



**DEPARTMENT OF THE ARMY  
HEADQUARTERS, UNITED STATES ARMY RESERVE COMMAND  
4710 KNOX STREET  
FORT BRAGG, NC 28310-5010**

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**OCT 30 2014**

**MEMORANDUM FOR**

**Commanders, US Army Reserve Major Subordinate Commands  
Army Reserve Directors and Chiefs, Coordinating, Special and Personal Staff Agencies,  
and Secretary of the General Staff**

**SUBJECT: FY15 USAR Cost Management Performance Objectives**

**1. References.**

**a. Memorandum, November 6, 2012, US Army Reserve Cost Management Program (CMP) – Update #1.**

**b. Memorandum, October 31, 2013, FY14 USAR Cost Management Performance Objectives.**

**2. Purpose. This memorandum establishes the Cost Management Performance Objectives for FY15 as directed by reference 1a. These objectives are applicable to the USAR Staff and Operational, Functional, Training and Supporting (OFTS) Commanders. This memorandum replaces reference 1b.**

**3. Program Development and Status.**

**a. In FY12 and FY13, we took action to implement a Cost Management Program (CMP). Our initial actions focused on (1) creating awareness across the Command, (2) developing cost management skills on the staff through various training modes, and (3) pursuing cost savings through a Process Improvement Project (PIP) focused on travel to not only generate savings but also serve as a training tool. In FY14, we built upon what we previously learned and took action to (1) increase the depth and breadth of staff skills through more rigorous training, (2) continued to improve operations and identify savings through PIPs and the Review and Analysis (R&A) process, and (3) expanded senior leader understanding through executive training.**

**b. In FY15, our intent is to solidify what we've accomplished by (1) completing any residual tasks not completed in FY14, (2) identifying new areas for improvement and sharing our successes with others, and (3) fully implementing Review and Analysis.**

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#### 4. Training.

a. Each OFTS Commander will maintain a trained cadre of Analytic Cost Experts (ACE) with representation from each of the following primary staff sections: G-1/HR, G-3/Ops, G-4/Log, and G-8/RM. Complete in FY15 any required ACE training not accomplished in FY14. Consider expanding ACE training to your subordinate commands as appropriate.

b. Qualifying ACE Training is limited to 4 options, (1) the USAR-sponsored ACE Training Program, (2) the Principals of Cost Analysis and Management (PCAM) course, (3) the Intermediate Cost Analysis and Management (ICAM) course, or (4) the Cost Management Certificate Course (CMCC).

c. PCAM and ICAM are available through Army Training Requirements and Resources System (ATRRS). Information on CMCC is available on the ASA(FM&C) Proponency website. Identify candidates for USAR-sponsored ACE Training Program not later than 1 December 2014 to the USAR ACE, Mr. Bill Henry. Anticipate class to begin in the 2nd Quarter of FY15.

d. Each OFTS Commander that has not done so in FY14 will participate in Cost Management Executive Training hosted by the USARC HQ DCGs and coordinated by the USARC G-8 . This training will focus on (1) leading and creating a cost informed command climate, (2) applying continuous improvement techniques in your command, and (3) the utility of cost-benefit analysis in a resource constrained environment. Anticipate this training to be offered not later than the 2nd Quarter of FY15. The training will be made available to additional flag officers as requested and as seats are available.

#### 5. Process Improvement Projects (PIP).

a. Each OFTS Commander will improve travel operations as an ongoing PIP for FY15. Commands will be provided travel funding targets by the USAR ACE for FY15. Once the negotiation period is complete, it is critical that Commanders implement changes and maintain controls that promote obtaining the target. For FY15, focus on improving underlying systemic travel processes that will have a long term impact on improving travel operations. If you have not done so, map your existing travel sub-processes (Defense Travel System (DTS), Government Travel Credit Card (GTCC) Individual Billed Account (IBA) and Centrally Billed Account (CBA), manual travel), and implement changes that (1) improve voucher processing time, (2) improve voucher accuracy, (3) improve GTCC IBA and CBA delinquency rates, and (4) eliminate wasteful and unnecessary travel. The USAR ACE will provide the USARC Command Group updates on the Travel PIP

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periodically. Be sure to keep the monthly Quad Charts updated with any comments or concerns.

b. Each OFTS Commander will work to reduce GTCC IBA delinquency rates by performing a quarterly "by-name review" of delinquent cardholders and replying to the appropriate DCG by-name with (1) reason for delinquency, (2) corrective actions taken, and (3) lessons learned to prevent future occurrence. The candidate list and reply template will be provided by the USARC G-8 to each OFTS Command by the 15th day of the middle month of each quarter with a 30 day suspense for a response.

c. Each OFTS Commander will champion at least one PIP that is not travel-related in FY15. Brief your USARC Deputy Commanding General on your PIP not later than 30 June 15. Report your success to the USAR ACE for inclusion in the "Repository of Success".

#### 6. Review and Analysis (R&A).

a. The heart of the CMP is the concept of cost-informed decision making. The vehicle that brings together cost analysis and leadership resource decisions is the R&A process. In FY15, leverage your ACE talent-pool, and initiate a R&A process suitable for your command. Plan for, at a minimum, a semi-annual review scheduled to best impact future operations.

b. The R&A should serve as the primary forum for Commanders to reallocate savings from cost initiatives to value-added programs that enhance training and readiness.

7. We have achieved many successes with the USAR CMP in previous years. For FY15, let's leverage what we have learned, and employ the skills we have developed to make our operations more effective and efficient, mitigating the impacts of a new fiscal reality of less resources and steady mission requirements. If you have questions or concerns, contact myself or my ACE, Mr. Bill Henry, at phone number, (910) 570-8801 or by email, [william.c.henry8.civ@mail.mil](mailto:william.c.henry8.civ@mail.mil).



LUIS R. VISOT  
Major General, US Army  
Chief of Staff