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RESOURCE MANAGEMENT

1st Qtr 2002

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

Sandra L. Pack

Ladies and gentlemen, as I address you in this forum for the first time, I want to let you know how proud and honored I am to be serving this great institution, The United States Army, with such dedicated, competent and professional individuals as you. I truly cannot think of a better job than that which I am in, and it is due to you. In my travels throughout the United States and in Germany, I have met with many of you and your colleagues and have been nothing but impressed with your work ethic and devotion to duty. It is clear to me that you have the best interests of The Army at heart and will do whatever it takes to ensure our soldiers are the best prepared and cared for in the world.

I am sure you agree that a requirement of any successful organization or business is a competent and professional financial management staff. The larger and more complex an organization is, the greater its reliance on financial management - and as the Army Vice Chief of Staff, General Keane, emphasized to me recently, "You are now the CFO of the largest organization in the world." Given this awesome responsibility, I am completely committed to ensuring that The Army's financial management organization is tops in its class. To accomplish this, we must have the foundation of a strong three-legged stool, each leg individually representing the systems, processes, and foremost, the workforce of Army financial management.

The success of Army financial management, and thus The Army as a whole, rests with the competence and professionalism of our workforce. Our military and civilian financial managers must have three preeminent abilities: revenue generation; cost analysis and control; and leveraging existing resources. To attract, develop and retain a workforce with these skills we must continue to dedicate sufficient resources and attention to their training and professional development and provide them the tools they need to be successful. I promise you that I am a staunch champion of this cause and a true believer in the immense value of education. In fact, my favorite quote, by an anonymous source, is: "Man's flight through life is sustained by the power of his knowledge." Moreover, I believe that life is enriched by education. One can never learn enough!

Fortunately for us, military Functional Area 45 and civilian Career Program 11 provide many training and development opportunities, as laid out in the FA 45 Professional Development Guide and the CP 11 Army Civilian Training, Education and Development System (ACTEDS) Plan, for military and civilian careerists respectively. Both of these documents currently are under revision and updates will be distributed within the next few months. As a CPA, I understand the importance of skill maintenance, professional development and professional certification. I strongly encourage each and every one of you to take advantage of these educational opportunities to enhance your skills and to pursue professional certification.

The FA 45 Development Guide was last updated in 1999 when Officer Personnel Management System XXI (OPMS XXI) was being formulated. We now have numerous lessons learned along with further developed OPMS XXI programs such as Intermediate Level Education. FA 45 also has initiated new programs such as training with industry, a fellowship with the Office of Management and Budget, and the Comptroller Accreditation Program. All of this information will be added to the next update.

The Comptroller Civilian Career Program ACTEDS Plan also was rewritten in 1999 when the Comptroller Accreditation Program and Multi-disciplined Financial Analyst Initiative were created. As Army financial management changes, the tools we use to develop our workforce must keep pace. We now have specific intern master training plans for accountants, auditors, and cost analysts. In addition, functional core competencies are being updated in the ACTEDS Plan to reflect current changes and additional cost analyst courses will be added.

Through the overarching Comptroller Accreditation Program and other initiatives, we will prepare the Army Comptroller workforce for the 21st century. This is a collective effort, and I encourage all careerists to study the ACTEDS and FA 45 Development guides and to actively pursue the wealth of training and development opportunities available to them. Your efforts will be rewarded through your professional gains and the pride of knowing we are better serving our soldiers. Together we will ensure that we generate, control, use and leverage our resources in the most efficient and effective ways to support the world's finest Army.

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First Quarter 2002

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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.

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

Ernest J. Gregory

The Chief of Staff of the Army recently tasked the Army Training and Leader Development Panel to conduct a survey to assess the state of civilian training and leader development. While the results have yet to be published, this effort highlights the importance Army leadership places on the professional development of our civilian workforce.

As I look back over the many changes that have taken place in the financial management arena, none are more significant than the changes in our current financial management professional development infrastructure. There is a lot going on and information is constantly changing. Professional development opportunities for financial management careerists are endless. Whether you are a brand new intern or a seasoned senior executive, you can pursue graduate education programs, specialized training and certification. Basically, you can enhance your current job experience at any grade level.

Many of the professional development opportunities are centrally funded, and the courses are so popular that careerists must decide early in the year which courses to attend while training allocations are still available. Even with the increase in demand, there are many opportunities for careerists to choose from, including these:

Army Comptrollership Program -- ACP is a professional development experience that provides students with the essential tools of private and public sector business practices and the tools to analyze and develop public policy. ACP is a 60 credit hour, 14-month program sponsored by ASA (FM&C), Syracuse University's School of Management and Maxwell School of Citizenship & Public Affairs. The class graduating in August 2003 will receive master's degrees in business and public administration.

Professional Resource Management Course -- PRMC is a four-week management development program. This course provides mid-level, upwardly oriented civilian (GS11-14) and military (major and lieutenant colonel) resource managers with interpersonal communication, analytical, negotiation and consensus building skills. The course also examines the planning, programming, budgeting and execution system along with current issues in financial management. Classes are held three times each year at Syracuse University, New York.

Army Comptroller Course -- The ACC is a comprehensive training experience for journey-level Army civilian careerists (GS 9-12), second-year Department of the Army interns and military officers entering FA 45 (major). ACC focuses on federal budget challenges; strategic planning; planning, programming, budgeting and execution system; fiscal law; activity and service-based costing; manpower management; contracting; management controls; competitive sourcing; financial operations; the legislative process; and resource management. This four-week course is taught three times each year at Syracuse University, New York.

Professional Military Comptroller School (PMCS) -- PMCS is a six-week professional development course for Department of Defense RM personnel. The course develops careerists' capabilities to adapt the Comptroller's role to the economic, political and social environment of the military organization. PMCS combines multi-service faculty lectures and seminars with an extensive and prestigious guest-speaker program. Classes are taught five times each year at the Center for Professional Development, Maxwell AFB, Ala.

The only constant about financial management is change: new business processes, emerging technologies, state of the art financial systems and improved financial data repositories. Keep pace with our changing financial management environment.

Carpe diem! Invest in your future by pursuing financial management professional development opportunities.



Individual travel card delinquency:

It's time to reverse the trend

by Frank Rago

The current task order for the DoD Travel Card Program took effect on Nov. 30, 1998. We had a pretty rocky start.

Units couldn't see delinquent cardholder accounts because they were linked to other units in the bank's account structure; transportation offices couldn't make timely payments on centrally-billed accounts because they didn't receive proper invoices. But eventually, things smoothed out.

Once the bank fully fielded its on-line system (the Electronic Account Government Ledger System, called EAGLS) and Agency Program Coordinators (APCs) overcame various obstacles, we began to clearly monitor card usage and account status and begin taking charge of the program.

Has the delinquency battle been won? I guess you could make a case that it's been won for our centrally billed accounts, which we use to pay for air and rail tickets at commercial travel offices. Delinquency on these accounts once measured in excess of 10 percent but it's now at 1 percent each for both Army and DoD accounts. This success is due to two things: diligence on the part of Army account holders and effective oversight by the people at the Military Traffic Management Command who monitor centrally-billed Army accounts.

This is no small task. The Army spends in excess of \$40 million each month on travel and transportation expenses using some 1,700 centrally billed accounts.

Because the balance due on these accounts is a government liability, the laws and regulations governing cash management and prompt payment come into play. Bills not paid within 30 days of receipt are subject to prompt payment interest charges. The longer these amounts remain unpaid, the greater the penalties that are incurred.

You can imagine what this additional cost can do to an organization's travel budget. We still pay some interest penalties for late payment, but it's now only a fraction of what it once was.

Individually billed accounts, the travel cards that travelers carry in their pocket, are another matter. In October 2000, with the Army's cardholder delinquency rate exceeding 11 percent, the Vice Chief of Staff of the Army issued strong guidance to commands to get their travel card programs under control.

He established a goal of not more than 4 percent of accounts delinquent and challenged commands to meet or exceed that goal by the end of March 2001. Delinquency continued to rise to over 12 percent through January 2001, but then began a dramatic plunge to only 5.6 percent in

DOD TRAVEL CHARGE CARD
Army Delinquency Rate (January 2001 - January 2002)

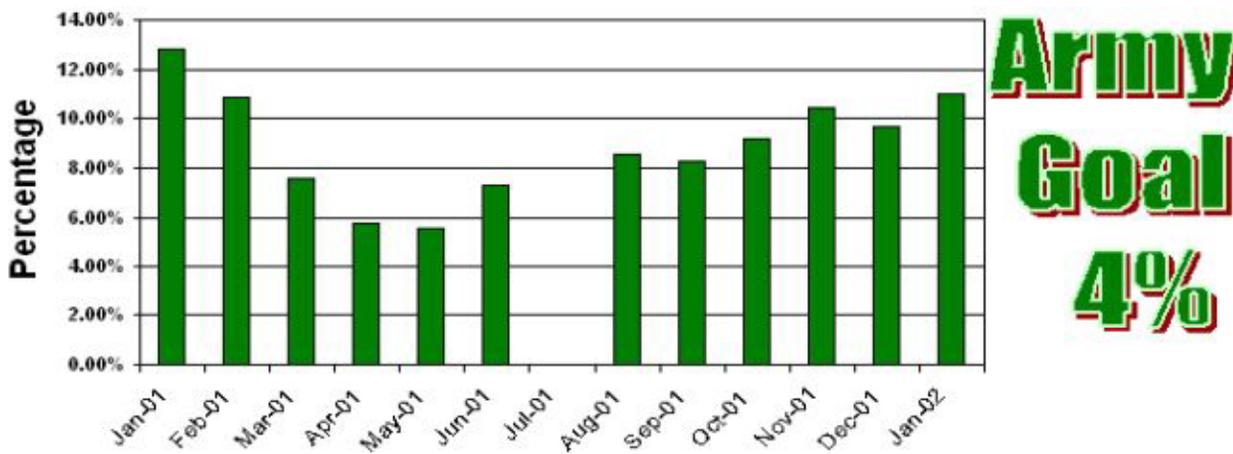


Figure 1

**DOD TRAVEL CHARGE CARD
Breakout by Rank/Grade
(As of 30 November 2001)**

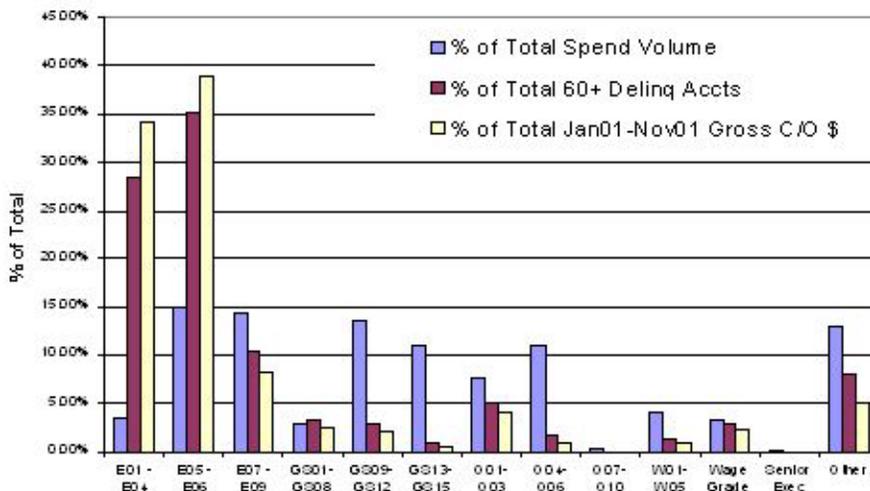


Figure 2

May.

At that point in time, you could honestly say that we had a program of over 400,000 cardholders, with about 140,000 spending over \$30 million in any given month, and we were approaching 95 percent effectiveness in paying our bills on time.

