer and interface with other systems and databases; and identifying opportunities to integrate, modernize, and create an enterprise-

wide financial management solution. This included producing a range of financial and cost information for conducting the Army's core business, supporting cost-performance assessments, improving information for decision making, and providing accountability to the public.

This work provided proof that the scope of financial transformation is huge with over 100 legacy systems identified as being inherently financial in the Army Portfolio Management System. Additionally, there are over 700 legacy systems registered within other business domains, yet most ultimately yield or impact a financial transaction. Therefore, transforming financial management impacts those systems and emerging Enterprise solutions in those domains. This scope requires a comprehensive enterprise modernization plan to the define both the "As-Is" and the information requirements of the "To-Be" solution.

ASA (FM&C) is meeting the challenge and in the process of transforming the Army's financial capabilities by:

Improving the quality of information from existing systems and monitoring compliance through Portfolio Management,

Developing an Enterprise Architecture which documents detailed dimensional views of the systems (functional activities across all business areas, database inputs/outputs, system interfaces, etc.) -- the Single Army Financial Enterprise (SAFE) architecture

Developing and deploying the General Fund Enterprise Business System (GFEBS)

Developing the Planning, Programming and Budgeting-Business Operating System (PPB-BOS)

Determining the future 'fit' of the remaining financial management systems not presently identified as part of the enterprise solutions

Creating a strong cost culture enabling our ability to optimize resource allocation and consumption

Applying sound governance to achieve the objectives above, to comply with Congressional, Executive, and DoD directives, and to meet the needs of customers across spectrums of operations

**The United States Army is a large, diverse, world-wide organization that is operating at a very demanding pace.**

## Portfolio Management

The Army Portfolio Management System (APMS) is the Army's official system registration repository and it feeds information directly into the Defense Information Technology Portfolio Registry (DITPR). The APMS is a web-based tool that is centrally managed by Army G6/CIO and used by the Commands and System Managers to register Information Technology (IT) systems. The ASA (FM&C) is responsible for reporting on the 100 plus financial systems that are registered in APMS.

The APMS collects a vast array of information about registered systems. For compliance, the APMS includes a Financial Form as well as a Federal Information Security Management Act (FISMA) checklist. Key administrative data includes System POCs, System Descriptions and relationships, etc. Additionally, the APMS includes a listing of all business functions following the DoD Business Enterprise Architecture (BEA).

The APMS enables the financial community to identify existing systems, to monitor compliance, and to develop a high level understanding for how the system supports financial management operations.

### Single Army Financial Enterprise (SAFE) Architecture

The Single Army Financial Enterprise (SAFE) is the Army's financial management enterprise architecture. SAFE provides an approach, structure and governance practices for clarifying the interdependencies and relationships among the business operations and the underlying information technology (IT) infrastructure and applications that support the business operations in the financial management domain. The Deputy Assistant Secretary of the Army for Financial Information Management (DASA (FIM)) is the lead for developing SAFE.

The architecture is being employed in concert with portfolio-based capital planning, investment control practices and other management practices to enable better configuring of the future financial management operational and IT environment. The SAFE provides a model for modernization in other Army domains and a foundation for modernizing interfaces with other Army domains.

- ♦ **The SAFE architecture employs an enterprise integration viewpoint that:**
- ♦ **Documents the interactions among the many Army legacy financial management systems, plus the interactions with non-financial systems in other**

**Army domains and the interactions with DoD systems.**

- ♦ **Provides an outline of the processes and requirements of the current enterprise systems—GFEBs and PPB-BOS—that includes descriptions of the business functions, process flow, and the organizational and system interfaces.**
- ♦ **Includes these same architecture artifacts for the remaining 60 systems that are currently identified for migration into the GFEBs or PPB BOS.**
- ♦ **Supports the development of the Army's federated financial and logistics enterprise management initiatives.**
- ♦ **Supports the Army's overall, integrated business enterprise architecture.**

ASA (FM&C) stood up governance bodies and a charter for SAFE in FY2009. As the lead for SAFE, the Financial Information Management office (FIM) is gaining experience with applying a governance approach to support investment and migration decision-making. Over the past six months, FIM completed a thorough review of all systems, i.e., Deep Dive. The review included an evaluation of the functionality, system interfaces, database inputs/outputs and transition plans for each system. This information was used to assess the system landscape, identify gaps and overlaps with current enterprise solutions, and implement a stronger governance framework to ensure redundant systems are phased out while maintaining critical functionality.

An interesting observation from the review is that 75 percent of the systems were created to support business decision rather than record transactions. This provides interesting insights on how data will be shared and under what conditions in an enterprise solution.

## General Fund Enterprise Business Systems (GFEBs)

The General Fund Enterprise Business Systems (GFEBs) is the Army's core system for enterprise-wide management of General Funds. The scope of GFEBs derives from both the Chief Financial Officers (CFO) Act of 1990 and the Army's enterprise management requirements.

**The Chief Financial Officers (CFO) Act of 1990 requires agencies to:**

- ♦ Produce annual auditable financial statements
- ♦ Include depreciated value of all assets
- ♦ Enable unqualified audit opinions that the financial statements are valid, verifiable, free from bias, timely, and relevant

The Army's enterprise management requirements include the capability to provide comprehensive, integrated, accurate, reliable, and timely information to decision makers. Stewardship of the public resources dictates that financial data are a key component of most decision making. Therefore, an effective enterprise management solution for the financial domain must support and integrate data from all other Army information domains. Figure 1 introduces the breath and scope of the Army and the diversity of enterprise information.

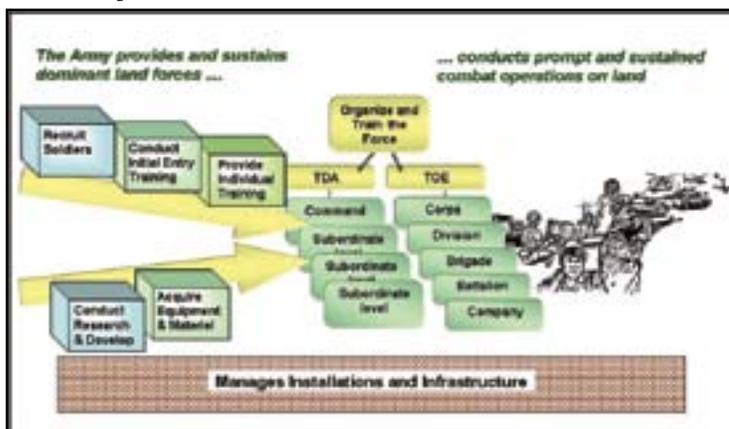


Figure1. Army and the Diversity of Enterprise Information

An integrated financial solution must include the capability to distribute funds for virtually everything the Army does; to execute the funds within statutory and regulatory controls and record the transitions accurately to support both accounting and analysis; and to comply with the various reporting requirements and meet the decision support needs of the Army.

A few examples of key decision support information are included in figure 2, below. The clouds include suggestions for decision support information that are appropriate for departmental, command and local decision makers.

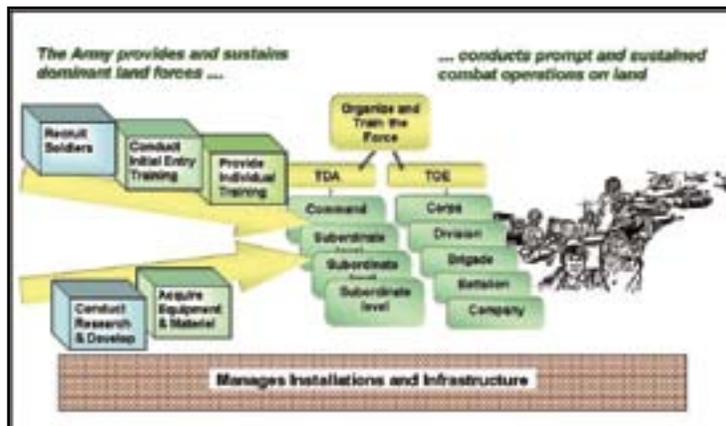


Figure1. Key Decision Support Information

Providing this functionality in a single, integrated system for application across the Army requires an enterprise management solution. Commercial Enterprise Resource Planning (ERP) systems offer solutions that integrate data from across the various business operations of the organization. The GFEB solution employs the commercial-off-the-shelf (COTS) ERP solution from SAP that is certified by the Chief Financial Officers Council (CFOC) as CFO-compliant. Employing a COTS solution allows configuring the tool to meet the customers needs, i.e., the Army's needs, rather than designing and developing a unique system solution. Configuring a solution requires an understanding of the enterprise-wide requirements and the business processes that support those requirements.