In other words, you could argue that we had a very successful program. Unfortunately, that argument wouldn't hold water for long. Beginning in June 2001, our delinquency rate began to rise again and it's continued to its current level of 11 percent (see Figure 1).

Who are these delinquent cardholders? Where are they? Analysis shows that the majority of delinquent cardholders are soldiers in grades E-1 through E-6. They make up only 34 percent of the Army's cardholder population, and spend only 19 percent of the dollars, but they account for 64 percent of our delinquent accounts and 73 percent of the Army dollars that the Bank of America charges off as uncollectable. A breakout by grade is shown in Figure 2.

What's been done to work the delinquency issue? In addition to letters from the Vice Chief of Staff, Army, major commanders have echoed their dissatisfaction with current delinquency levels to their subordinate commanders.

The Sergeant Major of the Army was briefed

on the issue and, in turn, has advised command sergeants major of the problem and charged them to take action.

Aging Analysis Reports that summarize command delinquency statistics are supplied each month to APCs at major command level, who forward them to their subordinate organizations for review and action.

Army senior leadership is aware of the problem and senior commanders have been energized, but ultimately the solution will not come from the top. It must come from the lowest echelons in the Army, from the supervisors and commanders at unit level. How can we do this?

More than anything else, we must look at the span of control that our APCs are coping with.

We have some APCs who are responsible for administering programs with thousands of cardholders. APCs

have some very effective tools at their disposal, but with cardholder volume of this magnitude, they have no real chance to effectively manage their programs. Reducing the span of control, breaking up these large accounts and pushing administration down to lower levels, would make APCs responsible for a manageable number of cardholders (say, the size of an average company) and would go a long way towards resolving the delinquency problem.

APCs could then easily run their monthly management reports, provide copies to the supervisors of their problem cardholders, with a summary report to the commander. In turn, this would get supervisors and commanders involved earlier, so they could take action before delinquency occurs and accounts are suspended or cancelled. A manageable span of control combined with strong commander/supervisor involvement is essential to an effective program.

In addition, here are some guidelines that commands can use to effectively manage their travel card programs:

Make command expectations clear. Commanders should communicate very clearly that:

- Card misuse, abuse and delinquency will not be tolerated.
- Use the card for official travel only -- *not* for

personal, family or household purposes

- File travel claims promptly and pay off card balances promptly
- Supervisors must review travel claims and receipts for appropriateness prior to submission for payment.
- APCs must use EAGLS to identify card misuse and delinquency and notify supervisors promptly.
- Supervisors and commanders must take action to prevent card misuse and delinquency or, failing that, to respond with appropriate administrative/disciplinary action.

Second, emphasize training:

- Train APCs using on-line or on-site training and the Agency Program Coordinators Survival Guide put out by the General Services Administration.
- Train cardholders using materials provided by HQDA or the Bank of America or develop local training materials. Focus these training efforts on: proper and prohibited uses of the travel card, the need to pay bills on time, the benefits of split disbursement and the consequences of card misuse or delinquency (e.g., fees for late payments or returned checks, the collection of debt directly from pay, the reporting of debt to national credit bureaus, and administrative/disciplinary action).
- Make use of basic personal financial management training offered by Army Community Services at Army installations.

Third, ensure that the travel cards that are issued are needed and appropriate:

- Commands should review usage annually and either de-activate or cancel cards where the account has not been used or usage is so infrequent the cardholder could be classified as an infrequent traveler.
- Commands should take action to cancel cards where cardholders have been fiscally irresponsible.

Fourth, take appropriate action on arriving and departing cardholders:

- Ensure that in-and out-processing checklists include the APC.
- Initiate the transfer of cardholders' account upon PCS.

Fifth, use existing tools to set the stage for appropriate disciplinary action - require APCs to:

- Have new cardholders sign the Statement of Understanding and retain it on file.

• Review records of current cardholders to ensure that a signed Statement of Understanding is on file.

- Advise delinquent cardholders with a delinquency notice letter and inform supervisors of cardholder misuse or delinquency.

Finally, take appropriate action with cardholders that misuse their travel cards:

- Counsel cardholders on card misuse or delinquency.
- Encourage delinquent cardholders to arrange a repayment schedule with the Bank of America.
- Take appropriate administrative and disciplinary action on military members and civilian employees when warranted.
- Refer suspected fraud to the appropriate criminal investigative service.

The travel card process is relatively simple: you're issued a travel charge card; you use the card to pay your official travel expenses; you file a settlement voucher upon your return and designate the amount of your charges for split disbursement; your travel pay office sends the amount you indicated directly to the Bank of America and the remainder to your bank account. It's simple - you pay your bill in full and on time and there are NO adverse consequences.

Responsibility and accountability are essential for an effective travel card program. You can talk about the travel card all day long (and with all the emotion you like), but these facts remain: the cardholder must use the card responsibly; they must be held accountable for its proper use and payment of the amount due; and action must be taken to deter - or resolve - misuse and delinquency.

So what's the answer? We must have commanders, supervisors, APCs and cardholders who are committed to success. Command involvement, engaged supervisors, an empowered APC with a manageable span of control, educated cardholders, and use of split disbursement - these will give us an effective travel card program that supports our mission travel at a cost we can afford.

About the Author

Frank Rago is the Army Travel Card Program Manager and works for the Assistant Secretary of the Army (Financial Management and Comptroller) on the Financial Operations staff.

Communication: Key to financial management professional development

The Army Comptroller Proponency Office acts as a clearinghouse for financial management professional development, education, training and information

by James G. Auchter

Army Comptroller Proponency Office

Comptrollers make up less than 5 percent of the Army civilian and military workforce, yet they generally get more and better training and career-growth opportunities than those in the other professions.

Still, more can be done—not through creating new classes or training opportunities but by communicating needed essential information to members about existing professional development opportunities.

The Army has between 10 and 11 thousand careerists in military functional area 45 (Comptroller) and in its Comptroller civilian career program, known as CP 11.

Unfortunately, fewer than half seem to be aware of the broad range of training and career development opportunities available in some cases just for the taking.

The Army Comptroller Proponency Office acts as a clearinghouse for financial management professional development, education, training and information. The office offers and manages centrally funded career enhancement programs.

It also communicates, in a variety of forums, career information on training and education events sponsored by DoD and other federal entities for the Army financial community.

The enabling charter is the Army's 21st-century strategic plan for development of its comptroller career workforce.

The plan describes Assistant Secretary of the Army (Financial Management and Comptroller) advocacy of a strong, multi-skilled and fully competent financial management workforce

through the Proponency Office, which keeps the professional community informed in a number of different ways. The office:

- Distributes information about its mission, functions, projects and services through a coordinated program of printed pamphlets and brochures, on-line documents, training workshops, computer-based training products, instructional presentations and marketing exhibits in professional forums such as annual national association meetings.
- Maintains <http://www.asafm.army.mil/proponency/acpo.asp> as the on-line repository of information on the complete range of professionalism-enhancing Army financial management programs and activities.
- Publishes this magazine, *Resource Management*, an official quarterly professional bulletin. Readers can access recent issues on line at our website.
- Provides individual professional development counseling.
- Chairs a networking group of representatives from most Army commands and agencies called the Comptroller Junior Executive Council or CJEC, which assists the office in its communication role, among other missions and activities.
- Maintains an electronic mailing list using ListServ technology for pinpoint communication of specific programs to interested or affected community members.
- Uses forums such as this in AFC to publicize new programs and initiatives—in this case the new ListServ and several new military FA 45 programs.

New ListServ to stand up June 2002

The electronic mailing list will serve both the civilian CP 11 and the military FA 45 Army Comptroller contingents.

The arrangement is similar to Army Knowledge Online (AKO) or The New York Times or GAO on line, an e-mail address list of people associated by certain specific interests.

Any readers who have visited Ebay, made travel arrangements on Expedia.com or

Travelocity.com, or bought something from Amazon.com, for example, have already added themselves to one or more other "listserves" or their equivalents.

The ListServ will be easy to register in and should take anyone less than two minutes.

Registrants need to provide:

- Name
- Series or FA
- Rank or grade
- Title
- MACOM
- Installation
- E-mail address
- Second e-mail address (optional)
- Current accreditation level.

Once military and civilian careerists register, the Comptroller Proponency Office can begin sending information about everything from short-term training courses to long-term training opportunities such as developmental assignments and fellowships.

By signing up for the ListServ, Army FM careerists can stay aware of new training opportunities and changes in the Comptroller field.

The ListServ gives needed advance notice for members to prepare and effectively compete for training opportunities.

Another advantage of the new e-mail network is that it allows for two-way dialogue.

Anyone on the list can use it to communicate with and network with anyone else also registered—including the Proponency staff who run it. ListServ can become an effective means of creating a dialogue within a team or the entire comptroller community.

And there won't be any 'spam' or junk mail to contend with, either.

The registration information helps Proponency staffers to focus on registrants' specific needs and to aim information most pertinent to any individual at the most opportune times.

Haystacks of irrelevant information should be just about gone in this system.

The ListServ will have reminders of deadlines for various programs and keep members informed of changes in systems like ACCES and OPMS XXI. Through regular communication with all Army careerists, we will routinely pro-

vide timely and valuable information essential to Army financial management professional development.

The ListServ affords the Army an effective means of communicating with its large financial management community by providing timely and vital information at low cost.

FA 45 Officers Strengthen Community

Comptroller Proponency staff has done several things in the last year to reach the FA 45 (Comptroller) audience.

The Deputy Assistant Secretary of the Army for Budget, Maj. Gen. Sinn, has hosted a number of bimonthly "brown-bag" sessions for officers in the D.C. area.

The sessions have been well attended and have proved a great opportunity to discuss items of professional interest. Senior leaders in other areas with densities of FA 45s may wish to initiate similar programs. The military Proponency Officer conducts briefings and work-group sessions with any organization having significant numbers of FA 45s.

In the 3d Quarter 2000 edition of *Resource Management*, we began a new section titled FA 45 Focus.

The section provides information and items of interest from both the Proponency Office and the Army Personnel Command career manager to our military audience.

It is also a place for officers to place items for discussion and debate in the professional community. Back issues are available electronically at the Proponency website.

As this issue went to press, Sinn held an FA 45 conference at the Adams Mark hotel in Columbia, S.C., in mid-May, in conjunction with the U.S. Army Finance Corps' annual financial managers' and leaders' meeting or FMLM.

Conference details are on the Proponency website and will appear in the e-mail inboxes of military ListServ registrants.

Beyond the information provided at the Proponency Office website, officers should also periodically view the FA 45 Assignment Officer website at <http://www.perscom.army.mil/opfamis/fa45.htm>.

The site shows available assignments, board schedules and application procedures and other critical information.

Helping the Army meet mission goals: *The role of managerial accountants*

by Gail Williamson

Today, as in recent years, the Army faces the continuing challenge of constrained budgets to perform its mission.

We can help the Army meet its mission by establishing a goal to efficiently manage limited resources available for modernization, training and quality of life. In this context, each of us must look at what we do that provides value to our installations and the Army.

One way to assist the Army in meeting the goal is to provide leaders information that results in the best decisions possible. Managerial accountants, as key potential providers of information to installation managers, should determine what role they play in providing this data. Accountants should ensure these roles are flexible and create maximum benefit to the commanders and managers they serve. In the Army, use of managerial accountants gained attention in the late 1980s with the implementation of the "standard installation accounting office" concept. An Army accountant's handbook was provided describing what accountants should be doing at installation level.

Although it wasn't necessarily what was being done, this was the beginning of a move from an environment where accountants were utilized mainly to perform fiduciary accounting to one of performing analysis that provides utility to Army management. The growing process has been painful, since both education and training of many accounting personnel were lacking. Resistance and confusion within current structures occurred as we struggled to determine how and what analysis of data would prove useful and timely for commanders in the decision-making process.

For many installations, the second round of "pain" began in late 1991 with a Defense management report decision to consolidate the department's accounting and finance operations. Virtually all Army installation finance and accounting staffs and the majority of their functions were surrendered to a new organization called the Defense Finance and Accounting Service. Each installation was left with sufficient resources to fund five positions to perform tasks to be defined. As there was no mandated method of managing the transi-

tion, each installation made isolated decisions.

Some managers left installation people working in the new but temporary Defense Accounting Office; others moved their F&A staffs to the RM office and still others kept the authorizations and dollars but took no people and used the resulting resources to pay other bills. Most installations did keep personnel identified as accountants and/or accounting technicians. It was some time before any identification of expected functions occurred between installation resources and DFAS.

It was not until June 1994 that the Army's finance command published a finalized guideline for accountants. Over the next few years, round three resulted in DFAS consolidating resources to centralized locations. Today, specific functions for managerial accountants at installations remain diverse from site to site.

This is in part due to a lack of established structure and tasks from top down, mission and commander needs at each installation, expertise and availability of trained personnel, resources, and the inherent overlap of task responsibility between Army and DFAS.

Why do we need managerial accountants?

One legal driver for accountant skills is the Chief Financial Officers or CFO Act of 1990. The act mandates effective general and financial management practices through statutory provisions. It focuses on improving accounting, financial management and internal control systems to better deter fraud, waste and abuse of government resources. Agencies must each appoint a CFO who demonstrates abilities in financial management practices and produce compliant audited financial statements, according to a 2000 statement from the Office of the Deputy Assistant Secretary of the Army for Financial Operations.

During the mid-1990s, Congress enacted several laws aimed at improving federal financial management. Specifically, in:

- 1993 the Government Performance and Results Act established strategic planning and performance measurements.
- 1994 the Government Management Reform Act required audited financial reports and consolidated government reporting.

- 1996 the Information Technology Management Reform (Clinger-Cohen) Act mandated performance- and results-based management.
- 1996 the Federal Financial Improvement Act required implementing and maintaining compliant financial management systems.

Each plays a part in Army financial requirements. Simply put, these statutory provisions require us to be accountable to taxpayers so they can clearly see what they get for their tax dollars. To accomplish this, the Army must identify and utilize the right mix of accounting services. Across all businesses, accountants and auditors help to ensure that firms are run more efficiently, public records kept accurately and taxes paid properly and on time (U.S. Department of Labor, 2000).

Both financial and managerial accountants' tasks rely on the same accounting database, but there are important differences in what each group does with the information.

Financial accounting is concerned with reports to owners, creditors and others outside the firm (Garrison, 1997). In the government, our audience is Congress and taxpayers. For this and other feeder financial functions, the Army contracts with DFAS.

We expect that DFAS, as our financial accountant, will summarize financial activity and provide verifiable reports for installations, major commands and the Army as a whole.

On the other hand, managerial accounting is concerned with information for the internal use of management. The emphasis is on future, relevant and flexible data, where timeliness is more important than precision. Information is derived for segments of the total organization.

Management accounting is forward-looking, making sure information is generated at the right time and focusing on a specific situation.

There is no single right way to do things or single formula that will always provide the best answers. Managerial accountants may also perform budgeting, performance evaluation, cost management and asset management functions (Garrison, 1997). In summary, financial accounting tells us what we got for our money, whereas managerial accounting tells us how to best spend our money based on lessons learned from analysis of information.

Where Are We Today?

Are we using accountants at installations

today to perform managerial accounting tasks? Are they providing analysis for better decisions?

The answer is yes and no. A survey of Training and Doctrine and Forces Command installations indicates that the majority of managerial accountants have several key focuses in common. Managerial accountants typically manage the prior-year funds, conduct joint reviews of unliquidated obligations, provide accounting and fiscal policy, field and administer various systems (both financial and non-financial), and spend a significant portion of their time working issues with servicing DFAS field sites.

There is a broad range of office sizes, anywhere from one through 16 people, along with a variety of expertise and job series performing the work. Some provide limited analysis of accounting data for decision-making, but most work to meet current goals and requirements. Many functions performed are directly related to the various acts previously mentioned; however, most installation leaders are not concerned with compliance with these acts. They are concerned with obtaining and efficiently utilizing the resources to do their missions.

Others tasks continue in an effort to assist DFAS through the growing pains and learning curves experienced since the consolidations, as well as to maintain a comfort zone with tasks many of us are more familiar with than analysis.

What Should We Do?

The Corps of Engineers has begun blazing a trail to develop its accountants while proactively fine-tuning managerial accounting roles. A professional development guide is in draft form that will direct personnel to the level of managerial accounting skills needed in the future.

The handbook addresses specific training required at various levels, certification levels expected and applicable resident and nonresident course descriptions. The Army needs to address these requirements at a service-wide level to ensure that all accountants are prepared professionally to fulfill future needs.

Managerial accountants can benefit from the approach taken by auditors to manage their function in the Army. The General Accounting Office and The Auditor General establish specific auditing standards and guidelines for auditors. The Army's Internal Review Office established a steering group to keep up to date with changes and

trends in the business world in the audit arena, as well as their applicability and suggestions to market their functions. Applicable Army regulations have also been updated to include the changing environment and functions for auditors.

Managerial accountants would benefit from the approach by working with major commands and installations to establish a strong foundation with a proactive group serving as guideposts for change. The goal is to increase the value of managerial accountants. Current Army initiatives will also help determine these roles. Standard Levels of Service requires each of us to define our tasks and the time we spend doing them. After much work, eventually this data will be used to determine the resources an installation receives to provide those specific services.

However, commanders will still have some latitude in the use of their resources, so providing value for our cost continues to be key. The certification and accreditation processes for resource managers will also affect accountants in their professional development.

To establish the right mix of accounting skills needed by the Army, involvement must begin with our leadership, in the financial community and in those classes that train leaders of our installations. Our challenge is to establish a team of individuals from across the Army that includes department, major command and installation personnel to develop tasks to be performed by installation managerial accountants.

Aligning installation managerial accounting functions with those performed at major command and department level in our field may be a starting point. Also recommended is to work and fine-tune these lists with DFAS, and gain agreement as to which functions are shared and which are exclusive, as they must find efficiencies in their operations too.

The Army and DFAS would benefit from further developing performance standards for managerial and financial accountants to ensure that the Army overall obtains the required level of expertise and knowledge.

Things that could be done are to update position classification standards for accountants; add a new title that reflects the combined knowledge needed by a managerial accountant; and educate installation and RM leaders by sharing the tools and information we can provide. Managerial

accountants at installations can be their own best friends or worst enemies. It is our responsibility to move our staffs from their comfort zones to the world of analysis and value added. I urge all managerial accountants to sell your skills to your RM and command. One survey mentioned that the familiarity of the manager or command with accountants and what capabilities they possess bore a direct relationship on how they were utilized. How better to become familiar with the value we provide than through efficient saving or spending of resources through analysis?

We must be a part of the solution to obtain efficiencies for our installations and the Army.

About the Author:

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Training with Industry: **The Six Sigma Strategy at General Electric**

by **Maj. Scott D. Fabian**

In mid-July I reported to General Electric Global Exchange Services in Gaithersburg, Maryland, for a one-year tour as a member of the inaugural class of the Functional Area 45 (Comptroller) Training With Industry program. I expected to find that civilian industry faced a very different set of challenges than I saw during my three-year stint on the Army Staff.

To my surprise, both GXS, one of GE's 24 global businesses, and the Army face many of the same issues. Both must deal with issues such as generating increased revenue (think total obligation authority), increasing efficiency, and driving down costs, while meeting customer requirements.

What I found very different was the GXS method for dealing with these issues and challenges. Like the rest of GE, GXS uses the Six Sigma business process improvement strategy to surpass customer expectations and maximize business success. Six Sigma strategies, can be adapted to improve almost any process. The Army, like GE, can apply this rigorous methodology to improve products to both internal and external customers.

Why Six Sigma?

GE adopted Motorola's Six Sigma strategy in 1996 to improve business processes, design new processes and products, improve productivity and lower costs. Six Sigma targets identifying and correcting the root causes of defects.

'Six Sigma' refers to the statistical term for standard deviation represented by the Greek letter Σ . The goal of Six Sigma improvements is to narrow the range of observed process outputs so that the mean of the observations, ± 3 standard deviations (6Σ), lies within the customer's specifications. A process performing at a Six Sigma level experiences only 3.4 defects per million opportunities.

GE proposes that businesses using only experience and logic to improve their processes can at best hope to achieve a 4.7 sigma performance level, about 680 defects per million opportunities. GE has, therefore institutionalized

this data-driven improvement and decision-making process to work as their competitive advantage over other companies.

Training and certification

At GXS, all employees receive Six Sigma training and are required to lead and participate in Six Sigma projects. Employees receive different levels of training in Six Sigma methods, depending on assigned duties. The Six Sigma hierarchy is based on martial arts ranking.

The basic level of training and certification is Green Belt. Green Belt training and certification consists of an interactive CD course covering basic methodology followed by two days of classroom training, a certification test, and leading a Six Sigma project. Green Belt is the minimum level of certification that all employees must meet. GXS reports the percentage of Green Belts to GE quarterly. Black Belts are employees who receive more extensive Six Sigma training and are devoted to full time process improvement.

They advise Green Belt project teams and lead a minimum of two projects per year. Black Belts serve throughout different functional departments at GXS. Each department is assigned a Master Black Belt who coordinates efforts of the department's Black Belts and serves as a filter through which approval and completion of Green and Black Belt projects must flow.

The DMAIC process

The Six Sigma strategy of process improvement has five phases; Define, Measure, Analyze, Improve and Control -- DMAIC. Every process improvement project must pass through each phase on its way to full implementation. Teams representing all stakeholders, including internal and external customers, initiate and complete Six Sigma projects. Customer participation is particularly important in the DMAIC process, as the goal is to meet customer requirements at least 99.99966 percent of the time.

Interestingly, the final process improvement may not be the one that the team thought would solve the problem. Rigorous analysis is the strength of the DMAIC process.

Define

The Define phase is probably the most important phase of the DMAIC process. During Define, the goal is to define the key characteristics of success in meeting the customer's requirement, develop a project charter and produce a high-level process map. Key characteristics or elements critical to quality are called CTQs. Ultimately, CTQs are the customer's definition of success. For example, the customer's high-level goal may be to maintain a 98 percent operational readiness rate on an equipment fleet.

The OR rate becomes a high-level CTQ and the team determines how best to ensure the process satisfies the CTQ. In the Measure phase, the team will continue drilling down into this CTQ to determine the single most important factor in affecting the customer's OR rate.

At this stage the team will also develop its charter. The charter describes the project including the participants (by name), the scope, the goal and the expected duration.

Finally, the team generates a high-level process map to assist them in focusing their efforts as they continue to narrow the scope of activities that produce defects and need improvement. At the end of Define, the team has assigned member responsibilities and given the project a general direction. The team continues in this direction during Measure.

Measure

During the Measure phase, the team uses a number of quality tools to determine the specific part of the process on which to concentrate. A number of statistical tools such as the Pareto Chart (frequency diagram), the Fishbone Diagram (cause and effect diagram), process maps, Quality Functional Deployment, and Failure Modes and Effects Analysis are available to help determine the improvement from which the team can generate highest payoff.

Once the team determines which part of the process they wish to improve, they must assess the current capability of that part of the process.

While measuring sounds simple, the DMAIC process requires extensive work to establish common understanding of what the team will measure and how. The team must develop performance standards against which to measure the current process. The standards must be

understood and agreed to by all team members and should include:

- A definition of the subprocess to be improved
- Performance target
- Customer specification limits
- Definition of a defect.

For example, if the standard for delivery of replacement parts is twelve hours, does the clock begin when the customer orders the part, or when the vendor receives the order? Agreement on what the team will measure, and how, is critical to identifying the root causes of the defect. The team will use this definition as it begins to measure the current process.