**GFEB includes the following financial functions to meet auditing and decision support requirements:**

- ♦ United States General Ledger (USGL)
- ♦ Property, Plant, and Equipment assets and value for depreciation
- ♦ Funds Control and Budgetary Accounting
- ♦ Accounts Payable Management
- ♦ Accounts Receivable and Revenue Management
- ♦ Managerial Cost Management
- ♦ Financial Reporting

**Audit Trails and System Controls**

continued on pg. 20



The GFEBS solution began with an architecture that focused on requirements, existing business processes and systems, and defining the “to be” General Fund financial management business processes, systems and interactions with other systems. The GFEBS architecture was built primarily to guide the development of the GFEBS ERP solution; but, it also provides a foundation for the transformation of the financial domain.

Additionally, the GFEBS architecture serves in many other complementary roles, e.g., documenting how the solution aligns with the Army’s other business modernization efforts as well as legacy systems. It ensures that the General Fund financial business processes and systems are compliant with DoD requirements, e.g., Standard Financial Information Structure (SFIS). The Systems Evolution Description, SV-8, provides a vision for the evolution of the Army financial and real property management systems portfolios.

GFEBS has a broad base of customers and stakeholders throughout the Army and the DoD financial and non-financial communities. The architecture will help foster the communication and coordination necessary between stakeholders and users to successfully achieve business process re-engineering and IT modernization. It will also support interoperability by documenting integration and interface points with other relevant systems that will continue to exist.

## **Planning, Programming and Budgeting-Business Operating System (PPB-BOS)**

The PPB-BOS is an initiative to standardize and better integrate systems that are used at Headquarters Department of Army (HQDA) for Programming and Budgeting. Various systems are core to the Planning, Programming, Budgeting and Execution (PPBE) business processes at HQDA. These systems include gathering programmatic requirements, balancing resources and delivering the Army’s program and budget to OSD.

This PPB-BOS initiative focuses on improving Programming and Budgeting business processes and strategic analysis capabilities at HQDA. The initiative includes developing an architecture; and

reengineering, streamlining and consolidating HQDA systems and feeder database systems and business. The initiative involves providing HQDA staffs with business intelligence analytical tools to support PPBE. In addition to improving capabilities, these improvements will eliminate redundancies and reduce overall costs of operations.



PPB BOS has developed and now operates a Business Intelligence/ Data Warehouse solution. The Warehouse provides a consistent view of the Program Objective Memorandum (POM), Budget and aggregated Execution data to the HQDA that supports the PPBE cycle and provides a basis for analysis. Resource managers

can gain access to the PPB-BOS BI/Data Warehouse through the PPBE Portal at [www.ppbe.army.mil](http://www.ppbe.army.mil).

PPB-BOS and GFEBS are developing symbiotically. An inbound PPB-BOS interface in GFEBS provides Army funds management master data in GFEBS format. An outbound PPB-BOS interface in GFEBS will provide GFEBS execution data at the same level of detail as the inbound (to be operational with Release 1.4.1 on 19 April 2009). The use of PPB-BOS to create Army funds management master data in GFEBS will preclude invalid Program Element/Standard Study Number and MDEP combinations and promote closer relationship between Programming-Budgeting and Execution.

The PPB-BOS project is a complementary to the Army’s GFEBS program. GFEBS operates largely below HQDA and, in time, will provide the analytic foundation for developing programming and budgeting proposal; and PPB-BOS operates at HQDA to analyze, coordinate and finalize the Army’s Program and Budget submissions to OSD.

## **Governance**

The ASA (FM&C) delegated responsibility for financial management domain to the DASA (FIM) and published a charter and established governance bodies in FY2009.

The DASA (FIM) oversees the activities of the financial management domain, which include the Army Portfolio Management System responsibilities, expanding the SAFE, and developing the Financial Management Transformation Strategy

and the Financial Management Data Transformation Strategy.

Additionally, the DASA (FIM) is responsible for reviewing proposals for systems which exceed the \$1M life cycle cost, which is the threshold for DoD Business Transformation Agency (BTA) Investment Review Board (IRB) consideration. Before these systems can expend investment dollars (currently defined as RDTE or Procurement appropriations), the IRB must review the proposal and recommend approval to the Defense Business Systems Management Committee (DBSMC). Both the Army internal and subsequent IRB reviews are rigorous. Currently, only 3 of the more than 100 Army financial systems in the APMS require IRB review.

For all non-IRB systems, the DASA (FIM) must and certify the continuing need for those systems to the Army Office of Business Transformation (OBT).

The DASA(FIM) also provides input for the financial management community to the Army and DoD Enterprise Transformation Plan (ETP). Late in the summer, the plan for the following year is updated, published and submitted to Congress. Late in the winter, progress information is prepared for the March Congressional Review (MCR).

The DASA(FIM) participates in the governance bodies of each of the enterprise solutions, i.e., GFEBS and PPB-BOS.

#### **Future financial enterprise initiatives include:**

- ♦ **The OSD recently approved the Procure to Pay (P2P) Pilot program, which is an end-to-end process approach. The intent is to yield a better understanding of the interrelationships of transactions across functional lanes while streamlining the process of developing solutions which make the functional lanes more transparent.**
- ♦ **The Army G6/CIO was designated the Army Chief Data Officer and has constituted the Army Data Board. This body will help shape the strategy for identifying and documenting authoritative data sources and authoritative data. The overarching intent is to improve visibility of data across the Army and to improve leadership decision capabilities. This will have a significant impact on the financial management community.**

#### **Conclusion**

ASA (FM&C) is employing an enterprise management approach to transform Army financial management. The approach is evident in administering and overseeing the financial management Domain, Portfolio Management, and in developing, implementing, and maintaining the Single Army Financial Enterprise (SAFE) architecture, the General Fund Enterprise Business System (GFEBS) principally for financial operations below HQDA, and the Planning, Programming and Budgeting-Business Operating System (PPB-BOS) principally for financial operations at HQDA. This comprehensive approach has and will continue to enable the examination of opportunities for strengthening financial, accounting, cost and budgetary services within the Army.

#### *About the Authors:*

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## Leading Change: A Case Study from the Army Installation Management Community

By Claire Ahn

Performance and accountability are two words used in government as frequently as in industry these days. From customers demanding accountability from companies for product recalls or the administration calling for higher levels of performance in American schools, performance and accountability are important factors to assess when trying to move an organization to its desired state.

You have probably heard of Institutional Adaptation (IA), the Army's approach to better plan for and prepare the enterprise for 21st century capabilities. The Business Transformation concept is also related to IA, as it focuses on achieving continuous and measurable improvement in Army business processes. By assessing performance, identifying areas of improvement and leveraging best practices to continually refine business processes, organizations can holistically achieve Business Transformation.