The team must also validate the measurement system and establish the data collection plan during Measure. How the measurements are taken and their accuracy and precision are also important. Would two team members measuring the same process produce the same result? If the results are different, are they consistently different? Repeatability and reproducibility are key to the measurement system. Finally, the team actually measures the process, collecting the data that they will use in the Analyze phase of the DMAIC process.

Analyze

The Analyze phase is the most statistically intensive phase of the DMAIC process. During Analyze, the team uses the data collected in Measure to assess the capability of the current process, establish an improvement goal for the project, and determine the cause(s) of variation in the process that they will more closely examine in the Improve phase.

The mean and standard deviation are two of the more important statistics the team determines from data gathered during Measure. Comparing the amount of variation in the current process and comparing that to the amount of variation acceptable to the customer helps the team assess the current process capability. The current capability is also known as the baseline.

Naturally, the less variation, or more consistency, in the output of the process, the better. Remember that the goal is to consistently produce a product that meets the customer's CTQs.

The team will also determine the process entitlement. This describes how well the team can expect the process to perform using current

technology. Technology is a broad term used to describe any additional or improved resource that can be applied to the process. It may include new tools, new computer software, additional workers, or any other additional resource. New technology may or may not be necessary to improve the process to Six Sigma performance. Once the team determines the process capability and entitlement, they must determine if improving to entitlement will be good enough.

If the process entitlement does not meet the customer's CTQ, then the team will need to change the process technology. If the entitlement does meet the CTQ, is that good enough?

The team should examine the performance of competitors or other organizations that use similar processes to see how well they perform.

This exercise, known as benchmarking, may prompt the team to set a goal that exceeds the customer's CTQ. If the team only matches the competition, there still is no clear-cut reason for other customers to change suppliers. GE's goal is to reach the Six Sigma level of performance in all processes. For this reason, the team must be very open-minded in choosing organizations to benchmark.

The best performers may be in other parts of their business, competitors in their industry, or companies or organizations that are not in the industry, but use similar processes. When selecting companies to look at as benchmarks, remember the old adage, "It's not really new; it's just new to you." The final step in Analyze is brainstorming to identify the sources of variation and use hypothesis testing to determine if the sources of variation are significant enough to warrant further examination. These potentially significant sources of variation are called "Vital Xs." This comes from the notion that the output of the process is the dependent variable, Y, and is a function of the independent variables X1, X2, etc. Determining Vital Xs through testing that involves comparing data gathered during benchmarking will focus the team's efforts during the Improve phase.

Improve

The Define, Measure, and Analyze phases focus on defining the problem. In the Improve phase the group concentrates its efforts on solving the problem. During Improve, the team

will determine the root cause of the Vital Xs, develop solution strategies, eliminate low pay-off solutions, develop a pilot solution, including the design of experiment, test the solution, and document the new procedure or process.

To narrow the causes of variation to potential Vital Xs, the team must determine the Vital Xs, or the root cause of the sources of variation.

A common method of determining the root cause is to "Ask Why Five Times." In this method, the group generates answers as to why defects occur and assign a probability to each reason. They then ask "Why?" again, pursuing the answer that had the highest probability in the previous round.

By the fifth time the group has answered the "Why?" question, they should have identified a root cause. The cause and effect, or "fishbone" diagram can also be an effective tool for drilling down to determine root causes of problems.

With root causes known, the group can begin to develop solution strategies to remedy the root causes of defects. During solution development, the usual brainstorming rules apply -- no bad ideas, no judgement, fast moving session, etc. The team should also look at the benchmarked organizations; they may have solved a similar problem before. The team should discuss possible solutions with subject matter experts to determine each solution's viability and probability of success. The goal is to find a few solutions, or combinations thereof, that the team can test to determine the highest pay-off. The team then designs statistical experiments to determine the relationship between the solutions and their potential outcomes. A strong positive correlation indicates a high pay-off. Having identified the best solution, the group prepares for implementation. Depending on the scope of the change that the solution entails, the group may either conduct a pilot implementation or go immediately to full implementation.

A pilot can be particularly effective if the change is very large or if the full implementation is expensive. Regardless of the method chosen, the implementation requires an implementation plan, and a communication plan. The team will develop the control plan in the Control phase.

Each of these documents serves a particular purpose. The implementation plan details the

'how' of the changes. It includes purpose and objectives, changes to the systems and structure, the implementation schedule, resource requirements, budget, roles and responsibilities, and a risk management plan. The key to the plan is that it effectively communicates the details of the improvement. It may be necessary to adjust the plan as implementation is executed, so the team must continue to review and update the plan during the implementation.

The focus of the communication plan is to strengthen the commitment of stakeholders in executing implementation. Stakeholders include both internal and external customers. The team must have their support to ensure effectiveness of change. During development of the communication plan, the team must consider the audience, the medium, the message and the timing. Each of these elements contributes to the effectiveness of the communication. The plan must communicate the change in a way that will raise the level of commitment of all affected parties.

Control

Upon full implementation, the process improvement enters the Control phase. The team develops the control plan during this phase.

The control plan institutionalizes the change and provides means for review to ensure that the change is having desired consequences. It outlines items such as future process owners, monitoring mechanisms, process targets, audit plans, and the process for addressing future "out of control" states. The control plan is the standing operating procedures on how to monitor and correct problems arising after implementation.

At this point, full ownership of the process reverts from the project team to the process owner. The process owner is responsible for monitoring the process in accordance with the control plan to ensure it continues to perform at the Six Sigma level. The goal is to hold the gain.

If the owner observes outputs that fall outside the control limits, the control plan specifies actions to be taken to determine the reason for the variation and incremental steps to be taken to correct the reason for the variation. Control continues throughout the life of the process.

Summary

The use of the DMAIC process is the cornerstone of GXS's Six Sigma business suc-

cess strategy. It is used throughout the business to effect positive changes for both internal and external customers. Through Define, Measure, and Analyze, project teams composed of all stakeholders, including customers, focus their efforts on quantitatively identifying sources of variation and setting improvement goals.

GE's goal is to improve every process to perform at the Six Sigma level (3.4 DPMO).

During Improve, teams determine the root causes of the variation, brainstorm solutions, select and test high pay-off solutions, and develop implementation and communication plans.

Finally, during Control, the team develops the control plan and returns the process to its owner, who monitors the process according to the plan. Should the process go out of control, the control plan prescribes the methodology for correcting the problem. This integrated, data-driven approach ensures GXS achieves maximum performance and meets customer CTQs.

For more information on Six Sigma, visit <http://www.ge.com/sixsigma/>.

The potential impacts of the DMAIC process cannot be overstated. While most military organizations focus on mission accomplishment, we seldom take the time to analyze our own business processes to get at the root cause of systemic problems. The incremental improvement resulting from the Six Sigma strategy and the DMAIC process can be significant. In 2001, the Finance Department at GXS used Six Sigma to save \$3.3 million, while increasing the accuracy of its accounting and reporting systems.

Carefully identifying customer CTQs and rigorously examining the current process pays big dividends. The importance of streamlining business practices and making them more economical cannot be overemphasized in an increasingly austere resource environment.

Note: The author would like to acknowledge Heather Akins and Mike Godown, GE Global eXchange Services, for their contributions to this article.

About the Author

Maj. Scott Fabian is one of five FA 45 officers participating in the initial year of the functional area's Training With Industry or TWI program, in his case with General Electric Global Exchange Services.



FA 45 FOCUS

For Professional Military Comptrollers

by Maj. Sean Hannah
Comptroller Proponency Officer:
FA 45 Conference

By the time this edition of *Resource Management* is mailed, the May 15-16 FA 45 Conference will have concluded.

As FA 45's first conference in recent memory, it was hailed as a great event to begin dialog on issues of concern to the functional area. The conference was held in conjunction with the Finance School's Financial Management Leaders Meeting in Columbia, S.C. For further information, see the Proponency Office website. To sign up, go to the Finance School website: <http://www.finance.army.mil/fmlm2002/>. A review of the conference will be provided in the next RM.

TWI and Fellowship Update

It's official: the FA 45 TWI program is here to stay. After the successes realized in this first year of execution, we have secured five Comptroller TWI slots for the outyears. General Electric, Motorola, Boeing, and USAA have all found the program extremely rewarding and have committed to continuing as our industry partners. Read the articles from our current TWI officers in this and the previous RM issue. The officers selected to participate in TWI beginning the summer of 2002 are: Maj. Donald Cook, Maj. Michael Naughton, Maj. Michael Sheaffer, Maj. Mark Hladky, and Maj. Robert Johnson. We wish them best of luck in this development opportunity. The selection board for summer 2003 TWI rotation will be held in November. Look for the application announcement this summer or contact the Proponency Office or Assignment Officer for details. Additionally, Comptroller continues its Fellowship with the Office of Management and Budget (also piloted in 2001) based on that

program's success. We will finalize the selection of the next officer.

Fiscal 2001 Colonels Board

The last colonel board results were released in January. This was the Army's first board held under Officer Personnel Management System XXI guidelines. With a primary zone selection rate of 30 percent, many expressed concern over the results. Digging deeper shows that with an overall 70 percent selection opportunity, Comptroller was one of the highest branches or functional areas, well exceeding the Operations Career Field (basic branches) and the Army average.

Functional Area 45 officers competed for promotion only against other officers in the Institutional Support Career Field. There were four separate selection panels, each looking at one of the four career fields (Operations, Operations Support, Institutional Support, Information Operations). The ISCF board was given a selection target of seven Comptrollers.

The Army promotes based off Defense Officer Personnel Management Act standards, indiscriminate of year-group affiliation. Congressionally mandated DOPMA set a goal of a 50 percent selection opportunity to colonel within each career field. DOPMA promotion opportunity is established by dividing the numbers of officers selected in all three categories (AZ, PZ, and BZ) by the number of officers eligible in the PZ category.

Using only the number of officers in the PZ as the denominator is necessary, as all officers have opportunity over all three years (assumes that year group population remains constant as a YG moves through the three promotion zones). Any other equation would distort promotion opportunity.

Although overall DOPMA goals were well exceeded, the low selection rate for Comptrollers

	Above the Zone			Primary Zone			Below the Zone			DOPMA %
	Zone	Sel	%	Zone	Sel	%	Zone	Sel	%	%
<i>Comptroller</i>	12	3	25	10	3	30	10	1	10	70
<i>ISCF</i>	95	12	136	71	28	39	87	1	1	58
<i>OPCF</i>	429	3	1	569	318	56	657	19	3	60
<i>Armywide</i>	648	23	4	785	423	54	909	25	3	60

Figure 1

in the PZ category is of concern to some, but we feel it's an anomaly. After discussions with G1 personnel, we determined the low PZ rate is a simple matter of individual officer competitiveness, as the board rank orders all officers indiscriminate of their YG affiliation.

Twenty five percent of officers considered in the AZ category were selected. When the board rank ordered on a best-qualified basis, many AZ officers were deemed more qualified than those in the PZ. It's likely that those Comptroller officers who competed in the AZ category this year may not have been competitive when they competed in the PZ category last year, against former battalion commanders and others traditionally favored on boards under a pre-OPMS XXI board format.

Those officers were reviewed by a separate board based solely on future potential as Comptrollers. Some were then deemed more qualified than more junior PZ officers on this last board. The unprecedented AZ rate may provide some comfort to officers not selected in this year's PZ. They have a competitive chance next year. FA 45 also had a 10 percent BZ rate, markedly exceeding the 2.8 percent Army average.

The Comptroller selection rate would have been higher had it not received many senior colonels in the Career Field Designation board held last year. This increase produced a corresponding reduction in the number of lieutenant colonels who could be promoted to the higher grade.

Without the increase of colonels, the minimum selection requirement sent to the board would have been larger than the seven established for Comptroller. The CFD process is complete for all transition year groups, so better stability will be

reached (see article below by Maj. Brent Penny).

Stop Loss

FA 45 was included in Stop Loss #3, effective Feb. 22. The end date of the Stop Loss is not expected to end any time soon. Stop Loss actions are normally maintained until the end of the operation for which initiated, plus six months. As the current war on terrorism is open-ended, it's not prudent to estimate this time frame. G3 initiated the Stop Loss after commands were unable to fill taskings for Comptrollers for the Central Command area of responsibility.

Most FA 45 positions are one-deep, particularly at the lieutenant colonel and colonel levels, preventing commands from meeting officer taskings. Additionally, FA 45 had an existing shortage of lieutenant colonels, with only 87 in the inventory against 102 authorizations. Hopefully, a matter which will be partially relieved by a high promotion rate in the next board.

Another factor initiating the Stop Loss was that the Army can not legally call up Individual Ready Reserve Comptrollers until a Stop Loss is initiated for that specialty on active duty. In most cases, this won't apply to officers being processed for involuntary administrative separation for cause, pending legal action, facing mandatory retirement, being processed for physical disability, etc.

The positive side of the Stop Loss, beyond keeping qualified officers to fill critical Comptroller positions, is that it brings attention to the criticality of our unique skills and competencies and justification to increase FA 45 positions in MTOE and TDA authorizations in ongoing force structure reviews.

ACC: Career Field Designation

by Maj. Brent Penny

FA 45 Assignment Officer

The Army has structured officers in the Army Competitive Category by grouping branches and related functional areas into personnel management categories called Career Fields.

The four Career Fields in ACC are Operations, Operational Support, Institutional Support and Information Operations. This initiative will build an officer corps skilled in combined arms operations in the joint and multinational environment and fully experienced in technical applications that support the Army's larger needs. Regardless of Career Field, all branches and functional areas in all Career Fields are found in both

the TOE and TDA Army. Under a Career Field-based management system, after promotion to major, officers are managed, professionally developed, assigned and promoted according to requirements of their branch or functional area and career field.

FA 45 officers are designated into the Institutional Support Career Field immediately following selection to major. Senior captains are designated into the AAC (FA 51) earlier. The function of the Career Field Designation Board is to meet Army requirements by designating officers into a branch or functional area in one of four Career Fields. The CFDB considers the officer's preference, rater and senior rater input, officer's experience and

Cohort Year Group	CFD Board Met	Results Released	Basic Branch	Number Selected	Percentage Selected
75-79	May 01	Jun 01	Air Defense	8	3%
80	Mar 99	May 99	Adjutant General	10	4%
81	Oct 99	Dec 99	Armor	16	6%
82	Oct 00	Dec 00	Aviation	29	11%
83	Oct 00	Dec 00	Chemical	3	1%
84	Sep 01	Dec 01	Engineer	10	4%
85	Sep 01	Dec 01	Field Artillery	39	15%
86	Mar 99	May 99	Finance	44	17%
87	Oct 99	Dec 99	Infantry	40	16%
88	Jun 00	Aug 00	Military Intelligence	8	3%
89	Jun 99	Sep 99	Military Police	11	4%
90	Jun 00	Aug 00	Ordnance	7	3%
91	May 01	Aug 01	Quartermaster	17	7%
			Signal	2	1%
			Special Forces	9	4%
			Transportation	2	1%
			TOTAL	255	100%

Figure 2

qualifications and Army requirements. The results of the CFDB may require a change in an officer's functional area awarded during his or her fifth to sixth years of service.

To date, all transition Year Groups have completed the career field designation process. Transition YG consisted of the more senior YG that could not go before a CFDB after selection to major since they were already field grade officers.

Specifically, the transition YG was officers commissioned 1975-88. The first steady state YG to undergo the CFDB in the sequence mentioned above was YG 1989. Figure 2 outlines, by YG, the dates the CFDB met and the results were released. Note that beginning with YG89 and beyond the CFDB was held in June almost immediately after the major board convened.

Functional Area 45 CFD Demographics

The baseline data used to compute the CFD statistics for FA45 includes all officers selected within cohort YG 1975-2001 and does not include career field transfers or appeals into or out of the functional area. The number of officers originally CFD'd into FA45 totals 255. The biggest donor branch to the functional area was Finance Branch -- 44 officers CFD'd to FA45. The two smallest donor branches were Signal Branch and Transportation Branch who both gave up two officers. Figure 3 gives the breakout by basic branches.

Based upon the basic branch information above it should not come as a surprise that when

Arm	Number Selected	Percentage Selected
Combat Arms	141	55%
Combat Support Arms	34	14%
Combat Svc Support	80	31%
Total	255	100%

Figure 4

Figure 3

the statistics are broken out by combat arms, combat support arms and combat service support arm that the combat arms are the biggest donor branches to the functional area. The decreased requirements for field grade officers and the excess of company grade officers in the combat arms branches accounts for the large number of FA45 officers with combat arms basic branch affiliation. Fifty five percent of the functional area comes out of the CA followed by 31 percent from CSS and only 14 percent from the CSA. See Figure 4.

Figure 5 shows that 90 percent of officers who selected FA45 as first preference received it. The CFDSB forced very few officers into the functional area as evidenced by the numbers. Only two officers who selected FA45 as their third preference received it and six officers who did not select a preference received FA45.

In summary, the functional area is filled with a cross section of highly motivated officers who want to serve the Army as comptrollers as we continue the transformation into the Objective Force. Now more than ever it will take skilled comptrollers to tackle the complex issues we will encounter as we embark upon the 21st century.

Preference	Number Selected	Percentage Selected
1st Preference	230	90%
2nd Preference	17	7%
3rd Preference	2	1%
No Preference	6	2%
Total	255	100%

Figure 5

Training With Industry

USAA Corporate Finance Operations

Maj. Greg White

This article summarizes my observations and experiences at United Services Automobile Association in San Antonio participating in the Training With Industry Program

My intent is to be as candid as possible and encourage others to participate in the program, while at the same time respect the organization's confidentiality regarding specific operational details and performance data.

Additionally, I hope to highlight some parallels or lack thereof, between USAA's financial operations and those of the Army and Department of Defense.

TWI Orientation

My experiences in this program really began on June 7, 2001, when the ASA FM&C Army Comptroller Proponency Office hosted a Training With Industry Orientation for this year's five participants.

Judging by the exceptional organization of the briefings and the variety of well-spoken presenters, it was difficult to imagine that we were the first group of Army Comptrollers to go through the program and its accompanying orientation.

Although only lasting one day, the orientation left me feeling as prepared for my future assignment as I could ever hope to be. Two sessions in particular were especially useful, our meetings with the Deputy Assistant Secretary of the Army for Budget, Maj. Gen. Jerry Sinn and a panel of former TWI participants from other branches and functional areas.

Sinn's comments provided us with a focus for our future experiences. Specifically, he said to pay attention to what drives prioritization and resource allocation decisions, the risks that are involved, and how these risks are articulated and mitigated in our respective industries.

While Sinn provided the focus, the panel provided a host of practical tips and "do's" and "don'ts" they learned along the way. Listening to their "war stories" about TWI gave us some insight as to how we might be perceived by others in the private sector and how we could

best overcome some of the inevitable stereotyping and assimilate quickly to become part of the team.

Initial Contact, New Employee Orientation and Corporate Culture Training

First impressions are important. It's a truism in the Army and it's equally so at USAA. My first contact with USAA was via e-mail from my sponsor who would have also been my rater and supervisor had things not worked out as they did (more about that later).

His message was thorough and packed with information, professional and yet very personable at the same time. It came as no surprise to me when he revealed his background as a retired senior military officer with a wide breadth of experience leading organizations and developing people.

Arriving on day one, my sponsor met me at the main entrance to USAA's Headquarters building and had me immediately escorted to the new employee orientation class where I would be fully immersed in USAA Corporate Culture 101 for the next four days.

While orientation served a variety of administrative purposes, there was little doubt that the overriding reason we were all there was to grasp the principles of customer service and how the organization's unique corporate culture contributes to its ability to consistently exceed members' expectations.

The company takes a simple but effective approach to teaching corporate culture by focusing on how the company, the employees and its members all contribute to the continued successful operation of the company.

USAA, The Company

At the heart of the organization we find a firmly entrenched set of core values that guides its overall strategy and is an inherent part of its most simple operational functions as well as its most complex.

Never would I have imagined an organization outside of the Army so dedicated to inculcating its core values in its people, but that is exactly what I experienced at USAA.

Figure 1 highlights the point that USAA has molded itself with a value set that is not unlike that of the armed forces. In so doing, they are better able to deliver service to their customers in a manner that embodies the spirit of these core values.

The result has been the establishment of an intensely loyal membership base, recognition as one of America's most admired companies and a 79-year history of being the military's insurance and financial services provider of choice.

USAA, The Employees

Corporate culture instruction also entailed a focus on the YOU aspect of the organization. As such, we spent a significant amount of time working on communication skills, participating in self-awareness practical exercises and team building exercises.

Although many of us would liked to have believed our "people skills" were advanced and well conditioned, it was soon apparent that the group dynamics exercises were having a way of bringing out the best and worst in all of us.

While training does contribute to the quality of employees, it is noteworthy to mention that most new hires are exceptional people to begin with and have already endured a rigorous pre-hire screening process before ever attending day one of orientation.

USAA takes great pride in attracting, hiring and retaining the highest quality applicants available.

The payoff has come in the form of unmatched customer service, employee commitment and ultimately a thriving diversified insurance and financial services company.

USAA, The Members

Members make up the third segment of corporate culture education for new hires at USAA. The company is special for a variety of reasons, one of which is the unique population it

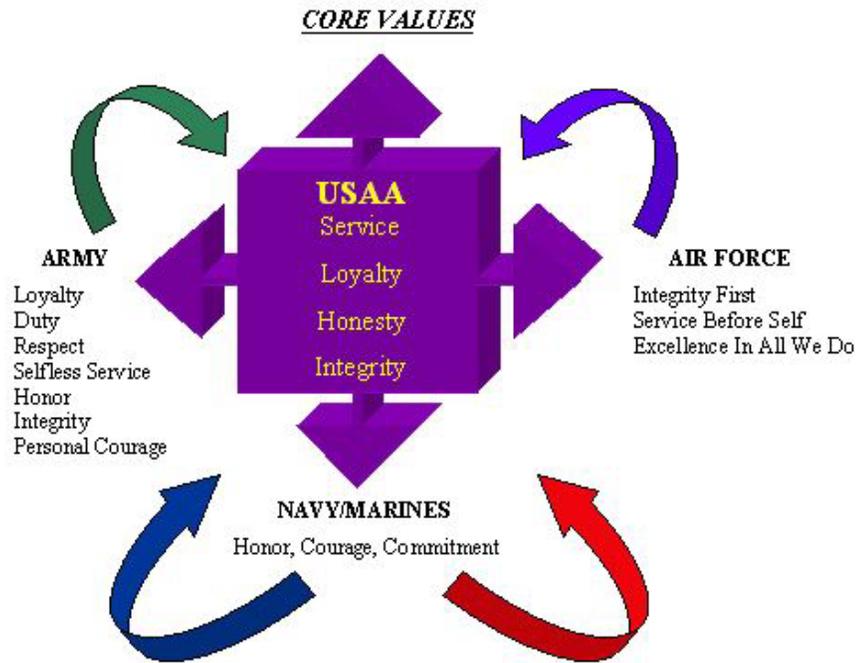


Figure 1

serves- the professional men and women of the armed forces.

A moving and in-depth video presentation on the lives of service men and women and what they do and who they are, made everyone in the class that much more proud of their new employer and the class of customer they serve.

I remembered thinking at the time about how even those new hires in the room who had never served, probably now felt an inextricable link to our armed forces.