How is business transformation being deployed in the installation management community? In summer 2009, the Assistant Chief of Staff for Installation Management (ACSIM) stood up the Requirements and Metrics Task Force with the purpose of accomplishing the following goals:

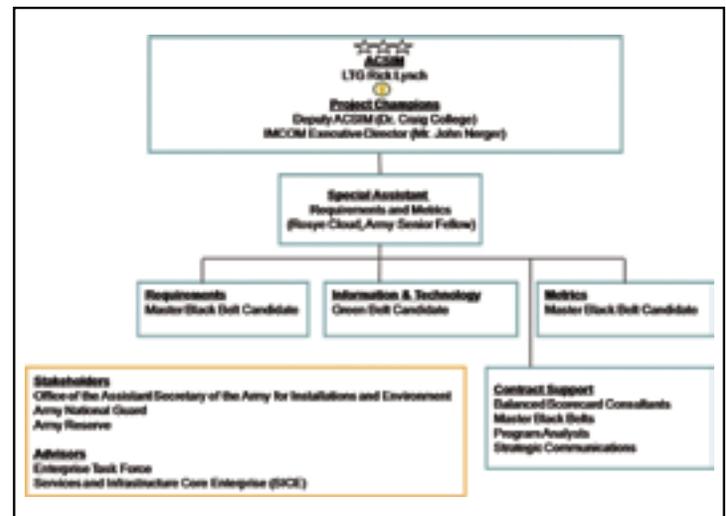
1. Improve voice of the customer process for senior commanders
2. Develop strategic metrics for enterprise management
3. Create a cost-effective integrated command dashboard

The task force, championed by the deputy ACSIM and IMCOM executive director, would lead and oversee projects involving both ACSIM and the Installation Management Command (IMCOM) community. These projects were large in terms of the scope and outcomes desired, but Dr. Craig College, the deputy ACSIM, felt these challenges needed to be addressed: "We're not doing this for today – we're doing it for five or six years down the road. Yes, we're really busy supporting the war and yes, we're short on resources. It's also the case that we've got leadership and folks who're interested in doing right. Institutional Adaptation is about how we survive."

As any management consultant will tell you, one of the critical success factors for leading change is not only garnering full leadership support, but the stakeholders' support as well. ACSIM appointed Barbara Heffernan, a seasoned senior executive service member, as the special assistant to the ACSIM to lead the task force. Ms. Heffernan immediately established a broad-based, inclusive "Guiding Coalition" of key stakeholders and customers – including representatives from constituencies not often engaged in installation management decision-making, such as the Army Guard and Reserves. The Guiding Coalition met weekly and served as a sounding board as the task force planned and executed project milestones.

By working horizontally and ensuring constant communication and understanding with all interested parties, Ms. Heffernan set a strong foundation for her successor to retain the momentum after her retirement. Rosye Cloud, an Army Senior Fellow and previous chief of Business Transformation for IMCOM, continued to lead the task force with an aggressive timeline. She built a cohesive team, leveraging talent from government Lean Six Sigma belts and consultants from various industries to ensure the team was well-equipped with the right mix of talent. A representative from the Enterprise Task Force, the Army's governing organization for business transformation, also provided guidance during project planning phases. In addition, Ms. Cloud coordinated various benchmarking meetings with numerous agencies across the Department of Defense to learn best practices and facilitate collaboration.

**Read on for a closer look at the three different enterprise projects the task force oversaw.**





## Voice of Customer Process for Senior Commanders

IMCOM receives funding for installation services and infrastructure support to Army garrisons. The garrison commander, region and IMCOM headquarters address these service requirements. However, senior commanders, as well as Army Reserve senior commanders and the National Guard adjutant generals (TAG), wanted to provide more substantive input into the requirements determination process. They wanted to ensure their mission requirements would be adequately addressed by the decision-makers.

The three-star's intent was clear, too. His desire was to have a "single system that ties the senior commander's determination of the services required, to accurate calculation of the costs, to delivery of the service, to commander feedback – which is then used to redefine updated requirements" Therefore, Dr. Molly Kihara, a Master Black Belt candidate for IMCOM, used Lean Six Sigma to frame this problem. In order to understand the voice of the "true customer," Dr. Kihara and her team surveyed 107 senior commanders and adjutants generals across the installation management community. Forty-six people responded to the online survey – an impressive 43% response rate. This was the first comprehensive survey of senior commanders to obtain their feedback regarding the requirements process. In addition, the team held a focus group, bringing senior commanders from the active Army, Guard and Reserve together to further refine areas of concern.

Soon ACSIM/IMCOM welcomed a new commander, LTG Rick Lynch. LTG Lynch had successfully implemented a campaign plan at his previous position as commander of Fort Hood/III Corps. Drawing on lessons learned from the Fort Hood plan, the Requirements and Metrics Task Force realigned the project to align with the new commander's vision. Working with IMCOM G-5 counterparts, Dr. Kihara expanded her project to segment the voice of the senior commanders into a broader customer group.

"The customer's presence and voice is important to us. We want to hear it and it needs to be ritualized and routinized so that when we measure ourselves, we're measuring ourselves against their stated requirements and their needs. Their customer feedback is critical," said IMCOM Executive Director John Nerger.

Dr. Kihara is currently working on developing an enterprise-level "Customer Relationship Management" plan to better capture the voice of the customers across the spectrum – all 163 garrisons and 184 installations. Customers would be surveyed on the implementation of the campaign plan, to coincide with organizational self-assessment surveys from the Army

Communities of Excellence (ACOE) program.

Then LTG Lynch would conduct face-to-face discussion sessions with senior commanders to obtain feedback on the campaign plan and preferences for future communication to ensure senior commanders' needs were met.

## Metrics Rationalization

Many people cringe at the mention of the word "metric." But having a clearly stated goal, with quantifiable metrics to assess progress, is a useful way to effect change. The goal of the "Metrics Rationalization" project was to categorize the hundreds of management metrics currently in use to determine the best metrics that align to the organization's strategy. Paul Christensen, a Master Black Belt candidate from ACSIM, used a multi-phase approach to solve this challenge:

- 1) Categorize all installation management metrics
- 2) Determine strategic questions that address what is important to senior leaders
- 3) Select best metrics that align to strategy
- 4) Reduce duplicative work and extraneous workload

To get organized, Mr. Christensen and his team conducted a metrics inventory by functional area according to the Installation Management Business Model (IMBM). Although the installation management community tracks thousands of metrics, these metrics are collected mostly to meet compliance and regulations. Mr. Christensen's team discovered that 13% of metrics could be deleted because they are not used after they are collected!

Additional analysis revealed that unnecessary data were reported multiple times. Furthermore, functional staff did not have a clear understanding of how data will be used; therefore, they did not understand the value of the metrics they were collecting. In short, senior leaders did not have easy access to strategic metrics that could help them assess priorities and make informed decisions for the installations.

Therefore the project team called on representatives from across the installation management community for a full-day workshop. Together they created 81 guiding questions in 16 functional areas for developing strategic

**The three-star's intent was clear, too. His desire was to have a "single system that ties the senior commander's determination of the services required..."**

*continued on pg. 24*

metrics. Afterwards, ACSIM/IMCOM/Guard/Reserve leaders at the senior executive service and general officer level met to finalize the strategic-level questions. Then the new ACSIM/CG, IMCOM, LTG Rick Lynch, directed the organization to create a new “Commander’s Intent,” or campaign plan, across six lines



*Forty-six representatives from the Army Reserve, National Guard and installation management community attend the strategic metrics workshop*



*Facilitators from the Requirements and Metrics Task Force, as well as the Enterprise Task Force, led the breakout sessions.*



*Presenters encouraged participants to think like 3-star and 4-star leaders to develop strategic guiding questions.*

of efforts: Soldier/Family/Civilian Readiness, Soldier/Family/Civilian Well-Being, Leader and Workforce Development, Installation Readiness, Safety and Energy.

The team mapped the questions to the new Commander’s Intent and identified 11 additional strategic-level questions for each of the 15 categories in the IMBM. By aligning metrics with the strategic framework of the Commander’s Intent, Mr. Christensen built a repeatable process to develop and implement strategic-level metrics.

This is only the first phase of a multi-generational project plan to achieve results across the enterprise. Now that metrics will be published with the new Installation Management Campaign Plan, the next goal is to increase the percentage of metrics that chart process on executing the Commander’s Intent by 20%. Now installation management leaders will have access to high-impact strategic-level metrics to make informed decisions affecting the enterprise.