USAA's approach to developing new hires is simple: Educate employees about the role of the military, the unique challenges its members face and the critical role employees play in preserving and protecting quality of life and financial security for the military community.

Coming out of the final day of orientation, I knew we had all been the recipients of a sizable investment in the company's time and resources. Corporate culture training achieved its designed purpose and answered some fundamental questions:

- *Who are we?*
- *What's the mission?*
- *How do we treat each other?*
- *Who do we serve?*
- *Why is it important?*

Just as important as the educational and motivational aspects of orientation, the company also clearly articulated its expectations of its new people. In the end, I think most came away from the experience inspired to do their best and were proud of their new role in serving those that serve the nation.

Orientation left no doubt that USAA is as committed to its workforce as it is to its customers.

Positioning For The Future

USAA is a remarkable, unique and high performing company in many ways, but that does not make it immune from economic conditions or financial performance fundamentals. In spite of Federal Reserve Chair Alan Greenspan's efforts to stimulate the economy through interest rate cuts and President Bush's tax cut initiatives, the economy at the time of this writing was still officially in the midst of a significant recession.

If there was ever any doubt that poor economic performance was widespread, those doubts vanished when I learned that my intended supervisor/sponsor was no longer with the company.

His release, along with that of several hundred others across the company, was part of a major restructuring effort aimed at improving the financial performance of USAA.

The bottom line was that the prosperous 1990s led to the creation of an environment where excessive overhead and unnecessary or sub-optimized processes were unwittingly permitted to flourish.

The effects were now impacting the profitability of the company and proving to be a potential obstacle to the organization's future growth and stability.

Considering the additional pressures of an intensely competitive insurance and financial services industry, and a lackluster economic

outlook for the U.S. economy, it was apparent that immediate action was required.

While it was disheartening to witness, I could not help but appreciate the speed, agility and even sensitivity demonstrated by USAA as it restructured itself.

I also began to see some parallels between USAA's predicament and that of the Army. Just as USAA must increase capital to finance its growth, likewise the Army understands that modernizing the force comes with substantial capital requirements as well.

In USAA's case, part of the bill payer will be

people, but more significantly, the efficiencies derived from improved processes and the ability to leverage the benefits of applied technologies will enhance their ability to achieve their performance objectives and ultimately grow its assets.

In the Army's case, the bill payer for modernization may be

in part, people as well, although the events of Sept. 11 seemed to have at least temporarily sidetracked that course of action.

In all likelihood, the Army, just like USAA, will have to invest in the design and implementation of better systems and processes. Additionally, in both organizations tough, risk weighted decisions must be made in order to preserve the quality of these products, whether they be finance and insurance services or national defense.

Often, though, such decisions are the impetus for inevitable change, change to organization structure, function and strategy. Recognizing change is consistently part of the environment we operate in; thoughtful and prudent planning is required.

Strategic and Operational Financial Planning

If you don't know where you're going, why make the journey? Resources are limited; customer expectations are high; time is short and the

Any other private sector business would be paralyzed and on life support if it neglected this aspect of its financial maintenance. Other competitors in the marketplace would easily and quite rightly take advantage of the situation and exploit it to their fullest.

future is uncertain. The question illustrates the reason world-class organizations, such as USAA, invest heartily in strategic and operational planning.

My first assignment at USAA was with Corporate Financial Reporting Planning and Analysis. This element leads the near and long term financial planning, budgeting and performance evaluation efforts for the organization.

At the time of this writing, we were nearing the completion of the Operational Planning Process, which sets performance objectives for the next two years. Rather than discuss the myriad details of the process itself, I think it's more important to understand how USAA intends to achieve and maintain their desired operating state.

The CEO, Robert Davis, is a strong advocate for balancing USAA's three pillars of strength and illustrates his point by using this graphic featuring a three-legged stool in many of his presentations.

USAA's leadership considers the organization's strength to be derived from three main sources: Members, Employees and Financial Strength.

These elements, when evenly arrayed, provide a firm, steady and balanced base for the organization.

Similarly, when one or two legs of the stool become over- or underdeveloped, the result is an unbalanced, weakened platform, ill equipped for its purpose.

Overall, the planning function at USAA provides the roadmap for maintaining a well-balanced organization supported by its unique and valuable members, loyal and dedicated employees and substantial financial strength. The operational plan approved for the next two years does exactly that.

Accounting and Reporting

Once the operational planning process is completed, USAA faces the unenviable task of

producing the annual financial statements.

This time of year differs from the public sector in ways too numerous to mention; however, there are some predictable similarities. They come in the form of detail-oriented work, demanding time lines and a sense of overwhelming relief when the work is finished.

My role with the company was rapidly changing as I transitioned from the planning and analysis mode to the data and details driven world of financial statement production.

Again, my purpose is not to attempt to describe the way USAA closes its books each year and how it produces clean,

auditable financial statements, but to maybe shed some light on why they are able to do so and the DoD continues to struggle.

The Right Attitude, Not Just Another Necessary Evil

Producing meaningful financials at USAA and probably most other major organizations and businesses goes far beyond the mindset of meeting a requirement or just "checking the block."

Without question, there are a number of purposes served in generating the statements, but most important, I think audited financial statements provide a product that validates the credibility and worthiness of the institution it reflects.

While DoD might agree with this notion, they also know that they are far less likely to suffer any devastating consequences for not producing an auditable financial statement.

Any other private sector business would be paralyzed and on life support if it neglected this aspect of its financial maintenance. Other competitors in the marketplace would easily and quite rightly take advantage of the situation and exploit it to their fullest.

Of course, DoD faces no such direct competitive threat or opposition other than the occasional congressional blast. A good example is a comment made by Sen. Robert Byrd during Secretary of Defense Donald Rumsfeld's con-



firmation hearing:

“How can we seriously consider a \$50 billion increase in the Defense Department's budget when the DoD's own auditors say the department can't account for \$2.3 trillion in transactions?” he asked.

With audited financials, the DoD might be in a position to better refute such remarks.

The Right Tools

USAA has always invested in technology to improve its business practices. Unlike DoD, however, USAA knows that it is just as important to have the best management tools in place as it is to have the best product on the market.

For too long, DoD has sought out the most efficient battlefield technologies at the expense of superior financial management tools and people.

Most Americans are advocates for a strong defense, especially in light of Sept. 11, but to stay strong and become more capable during times of peace means winning a sustained series of battles for taxpayer dollars, a battle we are much more likely to win if we have the right financial management tools in place to help us support future \$50 billion requests and more.

Depth and Talent

From the CFO to the secretaries, USAA's financial departments are brimming with talent, including the Accounting and Reporting function which is loaded with Certified Public Accountants and several others with major accounting firm experience.

How can DoD attract and retain the best and brightest for its financial community? I think Dov S. Zakheim, Undersecretary of Defense and DoD's CFO, may be on the right track when he says that the difficulty in attracting finance talent is yet another reason why financial management reform is so important.

He believes that if you get the government to act more like business, you're more likely to

attract finance talent from the private sector. He also thinks business school graduates avoid the public sector because their skills don't apply there. In other words the perception (reality?) is that the government is far from operating like a business.

The bottom line is that USAA produces auditable financial statements because their competitive and statutory environments demand it. They have the right tools that leverage technology, and from top to bottom, they have effective, skilled and experienced leadership to get the job done.

DoD, on the other hand, has a seemingly toothless CFO Act driving the process, operates in a competition free environment and is weighted down by mixed bag of non-standard, disjointed financial systems and processes.

Making auditable financial statements a reality in DoD requires commitment in the form of dollars to invest in the right architecture, enforced repercussions for failure and strong leadership by DoD and military services.

Summary

Coming on board at USAA when I did has given me a unique perspective into what other organizations experience, sacrifice and risk in order to accomplish a mission while maintaining their desired operating state.

While my assignment is only half-way completed, I feel comfortable saying that future Comptroller TWI participants will come away from their experiences here with a renewed sense of enthusiasm and commitment toward improving all aspects of their organizations' performance.

About the Author

Maj. Greg White is one of five FA 45 officers participating in the initial year of the functional area's Training With Industry or TWI program, in his case with United Services Automobile Association.

The bottom line is that USAA produces auditable financial statements because their competitive and statutory environments demand it; they have the right tools that leverage technology, and from top to bottom effective, skilled and experienced leadership to get the job done.

Training with Industry

Earned value at Boeing and Corps of Engineers

(Editor's note: For an explanation of terms, check the Glossary at the end of the article.)

by Maj. David Merrill Cannon

"You're in the Army; how did you get this job?"

That is a question I answered often when I first arrived at The Boeing Company as a participant in the Training With Industry Program.

Many folks were curious as to why the Army would have an officer who 'grew up' in the Corps of Engineers working exclusively with private industry. If you're wondering the same, the TWI program allows the Army to expose soldiers to the latest civilian business practices, organizational structures and cultures, technology development processes and corporate management techniques.

Upon selection for the Training With Industry Program, I began asking myself, "What practices will I bring back to the Army and USACE?"

After being immersed in the corporate culture for just a couple of months, one practice immediately emerged: Earned Value Management. I studied how Boeing was employing EVM and the benefits it provided their resource management and program management communities and thought EVM would be useful in managing military construction projects.

Basically, EVM considers the amount of work a company accomplished and provides an objective measurement of that work. Using the earned value process, members of management can readily compare how much work has actually been completed against the amount of work planned to be accomplished.

Earned Value requires the project manager to plan, budget and schedule the authorized work scope in a time-phased plan. The time phased plan is the incremental "planned value" culminating into a performance measurement baseline.

As work is accomplished, it is "earned" using the same selected budget term. Earned Value compared with planned value provides a work accomplished against plan. A variance to the plan is noted as a schedule or cost deviation.

Earned value management is one of the

Boeing Company's 15 Best Practices, and Boeing uses EVM for program management, or PM, of all military contracts and many commercial contracts. They use EVM for both cost-plus and fixed-price contracts ranging in price from several million dollars to several billion dollars. Both the RM and PM communities use EVM to assess a project's health, with the RM community processing and analyzing the data for the PM community.

The PM can make timely, conscious and informed decisions because EV facilitates both a trend analysis of past performance and a predictive analysis of future effort. Earned value provides a mutual, beneficial management tool to all members of the project delivery team.

Boeing defines Earned Value as a management technique that integrates work scope, schedules and resource planning to meet the technical, schedule and cost requirements. All work is planned, budgeted and scheduled in time-phased "planned value" increments constituting a cost and schedule performance measurement baseline. Boeing also lists two major objectives for its earned value system:

- To encourage program management to use effective internal cost and schedule management control systems for decision making
- To provide timely, accurate data produced by those systems, to meet schedule and the lowest practical cost.

Work, time and money, earned value answers the questions of performance planning and management by integrating our considerations of these variables. By planning and managing work-time-money together, earned value is the only management methodology that accomplishes this integration, and is the only approach to project management that recognizes and accommodates the natural and necessary relationships among work, time, and money.

Managing money (over time) with a financial management system ignores work. Managing work (over time) with a network analysis system ignores money. Earned value performance management ties them together and ignores neither work, nor time, nor money. Now,

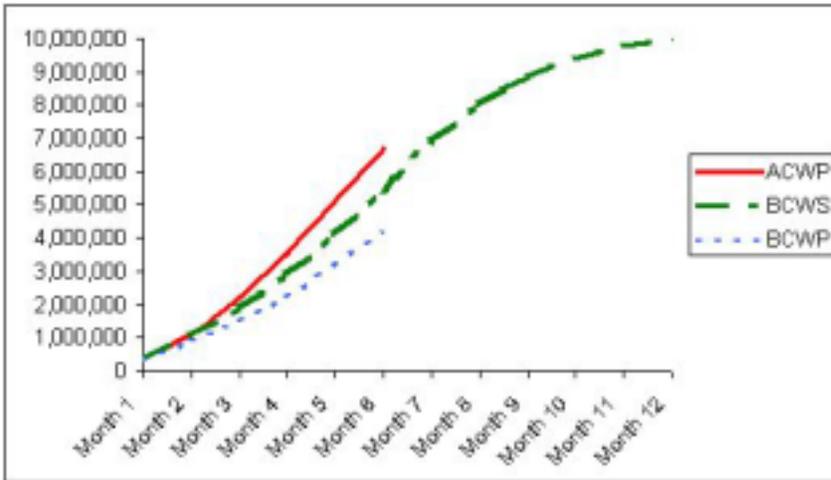


Figure 1

let's look at how USACE uses EVM in an application much different from Boeing's.

USACE reviews an organization's Total Labor Multiplier, Supervisory and Administrative rate, and Cost Management Factor to determine organizational health and considers percentage of work complete and percentage of funds expended as an indicator of project health.

These are valid metrics; however, they provide only a two-dimensional glimpse at project health because they consider only the dimensions of work and money and overlook the third dimension of time. A management tool that relates all three dimensions: placement (work), schedule (time), and money would be a more objective measure.

This would allow management to identify trends and issues early and would better illuminate the entire contract. In Earned Value Management, the USACE can find such a tool that permits a true three-dimensional look at performance by providing an integrated analysis of work, time, and money. Indeed the USACE has recognized this and has posted listings on their PM Website (<http://www.pmcl.com/pmwd/EVPM/default.htm>).

Currently, Engineer Districts measure organizational performance by examining Supervisor and Administrative percentage earned on a particular project and the associated organization's total labor multiplier.

For example, the desired S&A rate for military construction is 5.7 percent and Construction Division's TLM is 2.33; if you are

meeting those rates the perception may be that the organization is healthy. However, these measures do not necessarily reflect contractor performance or project health.

Examining only the USACE project health metrics of percent work complete and percent spent would not necessarily provide information on whether we would complete the project on time. Additionally, these metrics, by themselves, are fairly shallow and provide a rudimentary analysis of project health.

For example, if we award a one year, \$10 million contract for a 100-room barracks, how far along is the contractor at month six when he has completed 42 rooms and received \$6 million?

If we consider percent work complete, the answer is 42 percent (42 rooms/100 rooms) and if we consider percent spent, the answer is 60 percent (\$6 million/\$10 million); we could even consider time and say 50 percent (six months/12 months). Is this information sufficient to manage the project?

Management could receive a more objective assessment by assessing all Earned Value criteria. For the example above, if the contractor provides an estimate of \$100,000 per room, then the percent complete is 42 percent [(42 rooms * \$100,000)/\$10 million].

To complement percent complete we would also want to examine the schedule variance -- the delta between work scheduled and work performed. Schedule variance is equal to the budgeted cost of work performed minus the budgeted cost of work scheduled.

If the contractor were to build 54 rooms by month six, his schedule variance would be \$1.2 million. We get this by taking the budgeted cost (42 rooms * \$100,000 = \$4.2 million) and then subtracting the scheduled cost (54 rooms * \$100,000): \$4.2 million - \$5.4 million = -\$1.2 million. See figure 1.

So, where are we? We are 42 percent complete and behind schedule by \$1.2 million.

Management could get an even better picture by examining the cost variance. They would

get this by subtracting the actual costs of work performed from the BCWP. From our example, the contractor received \$6 million so the cost variance is \$1.8 million (\$4.2 - \$6 million).

Consideration of all Earned Value metrics will provide an even better picture of what to expect in the future and allow management to make better, conscious, and informed decisions. Some additional EVM metrics are:

$$\text{CPI} = \text{BCWP}/\text{ACWP}$$

$$\$4.2\text{m}/\$6\text{m} = 70\%$$

$$\text{SPI} = \text{BCWP}/\text{BCWS}$$

$$\$4.2\text{m}/\$5.4\text{m} = 78\%$$

$$\% \text{ Spent} = \text{ACWP}(\text{CUM})/\text{EAC}$$

$$\$6\text{m}/14.286\text{m} = 42\%$$

$$\text{TCPI} = (\text{BAC} - \text{BCWP}(\text{CUM})) / (\text{BAC} - \text{ACWP}(\text{CUM}))$$

$$(\$10\text{m} - \$4.2\text{m}) / (\$10\text{m} - \$6\text{m}) = 145\%$$

$$\text{VAC} = \text{BAC} - \text{EAC}$$

$$\$10\text{m} - \$14.285\text{m} - \$4.285\text{m}$$

$$\text{EAC} = \text{ACWP} + \text{ETC}$$

$$\$6\text{m} + \$8.286\text{m} = \$14.286\text{m}$$

Management would realize that the contractor would need to perform at 145 percent of his current effort to complete the project within budget; or, at the current level of effort, he would need an additional \$4.3 million to complete the project.

This would be very useful information for the PDT and would greatly enhance their ability to manage the project better. The earned value management process also allows the PDT to better describe what has been done and what needs to be done to complete the project.

EVM really provides management with a three-dimensional look at a project's health and the contractor's performance. Earned Value Management will allow the RM, PM, and all members of the PDT to gain insight into whether the project will finish on time and on budget. It allows management to identify positive and negative trends early, which helps to minimize greatly cost and schedule growth.

Earned Value Management System benefits include establishing a standard disciplined process for authorizing work, budgeting, scheduling, and taking performance; establishing visibility to planned work and budgets; measuring work accomplished against actual costs; integrating cost and schedule for roll-up reporting; providing an early identification of cost and schedule problems; and improving performance

forecasting.

Earned value management is a tool that allows both government and contractor program managers to have visibility into technical, cost, and schedule progress on their contracts.

The implementation of an earned value management system is a recognized function of program management. It ensures that cost, schedule, and technical aspects of the contract are truly integrated. Earned Value Management is a tool worth using to manage military construction.

It provides a three-dimensional look at performance and facilitates quality management of a project vice merely statistical reporting.

If you would like an opportunity to 'do what you do best' with private industry, apply for TWI. All you will need is a resume and a letter of recommendation along with two DA Forms: 1618 (Application for Detail as Officer Student at a Civilian educational Institution or at Training With Industry) and 4187 (Personnel Action).

About the Author

Maj. David Merrill Cannon is one of five FA 45 officers participating in the initial year of the functional area's Training With Industry or TWI program, in his case with The Boeing Company, Military Aircraft and Missile Systems.

Glossary

Actual Cost: Costs actually incurred for specific work accomplished and recorded in the accounting system. Actual cost is recorded in the accounting system as labor hours and dollars.

Actual Cost of Work Performed (ACWP): A term used to identify actual cost and/or estimated actual cost in most earned value management systems.

Budget: Resources (measured in either labor hours or dollars) authorized for the accomplishment of a task.

Budget at Completion (BAC): The sum of all budgets established for the program.

Budgeted Cost For Work Performed (BCWP): The sum of the budgets for completed work packages and completed portions of open work packages, plus the applicable portion of the budgets for level of effort and apportioned effort. The terms Budgeted Cost For Work Performed and Earned Value are synonyms.

Budgeted Cost For Work Scheduled (BCWS): The sum of the budgets for all work packages, planning packages, etc., scheduled to be accomplished, plus amount of level of effort and apportioned effort

scheduled to be accomplished within a given period.

Comprehensive Estimate At Completion: An estimate, of the total projected cost of a program based on actual cost to date plus the best estimate of the cost for all remaining authorized work.

Cost Performance Index (CPI): A relative percentage indicator of cost efficiency determined by dividing BCWP by ACWP. Values greater than 1.0 indicate efficiency is greater than planned (e.g., CPI = 1.3 indicates work has been accomplished 30% more efficiently than budgeted). Values less than 1.0 indicate efficiency is less than planned (e.g., CPI = .80 indicates work has been accomplished 20% less efficiently than budgeted).

Cost Performance Report (CPR): A monthly report submitted to the customer containing summary data from the EVMS data integration system. The CPR has five formats, which provide cost and schedule information by 1) product (work breakdown structure); 2)-contractor organization; 3)-baseline information; 4)-forecast versus actual staffing usage; and 5)-problem analysis. It is always required by contracts with full EVMS Criteria and may be requested on non-EVMS Criteria contracts.

Cost Variance (CV): A measure of cost position at a point in time. The difference between earned value for work accomplished and actual costs for work accomplished ($CV = \text{earned value} - \text{actual cost}$). Positive values for cost variance indicate accomplishment for less cost than budgeted and negative values indicate accomplishment for more cost than budgeted.

Earned Value: The value of work completed determined by the amount budgeted for that work. The terms Earned Value and Budgeted Cost for Work Performed are synonymous.

Earned Value Management System (EVMS): The integrated policies, procedures, and processes by which programs will authorize work, integrate schedule and budget requirements, and evaluate and report program cost and schedule performance against a baseline plan of operation.

Estimate At Completion (EAC): Actual cost to date plus the best estimate of costs for authorized work remaining to be accomplished. The EAC is expressed in dollars or man-hours and developed to represent a realistic appraisal of the final cost of a defined increment of work. EAC is synonymous with Latest Revised Estimate (LRE).

Estimate To Complete (ETC): The best estimate expressed in hours or dollars developed to represent a realistic appraisal of the cost of authorized work remaining to be accomplished to complete a task, or tasks. The estimate considers actual performance achieved to date and expected future conditions.

Funding: Funding represents actual dollars available to spend in accomplishing a program effort. Funds are normally released by the customer on a fiscal year or other periodic basis. Actual release of funds is frequently on an incremental basis within the fiscal year.

Management Reserve (MR): An amount of the total allocated budget withheld for management control purposes rather than designated for the accomplishment of a specific task or set of tasks. MR is budget for internal scope changes within the program statement of work (SOW), production rate changes, differences in cost when effort is transferred from one operating organization to another at unequal anticipated costs, and other work scope changes. It can not be used to budget overruns in control accounts nor can it be increased by transferring budget from control accounts experiencing underruns. MR is not part of the performance measurement baseline.

Percent Complete: The ratio between the budget for work accomplished and the budget for total work to be accomplished. Earned value divided by total budget.

Schedule Performance Index (SPI): A relative percentage indicator of schedule efficiency determined by dividing BCWP by BCWS. A value greater than 1.0 indicates efficiency better than planned (e.g., SPI = 1.3 indicates 30% more work has been accomplished than was budgeted). A value less than 1.0 indicates that schedule efficiency is less than planned (e.g., SPI = .80 indicates 20% less work has been accomplished than budgeted).

Schedule Variance (SV): An indicator of equivalent schedule position. It is the difference between the budget for the work accomplished and the budget for the work scheduled ($SV = \text{earned value} - \text{budget}$). Negative values indicate a behind schedule condition and positive values indicate an ahead of schedule condition.

Statement of Work (SOW): A description of the tasks and actions to be accomplished to satisfy the terms and conditions of a contract.

To Complete Performance Index - Budget (TCPI-B): The relative efficiency at which all future work must be performed in order to complete the authorized work within the budget at completion.

To Complete Performance Index - Estimate (TCPI-E or TCPI): The relative efficiency at which all future work must be performed in order to complete at the projected estimate at completion.

Variance At Completion (VAC): A measure of the cost position at completion. It is the difference between the budget at completion and the estimate at completion. Positive values indicate an underrun and negative values indicate an overrun.



PERSPECTIVES

OFFICE, ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT & COMPTROLLER)

The following sections were written by different OASA(FM&C) deputies.
Not every deputy will provide input for this feature.



Is Cost Analysis for everyone?

by Robert W. Young

Deputy for Cost Analysis

Yes, Cost Analysis IS for everyone -- at least for everyone in the CP 11 Comptroller Career Program.

All Comptroller personnel, including budget analysts, program analysts, financial analysts, accountants and auditors should have some formal education and some practical experience in cost analysis.