## **Information & Technology Governance Project**

The final part of the task force’s objective was to address information and technology concerns. Goals included the following:

- **Improve how I&T requirements are identified, validated and resourced**
- **Streamline I&T decision making processes integrated with the installation management enterprise**
- **Establish a governance and technology infrastructure**

The team, under the leadership of Deborah Pierre-Louis (Green Belt Candidate), completed the mapping of the new requirements determination process and fielded customer satisfaction surveys to help identify deficiencies in I&T services. The team determined that the existing Installation and Environment Domain Governance Board (DGB), which was chartered to resolve enterprise I&T portfolio issues, had morphed into an informational forum rather than a decision-making body.

Sonya Phillips, the new branch chief, leveraged these initial efforts and changed the goal of the project as developing and overseeing the execution of a “decision-enabling” I&T governance framework. The new draft framework consists of two types of governance: supply and demand. Demand governance focuses on what I&T should do to support the mission and business objectives. Business customers drive the strategy and customers will have a one-stop shop for all requirements. The voices of the business area customers drive the process.



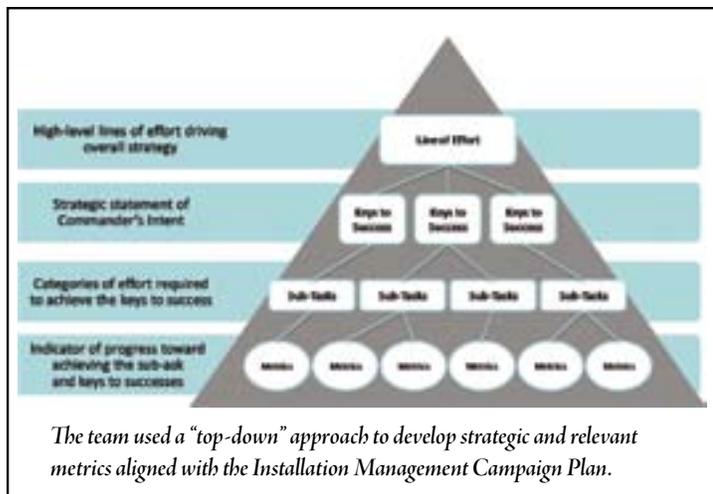
*“We want to ensure IT decisions are in the best interest of the enterprise and provide a mechanism for incorporating voice of customer into the process,” said Ms. Phillips.*

Currently the team is initially focused on convening the I & T Strategy Council to work in collaboration with business partners to validate the I & T strategic direction, and define focus areas in support of the campaign plan line of efforts.

The team also surveyed I & T leaders at OACSIM and IMCOM, measuring governance maturity at each organization. Next the team will survey the installation management community business area leadership to measure their perceptions of I & T governance maturity.

Ms. Phillips is confident that these mini-steps pave the way for gradual changes and improvements in improving current governance processes: “We try to use best practices, in accordance with Control Objectives for Information and Related Technology (CoBIT) standards, to ensure we follow examples of people who have been successful.”

This focus on continuous process improvement has convinced leadership to start establishing a more rigorous approach to all internal metrics developed for organizational performance improvement.



### Way-Ahead

The task force is also working with the new ACSIM/ IMCOM strategic communications cell to communicate the value and necessity of tying metrics to strategic goals.

The task force’s work will be transitioned to the organization’s sustainable organic cells, such as the IMCOM G-5 and the

operations community. It is important for a task force to embed its work and transition with the internal organization that will continue to execute task force recommendations.

“The task force is a catalyst for change, but it can’t be separate from the organization. This was a great collaborative endeavor. We attacked it together and it’s a great model for similar things in the future,” said Mr. Nerger.

Below are the top lessons we learned from planning and helping to execute enterprise business transformation projects:

### Top Lessons Learned:

- 1) **“The trick is to keep a sustainable legacy. You have to continue working the Voice of the Customer, the metrics and I&T piece to keep it fresh and modern and evolving over time.”** – Dr. Craig College, DACSIM
- 2) **“We’re not here to serve ourselves; we’re here to serve others. To serve others, you’ve got to know who they are, know what their needs are and you can’t profess to know them unless you ask. The voice of the customer is absolutely paramount.”** – Mr. John Nerger, IMCOM Executive Director
- 3) **“Understand all the groups and all the needs, and deliver services and infrastructure to meet those needs considering resourcing constraints. Also ensure robust processes are in place for communicating with customers, including input and feedback loops.”** – Dr. Molly Kihara, Master Black Belt candidate
- 4) **“Leadership is key. People get nervous and scared about implementing initiatives that differ from what they are used to in their normal work operations. The strong support we receive from our internal organizations as we execute recommendations is a direct reflection of leadership’s influence in creating a safe environment to design and carry out bold enterprise initiatives.”**

– Rosye Cloud, Special Assistant for Requirements and Metrics

#### About the Author:

Claire Ahn is a program analyst for the Office of the Assistant Chief of Staff for Installation Management (OACSIM). She is a trained Lean Six Sigma Black Belt and supports the Requirements and Metrics Task Force in the planning and execution of enterprise projects.

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## CERP Synergistic Results through Training

By: MAJ Mark Lee, Comptroller/Resource Manager

**Commander's Emergency Response Program or (CERP) funds are a relatively small piece of the war-related budgets...But because they can be dispensed quickly and applied directly to local needs, they have had a tremendous impact – far beyond the dollar value – on the ability of our troops to succeed in Iraq and Afghanistan. By building trust and confidence in coalition forces, these CERP projects increase the flow of intelligence to commanders in the field and help turn local Iraqis and Afghans against insurgents and terrorists.**

*Defense Secretary Robert M. Gates  
Testimony to U.S. Senate Committee on Appropriations  
February 2007*



### CERP

The Commander's Emergency Response Program (CERP) is a program by which field commanders in Iraq and Afghanistan can fund projects to win hearts and minds, hunt enemies, and encourage the growth of local institutions in war. The Commander's Emergency Response Program (CERP) is novel and important, providing U.S. governmental appropriations directly to tactical units for the purpose of meeting emergency needs of local Iraqi and Afghan civilians. The CERP's novelty and

importance present challenges for implementation of the program, as the undisciplined or uncoordinated use of CERP funds could result in Congress abruptly ending them. Such a fate is worth avoiding, because the program's early success demonstrates that relatively small amounts of money spent locally and intelligently by commanders can yield enormous benefits.

### Origins of CERP

CERP originated as an effort to provide commanders in Iraq with a stabilization tool for the benefit of the Iraqi people. Initial resources for that effort came from stockpiles of ill-gotten Ba'athist Party cash. Days after the toppling of Saddam Hussein's statue in Baghdad, U.S. soldiers discovered huge secret caches of U.S. currency. In the private Baghdad residential cottages of regime officials, soldiers of the 3d Infantry Division found more than a hundred aluminum boxes containing about \$650 million, most of it in sealed stacks of \$100 bills. Days later, soldiers found another \$112 million hidden in a nearby animal kennel. This cash, along with the other regime assets recovered in the weeks and months that followed, provided a source of funding for, and among other things vital to a secure and democratic Iraq, i.e., projects responding to emergency needs of the Iraqi people.



*Building Roads to Link Commerce and the People of Afghanistan.*

In contrast to the devious handling of these funds by senior Ba'athists, the American handling of the recovered assets was transparent, well-documented, and subject to law.

U.S. Treasury  
Department

officials provided expertise to determine the authenticity of all seized negotiable instruments. A Presidential memo required the Department of Defense (DOD) to prescribe procedures governing use, accounting, and auditing of seized funds in consultation with the Departments of Treasury, State, and the Office of Management and Budget (OMB). The Defense Department, in synchronization with OMB, further determined that seized funds were not to be regarded as "miscellaneous receipts" of the U.S. because such funds were not received "for the Government" within the meaning of federal appropriations law. Conversely, field commanders and senior policymakers ensured that seizure, control, and disposition of former regime property complied with international law relating to armed conflict and occupation. Specifically, U.S. Central Command



(USCENTCOM) publicized that in seizing the funds, coalition forces were taking possession of and safeguarding movable property of the State of Iraq, rather than personal property of its citizens. Evidence that many of the assets had been obtained from criminal skimming of profits from oil sales in violation of United Nations sanctions caused coalition leaders to reject the notion that individual senior Ba'athists were rightful owners. A mass of emergency needs developed in the vacuum of functioning Iraqi civil institutions. Clearing streets of destroyed vehicles, bulldozing mountains of garbage, distributing rations, repairing damaged roofs, wells, and sewers, rehabilitating broken-down jails and police stations, and tending to a variety of urgent medical needs became the business of soldiers. These relief and reconstruction activities were undertaken to the extent that continuing combat operations against hostile elements permitted or, in some cases of particularly grave collateral damage, demanded.

### CERP Today

The purpose of the CERP remains unchanged, that is, to provide commanders a capability to successfully respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the indigenous population. These programs include making condolence payments after combat operations, imparting funds for necessary repairs resulting from combat activity, purchasing or repairing critical infrastructure equipment, or performing large-scale civic cleanups that employ as many local inhabitants as possible.

### CERP has also become a vital capability in the commander's toolbox for stability operations.



Micro-Hydro Plant

CERP has progressed as a broader means for tactical commanders to conduct the numerous development-related tasks in stability operations that have been traditionally performed by U.S., foreign, or indigenous professional civilian personnel or agencies. These

tasks include establishing civil security and control; economic development; and restoring and developing essential services, governance, and infrastructure. While the U.S. Army is uniquely trained, manned, and equipped to operate in unstable regions, it lacks the development capacity and expertise of its civilian partners in conducting these tasks. But, civilian diplomatic and development agencies are often challenged to address such tasks in unstable areas with their traditional delivery systems. Given these challenges, Department of Defense (DOD) policy, outlined in DOD Directive 3000.05, Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations, directs that U.S. military forces be prepared to perform all tasks necessary to establish or maintain order when civilians cannot do so. CERP is one tool the

### USG has provided military commanders to meet these requirements.

#### Intent of CERP

The Department of State (DOS) has the primary responsibility, authority, and funding to conduct foreign assistance on behalf of the U.S. government (USG). The legal authority for the DOS security assistance and development assistance missions is found in the Foreign Assistance Act of 1961, 22 U.S.C. §2151. An exception to this authority occurs when Congress enacts a Department of Defense (DOD) appropriation and/or authorization to conduct foreign assistance. CERP, as currently funded, falls within this exception for Humanitarian Assistance Authorizations and Appropriations.



Schools in Afghanistan

CERP is resourced with federally appropriated funds of the USG. These funds are granted to military commanders to meet the urgent humanitarian relief and reconstruction requirements of the Iraqi and Afghan civilian population. The U.S. Army Budget Office provides CERP funds to the U.S. Central Command Combined Forces Land Component Commander who, in turn, distributes these funds to the United States Forces – Iraq (USF-I) and United States Forces-Afghanistan (USFOR-A). USF-I and USFOR-A, specifically, Engineer and Comptroller, staffs develop recommended CERP distribution plans for each of their respective major subordinate commands (MSCs) in their respective theaters

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based upon desired effects, operational priorities, and the MSC's ability to execute the funding plan. All CERP distribution plans are approved by the USF-I and USFOR-A commanders. The commanders for MNC-I and CJTF-82/76 provide guidance, establish priorities, and identify focus areas for the use of CERP among subordinate headquarters in support of theater-specific strategic objectives and desired effects. These objectives may vary over time.

## Examples of theater-level objectives for the CERP include the following:

- ♦ Ensuring urgent humanitarian relief and reconstruction requirements are met for the indigenous population
- ♦ Improving local governance capacity by partnering with provincial government agencies in identifying, prioritizing, selecting, and developing projects
- ♦ Ensuring the larger, strategic projects and services are connected to the end user in local communities
- ♦ Creating momentum and conditions for economic recovery and development
- ♦ MSCs and tactical commanders, in coordination with local officials and other USG agencies, develop and approve CERP projects consistent with theater-specific guidance, their respective funding approval authority, and budget availability.

## Funding CERP with U.S. Appropriations

The approval authorities outlined below reflect the implementing guidance from the USD(C), as well as current theater specific standing operating procedures (SOPs). These authorities may vary by theater and command.



*Afghan Farmers Planting Crops*

- ♦ CERP projects. As the Executive Agent for CERP, the U.S. Army is required to notify the USD(C) separately for each project in excess of \$500,000. As such, the approval authority for projects in excess of \$500,000 in Iraq is the Commander, USF-I. Similarly, in Afghanistan, the approval authority for projects in excess of \$500,000 is the USFOR-A Commander.

These projects also require a contract by a warranted contract officer. These commanders have delegation authority for projects below the \$500,000 threshold. As a general rule, in each theater, battalion and provincial reconstruction team commanders have approval authority for CERP projects up to \$25,000. Brigade combat team/brigade commanders typically have retained approval authority for CERP projects up to \$200,000. Division commanders have generally held approval authority for CERP projects up to \$500,000. But, each of these thresholds may be adjusted over time by theater-specific policies and/or command SOPs.

- ♦ Condolence or "Solatia-like" payments and battle damage payments. Condolence payments are expressions of sympathy and are not admissions of fault by the USG. Battle damage payments focus on collateral damage to homes and businesses that are not otherwise compensable under the Foreign Claims Act. A general/flag officer is required to approve condolence payments and/or battle damage payments that are \$2,500 or above. Brigade commanders are generally the approval authority for payments below \$2,500. Brigade commanders are not authorized to delegate this authorization further. In cases where damages do exceed \$2,500, brigade commanders should consult the brigade judge advocate, which will normally have the authority to approve claims up to \$15,000 as a Foreign Claims Commission. Even though the controlling regulations bar claims that are incident to combat, the spirit of the law may allow some claims to be paid when negligence of U.S. Soldiers caused the damage.
- ♦ Martyr payments. Martyr payments are approved by the first general/flag officer commander in the unit's chain of command. In April 2006, martyr payments became permissible, covering the death of Iraqi army members, police officers or government civilians as a result of U.S. or coalition military actions.
- ♦ Micro-grants. Brigade-level commanders are generally the approval authority for micro-grants valued at or below \$2,500. The approval authority for micro-grants in excess of \$2,500 is retained at the general/flag officer level. These payments provide financial support to disadvantaged entrepreneurs engaged in small and micro-business activities that can shore up humanitarian relief and reconstruction.



Micro-grants represent a change to earlier CERP policy that barred direct payment to assist private businesses. The micro-grant program expands the flexibility of CERP and permits commanders to provide cash, equipment, tools, or other material support to small businesses that lack available credit or financial resources. Micro-grants are not a free money program. Micro-grants must be used with stringent disciplinary measures in place to ensure the economic development objectives of the command are being advanced. The intent of the program is to increase economic activity, particularly in areas where small businesses have suffered because of insurgent or sectarian violence. The business activity must support coalition reconstruction and humanitarian assistance operations and meet specific criteria established by theater-specific policy.



*A District Center for Governance*

Commanders should consider two points when implementing micro-grant programs within their areas of responsibility. First, they should require the enterprise to submit a proposal for the loan that outlines the enterprise's spending plan. This proposal confirms the business leader's legitimate intent for the coalition CERP funds. In addition, commanders should require the business owner to complete the first elements of the business plan using his internal financial or material assets. This procedure confirms the owner's commitment to his stated plan and minimizes the possible unauthorized use of coalition funds.

### **CERP Theater Training**

In a 23 September 2009 memo addressed to the US Army Chief of Staff and the US Marine Corps Commandant, GEN Petraeus communicates a need to establish a CERP pre-deployment training program. The basis of the memo is that "recent GAO and AAA findings characterize CERP training as inadequate" and that "there is no training program at any level designed to help adequately prepare the warfighter on the proper execution of CERP prior to arrival in theater."

In response to the memo, HQDA published EXORD 048-10: Pre-Deployment Training for Contracting Officers, which cites training requirements for contingency contracting, operational contract support, and CERP functional components. TRADOC is identified to deliver CERP functional training no later than 30 March 2010, and the United States Army Financial Management

School (USAFMS) is lead for pre-deployment institutional CERP training.

Responding proactively, Ms. Terry Hancock, a training developer within the Training Development Directorate, immediately deployed into both Iraq and Afghanistan to conduct interviews, observe procedures, and gather documentation to formulate an effective training strategy in support of this initiative. Based on the contacts she made, as well as the urgency of this training product, coordination was made with theater FM warriors to assist in the formulation and review of the training material to ensure it is realistic, relevant, and reflective of current CERP execution.

The USAFMS is simultaneously attacking the dL training requirement in two phases. The first phase, to be available no later than 30 March 2010, is a web-based, 16-hour, dL CERP course that provides the roles, responsibilities, processes, and program overview as well as scenario-based practical exercises that will require students to work through three different projects from beginning to end state. All CERP participants will complete the 16-hour, dL course and receive a course completion certificate. The second phase is a multi-functional, multi-track, 40-hour, modularly based dL CERP that addresses each stakeholder. Each participant will complete a specific track that corresponds with their particular functional area (commander, resource manager, purchasing officer, etc). This 40-hour course will be the primary pre-deployment institutional CERP training for deploying individuals and will incorporate the tactics, techniques, and procedures (TTPs) from USF-I (United States Forces – Iraq) and USFOR-A (US Forces – Afghanistan). The intent is to make the course available to all with no access restriction (other than a Common Access Card [CAC]) via the worldwide web, the Soldier Support Institute enterprise Blackboard domain, or CD-ROM for those with limited or no connectivity. The end state is individuals trained via realistic, relevant, immersive, and engaging distributed learning, functionally driven by assignment, that ultimately achieves tactical commanders' desired strategic effects.

In addition to the efforts of the USAFMS, FORSCOM is in the process of developing Mobile Training Teams (MTTs) that will conduct scenario-based, pre-deployment training for paying agents, purchasing officers, project managers, and

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units/commanders during rotations at the National Training Center (NTC), Joint readiness Training Center (JRTC), Battle Command Training Program (BCTP), and the Joint Multinational Readiness Center (JMRC).

## Management of the Afghanistan Development Reports in CIDNE

Knowledge and communications are central to assist in the interaction between U.S. troops on the ground, Afghani forces and coalition forces. The Combined Information Data Network Exchange, CIDNE, a secure internet host site, that provides active communications for Soldiers on the battlefield, which is a commitment tool for tracking three types of entities - people, facilities and organizations. In military terms, these entities are referred to as spheres of influence. Spheres of influence are specific entities that influence a region or population. CIDNE is an engagement tool that is designed for anyone interacting with people, facilities and organizations. It establishes a legacy product to enhance and enable organizations that are new to the operating area.

CIDNE is the database of record and provides users with the tools to support the diverse and complex processes contributing to the mission of coalition forces. It provides an informational bridge between various communities which, while working the same problem sets from different perspectives might not otherwise be able to share data.

CIDNE is proving to be the most promising means of developing information and knowledge sharing. U.S. government agencies, including the Department of Defense (DOD) and the United States Agency for International Development (USAID) have spent billions of dollars to develop Afghanistan. From fiscal years 2004 to 2008, DOD has reported obligations of about \$1 billion for its CERP.

Correspondingly, CIDNE is the official central database for tracking all CERP projects in Afghanistan through the Afghan Development Report (ADR). In fact, after receiving all the required documentation for the CERP project file, the Resource Management (RM) office must provide a print-out of the document for Operational Data Store (ODS) showing that the project has been cleared in the accounting system. At the bottom of the ODS print-out, the RM office must add the following statement: "CERP Project # (add 14-digit CIDNE number) has been cleared and properly recorded in the accounting system." The RM office will then endorse the ODS print-out. A copy of this endorsed print-out will then be placed in the project file and uploaded to CIDNE.

## Challenges

As with other complex tools, this one will help achieve the desired end only if employed with intelligence. Here, the requirement is literal - if a commander spends CERP funds in a vacuum of military intelligence, it is quite possible to do more harm than good. In terms of how the brigade or division staff conducts operations, the key is to decide on CERP projects using the military decision-making process, built on thorough intelligence preparation of the battlefield.

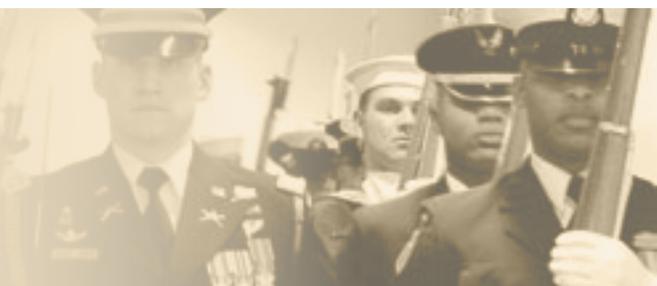
Integration of available intelligence into CERP-project planning is essential, but so too is coordinated execution of the project with the brigade's other systems. Neighborhoods suffering collateral damage from direct and indirect fires should be high priorities for immediate and focused reconstruction.

Opportunities to broaden CERP funds or augment their impact should be seized by using them in conjunction with material handling equipment and other engineer assets. Patrolling by ground maneuver forces should secure the areas where projects have been newly completed. Public affairs messages should be timed to make the most of these good news stories while avoiding any suggestion that loyalty or affection can simply be purchased - a notion revolting to cultural and religious sensibilities in this region of the world.

Due effort should be made to ensure CERP projects complement rather than compete with projects and programs of other U.S. government organizations, of nongovernmental organizations, and of emerging local and national programs. In Afghanistan, the Chief of the U.S. diplomatic mission sets these priorities after consulting with the Commanders of the Combined Forces Command-Central Asia (CFC-CA), USCENTCOM, and members of his country team, and after receiving strategic guidance from the President and the Secretary of State.

## Way Ahead

If commanders overcome the challenges they face in implementing CERP with appropriated funds, there is broad agreement among military leaders that the program's impact will be profound. The Chairman of the Joint Chiefs of Staff has described CERP as one the most effective means we have of persuading ordinary Iraqis that we are there to help them and their families. Effectiveness of the program in the near term will require those with oversight responsibility, both within the DOD and in Congress, to withstand the tendency to burden CERP with purpose-based fiscal prohibitions. An example of such a prohibition would be any policy statement or expression of congressional intent that to pay a reward, or purchase a policeman's uniform, or build a



dam is an improper purpose for appropriated CERP funds as a matter of fiscal law. While controls on expenditure of public funds are necessary and appropriate, CERP's positive impact will continue to stem from commanders' ability to make judgment calls quickly about how best to benefit local Afghans. Commanders will make these judgment calls based partly on information that only the military among U.S. organizations will receive, due to normal patrolling by soldiers in affected communities.

Over the longer term, the CERP should be made part of organic-authorizing legislation and codified in title 10. Division commanders who know that legal authority for the CERP is present and that Congress may choose to fund the program during a deployment can readily train brigade commanders in such a program. Combat Training Center rotations and institutional pre-command courses could likewise encompass training on a stable program, and lessons learned could be collected, catalogued, and incorporated into leader development programs. Training and leader development provide the best sort of control, maximizing coordinated and disciplined use of CERP without imposing the heavy hand of the Anti-Deficiency Act. While no system of control can eliminate every ill-chosen project, division and brigade commanders will demonstrate as they have done time and again, that is, the best system is one that encourages their initiative and relies on their judgment. The unorthodox operations we undertake today have challenged our government to provide new mechanisms within the law no less than they have challenged our armed forces to employ new technologies, weapons, organization, and tactics. CERP promises to be one part of an answer to the legal challenge. As such, it is no small change of soldiering.

### **Significance of CERP**

Having been acclaimed for its effective contributions to stabilization efforts in Iraq, the CERP became both an important development in the law and a potentially transforming influence on modern U.S. military operations. The significance and possible operational impact of the legislative provision can be appreciated against the background of restrictions historically imposed on a U.S. field commander's ability to spend public funds. Under normal circumstances, a brigade commander with forces in Baghdad or Salerno or Kandahar has no source of discretionary funding to apply toward his mission. Indeed, his environment is cash-free or cash-starved, depending on the point of view. His unit generally has the finest equipment in the world, but without having to make decisions about paying for the tanks, helicopters, vehicles,

machine guns, rifles, artillery pieces, mortars, missiles, radars, radios, global positioning system receivers, night vision devices, or other "end items" used by his soldiers. Funds for these capital expenditures and for their distribution and fielding to tactical units are paid for with procurement dollars appropriated by Congress either programmatically or in other procurement appropriations.

The significance of the CERP is that by authorizing and funding a program for discretionary humanitarian projects of brigade and division commanders, Congress has recognized the need for new and different tools to conduct major stability operations. Authority to use a certain amount of O&M funds notwithstanding any other provision of law is essential to ensuring CERP remains effective despite overlapping rules and policies that place similar authority elsewhere. Congressional acknowledgment of the need for new tools is essential because while the Constitution vests authority over foreign affairs and national defense in the President, it also vests separate, broad authority over the purse in the Congress. With the military's conventional role of preparing for and fighting the nation's wars continuing to define defense budgets and funding mechanisms, it is the non-conventional military operations that bring into highest relief this congressional power to influence foreign affairs and national defense through the appropriations process.

The Constitution provides that "[n]o Money shall be drawn from the Treasury but in Consequence of Appropriations made by Law." Though its impact in the jurisdiction of national security affairs has been the subject of much debate, the most convincing view is that the Appropriations Clause gives Congress alone the constitutional authority to draw funds from the Treasury. Laws implementing the Appropriations Clause include those requiring public funds to be spent according to the purposes for which they were appropriated, to be obligated during their period of availability, and to remain within the appropriated amount. To the brigade commanders conducting stability operations in Afghanistan, these and the other controls in federal appropriations law mean that with regard to public funds under their control, they must refrain from using the initiative that infuses almost every other aspect of effective command.

As the Supreme Court has made clear, "[t]he established rule is that the expenditure of public funds is proper only when authorized by Congress, not that public funds may be expended unless prohibited by Congress." This rule, surely a sound and proper one to safeguard the people's treasure in a constitutional democracy, requires no special supplementation during peacetime training and exercises. However, during other contingency operations (OCO), the absence of congressional authority for

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Well Pumping in Afghanistan

commanders, on their own initiative, to spend small amounts of that treasure quickly on urgent humanitarian projects can spell defeat in the struggle for non-kinetic enablers on the battlefield. By providing a source of funding for CERP, Congress has furnished such authority.

In summary, the challenge CERP presents to commanders is for projects to be synchronized and disciplined.

Coordinating CERP projects with the efforts of all individuals, teams, and units that are pursuing tracking the common objective, i.e., inside the brigade as well as outside, will yield maximum effects per dollar spent. Disciplining expenditures so that they focus on urgent, humanitarian needs of the civilian populace rather than infrastructure and security force investments will yield victories, both short and longer term, in the intricate workings of hearts and minds.



*About the Author:*  
Major Mark W. Lee is a comptroller and re-source manager instructor at the Army Financial Management School at Fort Jackson, South Carolina. He previously served as deputy G-8 and Regional Command East re-source manager in Afghanistan. He holds a B.S. degree in mathematics, an M.B.A. degree with a concentration in public administration, and M.Ed., J.D., and Ph.D. degrees. He is currently attending the Air Command and Staff College.

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## Paying Agents: The Good, the Bad and the Ugly

By Major Bill Keltner

Paying agents in Iraq have recently been scrutinized for mishandling Department of Defense funds. This article recounts some of those cases and provides lessons learned from the 16th Sustainment Brigade's investigations into major losses of funds.

There is an old saying, "A fool and his money are soon parted." After recent news reports of illegal activities by some unscrupulous Army paying agents (PAs) in Iraq, perhaps a new adage is at hand: "A dummy and his dinar are soon damned." As the financial cost of Operation Iraqi Freedom approaches the cost of the Vietnam War, billions of dollars have been entrusted to PAs.

The Financial Management Support Operations (FMSP) section of the 16th Sustainment Brigade was responsible for the operational oversight of around 300 PAs in northern Iraq while the brigade was deployed from July 2008 through October 2009. Those PAs were funded over \$125 million in FY09 to pay for procurement and services deemed vital to support the war effort.

### Pay Agents in the News

It would appear that the press has lifted an infested carpet to reveal maladroitness who are scrambling out like cockroaches. According to the press, there has been a "wave of prosecutions emerging from the tangled and expensive reconstruction in Iraq and Afghanistan," as Kim Murphy reports in the Los Angeles Times article "Some U.S. Troops Tempted by Reconstruction Cash" (12 April 2009).

Murphy goes on to say, "The Justice Department has secured more than three dozen bribery-related convictions in the awarding of reconstruction contracts; at least 25 theft probes are underway." The article describes how an Army captain in Iraq managed to skim almost \$700,000 in cash from reconstruction projects and payments to a private Iraqi security force known as the Sons of Iraq. The captain is "accused of packing cash into boxes and mailing them to his family's home." All the while, his leaders believed he was making great contributions to the war effort. Not all the news is bad. Tom Gordon of the Birmingham News posted a positive story, 5 June 2008, Mountain Brook,



Alabama. "Officer is planner, paymaster in Iraq". This article was about a lieutenant, another PA in Iraq, who used money to improve a village's economic structure and its attitude toward the coalition. However, this same lieutenant was investigated after he incurred a major loss of funds. So are PAs heroes that accomplish a mission vital to success in Iraq? Or are they actually a bunch of scoundrels robbing us blind? The truth is not always cut and dried.

### Roles and Responsibilities of a Pay Agent

Let us start our journey for truth by taking a look at Pay Agents duties according to the procedures in Multi-National Corps-Iraq's standing operating procedure, Money as a Weapon System (MAAWS), and Field Manual 1-06, Financial Management Operations. PAs are appointed by a field-grade officer in their chain of command. Unit commanders provide resources such as transportation and security containers. PAs represent Financial Management Company Commanders (FMCo), who disburse cash to them through the company's disbursing agents to pay for crucial wartime requirements. The servicing FMCo trains PAs on all requirements for drawing and safeguarding funds and clearing accounts.

Before drawing funds, PAs must sign statements acknowledging that they understand their duties and accept pecuniary liability for those funds if they have a loss. PAs are not authorized to delegate their responsibilities. A PA must also follow the instructions of either the project purchasing officer (PPO) or field ordering officer (FOO) who represents the contracting office, directs the PA to draw funds, and approves all purchases. PAs must not commingle any funds, public or private. And, very importantly, PAs must secure funds as specified in chapter 3 of the Department of Defense Financial Management Regulation (DODFMR), Volume 5. This means that if the funds are not in the PA's physical possession, they must be secured in an approved safe to which only the PA has the combination.

Critical support missions can be halted by PA losses. These losses equate not only to lost funding for the Army but also to lost man-hours as investigating officers must be summoned to conduct a month-long investigation.

### Investigations of Major Losses of Funds

We in the FMSPO section oversaw five investigations into circumstances involving major losses of funds. (A major loss is a loss of \$750 or more.) Most of these investigations determined that the losses were caused by carelessness. The investigations also sometimes revealed deeper problems of fraud, waste, and abuse.

One loss of \$4,580.43 was discovered when a disbursing agent attempted to clear a PA's account. The PA maintained that he had already turned his money in several months earlier to a previous disbursing agent, who had cleared him and then redeployed. However, the PA kept no copy of the Department of Defense Form 1081, Statement of Agent Officer's Account, which would have served as proof of his clearing the account. It did not help matters that the next disbursing agent waited over 4 months to clear the PA. By the time the investigation was requested, the previous disbursing agent was no longer in the Army.

In another situation, \$1,000 was lost because a disbursing agent who was covering for another disbursing agent on rest and relaxation (R&R) leave funded the wrong PA to make a \$1,000 reward payment. The PA failed to pay attention to the emailed instructions of his PPO who told the PA not to make that payment. The PA claimed that after receiving the funds, he asked around, found the awardee, and paid him. Later, the other disbursing agent came back from R&R, but no reconciliation was done. Consequently, this disbursing agent funded the correct PA, who also paid the awardee, thus creating a dual payment.

Another loss of \$17,498.69 was reported and investigated because a PA was unable to obtain the documentation needed to clear his account because of an ongoing investigation into the illegal practices of his FOO. The Defense Finance and Accounting Service (DFAS) is the Department of Defense's financial agency responsible for gathering all evidence of losses to determine liability and to make the necessary collection from individuals responsible for the loss. In this case, DFAS later released the PA from liability but held the FOO responsible for the lost funds.

Another case involved a PA losing \$9,087.87 because he commingled funds and delegated authority to others to make payments. He also did not follow established timelines requiring him to clear his account every 30 days. His clearing took place 111 days after he drew funds, and he did not maintain a ledger.

The lieutenant who was mentioned favorably in the Birmingham News was ironically also the subject of a major loss of funds investigation. He was doing great work as a PA funding Sons of Iraq, who are former Sunni insurgents who provide security services and have been credited with helping calm violence in the country. However, he lost \$14,366.96. How? He did not use a safe. The investigation revealed that the lost currency had been in an assault pack on a chair inside his living quarters and that he left his quarters unlocked. He claimed that one of the unit's interpreters may have stolen the money while the funds were unsecured. Clearly, this officer did not properly secure the funds entrusted to him.

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Later, he produced a witness who claimed that the lieutenant had asked his command, not once, but several times for a safe. In light of this witness's statement, DFAS concluded that the proximate cause of the loss was not that he had left the funds unsecured in his unlocked quarters but that his commander had not provided him a safe, as should have been done in accordance with the DODFMR. As of this writing, it appears the lost funds will not be recovered. The PA probably will not have to pay back the lost money, and DFAS is leaning toward holding his commander to blame. However, while the legal wheels slowly turned and allowed new witness testimony for the PA's defense, his commander redeployed. Regardless, commanders do not hold pecuniary liability for Pay Agent funds in any case.

Not having a safe was just the tip of an iceberg of financial mismanagement by this PA's unit. Another fact discovered during the investigation was that the PA's unit did not even call the military police after the money was allegedly stolen. Later, the same unit incurred a major loss of funds by another PA. To top that off, this second PA claimed his unit's leaders had directed him to shift funds from approved contracts to pay Sons of Iraq, who were not under contract. Ultimately, a higher headquarters conducted a commander's inquiry into these allegations. The inquiry found that both the battalion and brigade commanders gave the PA permission to use funds from other contracts to pay for Sons of Iraq, which was not properly authorized but which the leaders claimed was crucial security support for their troops. The investigator conducting the commander's inquiry concluded and recommended that all parties only be counseled.

## Fixing the Problems

To help prevent losses, the 16th Sustainment Brigade FMSPO, the 101st FMCo, the 469th Financial Management Center (FMC), and 18th FMC initiated programs to help PAs accomplish their mission. I, the FMSPO, started making staff assistance visits to the PAs' locations which accomplished many things. Getting out

to the units allowed for better sharing of lessons-learned showing PAs what happens when proper procedures are not followed. I was also better able to find out if any pressure was being put on PAs to make improper purchases. It was also a great opportunity to check if PAs were following proper safeguarding procedures by securing funds in accordance with the DODFMR. I found in many locations that PAs were not storing funds properly. In one instance, a PA was storing funds in a filing cabinet. Another time, a PA had several thousand dollars in a toy safe that could

be easily carried away. These discoveries of non-compliance to safeguarding procedures prompted me to submit an update to the MAAWS warning unit commanders that they may be subject to adverse administrative action if funds are lost due to negligence. These staff assistance visits and inspections were fundamental to improving the PAs' success as the losses significantly decreased.

To prevent dual payments, the 101st FMCo established a database for disbursing agents to use in tracking payments. Now procedures require that newly assigned disbursing agents make contact with all their PAs to further ensure accountability of funds.

The 469th FMC and the 18th FMC implemented e-Commerce initiatives to remove cash from the battlefield and build confidence

in the local financial institutions. One such initiative was a pilot program for the use of limited depository accounts at Iraqi banks so that PAs may write checks instead of carrying cash. The PA clearing policy was also changed after a PA was killed by a roadside bomb while traveling to clear his account. The policy now allows PAs to clear electronically via email if they do not have any cash to turn in or pick up.

Additionally, The FMCo is now processing contracts that require mostly electronic transactions as the method of payment, further decreasing the need for cash on the battlefield.





Any loss of funds captures our attention, and incorporating lessons learned into training ensures they will not happen again. A new, enhanced PA training program is also underway in Iraq that incorporates many lessons-learned. Also, the 469th FMC is in charge of the planning and execution of this year's DIAMOND SABER exercise which is the Army's premier annual Financial Management training exercise that will provide realistic training for FM warriors of all components and will incorporate lessons-learned to assist in their preparation for deployment to a theater of operations. This year, all sustainment brigade FMSPOs are invited to receive this valuable training which, will occur 6-19 JUN at Fort McCoy, WI.

For further aid and assurance, sustainment brigade commanders could leverage their Special Troops Battalions (STBs) for support in overseeing PA operations. The STB can be tasked to provide personnel, equipment, and transportation coordination to support a robust staff assistance visit program. This would further help to ensure PAs are properly safeguarding funds, especially at locations where the STB already has administrative control over financial management units. The STB commander could task the FMCo commander to ensure that disbursing agents within their financial management detachments take time to periodically visit PAs located at their contingency operating bases.

The losses mentioned above are the exception, and as bad as losses are, things have not exactly gone to pieces. As of this writing, there are currently almost 300 PAs in northern Iraq who are doing a great job spending over \$125 million during FY09 in their efforts to fund crucial mission requirements. Great strides are being taken to assist the unsung heroes who risk their lives in dangerous territories as they provide critical support and security for our troops.

One disbursing agent described the accomplishments of the PAs working in his area in this way:

As PAs for Sons of Iraq and the Commanders' Emergency

Relief Program, they assumed responsibility for nine Sons of Iraq contracts and a large literacy program. They each disbursed around \$1,000,000 as they worked closely with the [disbursing agent] to ensure the correct denominations of Iraqi dinar were requested and on hand. During their watch, the program progressed from paying the Sheiks directly by lump sum to conducting payday activities where each individual Sons of Iraq contractor was paid by the PA. Their work as PAs saved lives and improved the living conditions in their area of operations.

Perhaps there are a few bad apples in the bunch. But truthfully, the Army's PAs are an outstanding bunch of heroes who sustain the warfighter by helping commanders use money both as a weapon system and as a nonlethal means to achieve victory on the battlefield.



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*Major Bill Keltner was the chief of financial management operations for the 16th Sustainment Brigade during its 15 month deployment in Iraq. He currently serves as the Chief of Training and Operations for the 469th Financial Management Center. He holds an undergraduate degree in English from the University of South Alabama. His military education includes the Adjutant General Officer Basic and Advanced Course, the Planning, Programming, Budgeting, Execution Systems Course, and the Combined Arms Services Staff School.*

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