Introductory education and experience in cost analysis are good for the Army and the careerist, and they maintain the close Comptroller-Acquisition and Technology Workforce (A&TW) relationship.

I'll discuss each of these points and then tell you how to get the cost analysis training you may have missed- or maybe, avoided. The Defense Acquisition University has launched a couple of cost analysis courses that are suitable for nearly everyone in CP 11.

First, cost analysis training is good for the Army. Comptroller personnel who participate in cost analysis and other complementary training become well-rounded careerists who can perform well in various jobs.

Multi-Disciplined Financial Analysts, personnel with training and experience in several Comptroller Program career fields, provide workforce flexibility and raise the level of professionalism of the workforce.

They can adjust to changes in requirements, missions and workload caused by situations like

crises, emergencies, political adjustments and workforce rightsizing. The roadmap for enhancing comptroller professional development, as envisioned in the ASA(FM&C) strategic plan, is outlined in the Army's Comptroller Accreditation Program Handbook.

The accreditation matrix listed in the latest

edition of the handbook shows that cost analysis courses and performance enhancing job experiences are required only for cost analysts, but it provides opportunities for employees in other comptroller career fields to receive complementary training (such as cost analysis) from other career fields.

The handbook is accessible online at [http://](http://www.asafm.army.mil/proponency/acpo.asp)

www.asafm.army.mil/proponency/acpo.asp.

Second, cost analysis training is good for you. Introductory cost analysis training, particularly when reinforced with a cost analysis performance enhancing job experience, will make you a better budget analyst, program analyst, accountant or auditor.

The statistical tools, methodologies and analytical techniques used by cost analysts directly relate to other comptroller tasks like budget formulation, "POM" development and program audits.

Careerists who have a broad range of technical and human skills, training and experience can best adapt to new challenges. In recent years, as the workforce has decreased, we have had to adapt to performing a broader scope of tasks and duties.

Multi-Disciplined Financial Analysts, personnel with training and experience in several Comptroller Program career fields, provide workforce flexibility and raise the level of professionalism of the workforce.

For example, a budget analyst accustomed to working procurement appropriation issues, suddenly finds herself matrixed to a recapitalization task force, analyzing total ownership costs; or an operations and support cost analyst finds himself detailed to a program manager's office to prepare P-Forms and R-Forms in support of the president's budget.

Often, when budget analysts, cost analysts, program analysts, accountants and other CP 11

careerists are asked to perform special projects, they have little or no time to learn new skills and are expected to perform as Comptroller generalists.

At times like these, having attended courses like the two new DAU cost analysis courses can make the difference between an on-the-spot award and failing to

complete the project.

Finally, cost analysis is good for the cooperative, mutually beneficial relationship that has evolved between the CP 11 Comptroller Career Program and A&TW.

While implementing the Defense Acquisition Workforce Improvement Act to improve the professionalism of acquisition personnel, the Office of the Secretary of Defense and the Services created several "functional areas" that require certification at three levels.

The "Business, Cost Estimating, and Financial Management" functional area has formal education and professional development experience certification requirements similar to those of the Comptroller Accreditation Program.

BCEFM functional managers acknowledge the value of providing all BCEFM personnel cost analysis training through the DAU.

Originally, all DAU cost analysis training was designed for cost analysts, but recently, the BCEFM functional advisory group approved modifications to the introductory cost analysis

course and the creation of an Operations and Support Cost Estimating course.

These changes may be the forerunners of other Comptroller and BCEFM cooperative initiatives. They certainly should make cost analysis more student friendly and desirable for acquisition workforce and CP 11 personnel alike.

I've tried to provide some reasons why you should consider attending a cost analysis course and for trying a performance enhancing job experience, but if you are like many other folks, you probably have heard horror stories about students failing cost analysis courses because they didn't know calculus.

While it is true that cost analysis courses are "real" math courses with "real" tests or application exercises, few people have failed any of them, and high school algebra is the highest mathematics required.

In the following paragraphs, I will describe some alternatives for acquiring introductory cost analysis skills.

The DAU, based at Fort Belvoir, Virginia is the first, and preferred, source of cost analysis training for new Army cost analysts.

The university provides a full range of A&TW certification training courses, offered throughout the year at several facilities and on-site at Service installations.

Non-A&TW members can attend courses on a space available basis and usually find seats after a try or two.

The university developed two new introductory level courses suitable for a wide range of A&TW and Comptroller personnel: BCF 101, Fundamentals of Cost Analysis, required for A&TW personnel seeking BCEFM certification, has been shortened from three to two weeks.

Novice cost analysts and Comptroller generalists with high school algebra can readily complete the course.

Students who complete the course gain a significantly enhanced understanding of how life cycle cost estimates are prepared, how they relate to acquisition policies and procedures, and how they relate to the Planning, Programming,

While it is true that cost analysis courses are "real" math courses with "real" tests or application exercises, few people have failed any of them, and high school algebra is the highest mathematics required

Budgeting & Execution System.

BCF 215, on the other hand, is a totally new course, designed as an "assignment specific" course for anyone working in the operations and support arena.

Students who complete this course gain an enhanced understanding of the linkage between O&S cost estimating and O&M budgeting, software maintenance costs, total ownership costs, trade-off and economic analysis studies, and related subjects.

Both courses not only fulfill BCEFM or job-related requirements, but also fulfill Comptroller Accreditation requirements for either analysis course training credit or continuing education credit. Both courses will be available to non-A&TW personnel on a space available basis.

Are these new courses exciting?

The BCEFM and Comptroller students who attended both pilot courses in October and November 2001 found them to be -- well, maybe not exactly exciting -- but very enlightening, useful, challenging, well-designed, comprehensive, fulfilling, and career broadening, just to name a few adjectives.

The DAU courses and application procedures are described in the links provided in the Acquisition Education, Training & Experience catalog: <http://dacm.rdaisa.army.mil/>

Comptroller personnel who are not in the A&TW may apply for cost analysis and other DAU courses at the same web site that A&TW personnel use: <https://www.atrs.army.mil/channels/aitas/>.

There is no tuition cost for Comptroller personnel, but if TDY is involved, the student's organization must fund the travel expenses.

A complaint often heard is "Unless you're DAWIA (acquisition workforce) you can't get in those acquisition courses."

Indeed, Components are assigned quotas. Quotas are in effect until 45 days before the course is offered.

If there isn't a reservation against a quota by then, it is released and open to anyone. So if you tried to register for a course and were unable to secure a seat, try again within the "45 day

window."

If the DAU does not have enough available seats for you to attend one of these cost analysis courses when it is convenient for you, there are some other ways to obtain cost analysis training.

The U.S. Department of Agriculture Graduate School offers a variety of financial management, acquisition, statistics, and other business courses, including cost analysis and activity based costing. For more information about these courses in one of their course catalogs or on the USDA website: <http://www.grad.usda.gov/>.

Other sources of introductory cost analysis training include the Professional Resource Management Course offered through the Comptroller Proponency Office and conducted by Syracuse University, and courses offered at various colleges and universities.

You may obtain information about these, and other, Comptroller professional development opportunities from the Comptroller Proponency Office website: <http://www.asafm.army.mil/proponency/acpo.asp>. The Proponency Office can provide information about central funding that may be available for some of these opportunities.

Although formal classroom training is the best way to learn the fundamentals of cost analysis and to receive accreditation credit, you can learn the essentials of cost analysis, economic analysis, and managerial and activity based costing by teaching yourself. We provide the Department of the Army Cost Analysis Manual, the Department of the Army Economic Analysis Manual, and a tutorial on Managerial and Activity Based Costing on the CEAC web site: <http://www.ceac.army.mil/>.

I encourage you to pursue your Comptroller accreditation training and experiences as outlined on your Individual Development Plan (IDP), but when you and your supervisor next update your IDP, please consider adding one of these new cost analysis courses.

You will make yourself a better Comptroller and you will make yourself more valuable to the Army. See if you don't agree that Cost Analysis IS for everyone!

Enhanced Use Leasing Authority

by Dr. Robert W. Raynsford

In a previous issue, I addressed the new Enhanced Use Leasing Authority, approved in Public Law 106-398, National Defense Authorization Act for FY 2001, that amends Title 10 United States Code, Section 2667. The new authority provides additional tools for managing our real estate assets. The major improvements:

- Allow the use of cash proceeds from leases without specific authorization, (except congressional notification and wait for projects greater than \$500,000), for:

- ~ Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities;
- ~ Construction or acquisition of new facilities;
- ~ Lease of facilities; and
- ~ Facilities operation and support.

- Clarify that in-kind consideration may be applied at any military installation and that it may include the following:

- ~ Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of any property or facilities;
- ~ Construction of new facilities;
- ~ Provision of facilities;
- ~ Facilities operation and support; and
- ~ Provision of such services relating to activities that will occur on the leased property.

I am now happy to report that the Army and Fort Sam Houston initiated a pilot project under the new Enhanced Leasing Authority.

The Army selected Roy F. Weston, Inc. as their private sector partner.

The principal goals of the project are to preserve more than 500,000 square feet of space in the historic Old Brooke Army Medical Center and Beach Pavilion, find uses for the property that are compatible with the requirements and mission of Fort Sam Houston, maintain positive relations with the community, suc-

cessfully integrate development activities with cultural resources and environmental policy, and employ the best commercial practices to the benefit of both the Army and the partner. Under the pilot project, Fort Sam Houston, Weston, and the Army Corps of Engineers created a business and leasing plan for the property. The plan included a strategy for rehabilitating the property, an approach for financing the project, and a proposed methodology for distributing the financial return from the project to the partner and Army.

The highlights are: \$43.6 million renovation of the property, lease term of 50 years with renewal options, and Army receipt of about 46 percent of the net revenue from the project or an estimated \$250 million, primarily as in-kind services. HQDA approved the business and leasing plan in April 2001. A lease was signed for the property in June 2001.

The property is currently being marketed. We are confident the pilot project will be a major success and a win-win situation for both the Army and the partner.

Several other projects using the Enhanced Use Lease Authority are underway.

Fort Leonard Wood entered into an agreement with the University of Missouri Systems in September 2001 to develop a business park for joint use. Picatinny Arsenal selected Weston as their partner to develop four historical properties. The Army wants to expand its use of this authority to gain private sector investment in projects that will assist in accomplishing the Army mission and provide added services for our soldiers.

The Army also wants to increase the number traditional, smaller, single facility leases under Section 2667. Guidance on the Enhanced Use Lease Authority can be found at <http://www.hqda.army.mil/acsimweb/hottopic117.shtml>.

Guidance on 2667 authority can be found at www.asafm.army.mil/rabp/info/SOP-gd/sog.doc.

Office of the Administrative Assistant to the Secretary of the Army Resource Services Recognition Ceremony -- March 11, 2002

Excerpt of remarks by Robert L. Jaworski
Director, Resource Services - Washington

Today is a day of recognition and reward, a day to express gratitude, a day to give honor and take pride, a day of reassurance. It is also a day for ourselves and the Army resource management family. Thank you for participating in our ceremony today, the 6-month anniversary of the attack on the Pentagon.

September 11th changed America and all of our lives in countless ways. It caused us to focus more intently on our lives and what was important in them. It even changed a term of hope and safety (911) to a term of helplessness and tragedy symbolized by a date that will be indelibly etched in our memory.

The events that day broadened our understanding of the word "hero". Heroes in our lives now include the 34 friends and colleagues who lost their lives on that day, while at work in the Pentagon, serving the Army and their country. They were parents and relatives, brothers and sisters, aunts and uncles, true professionals who paid the ultimate price. Although they are not here with us today, their memories are and will forever remain with us.

Let me now recognize three individuals who I feel are the unsung heroes of 911. Juan Cruz-Santiago, Louise Kurtz and Sheila Moody paid a price that no one should have to bear. We admire their courage and determination in the long and painful process of recovery and that of their families as they continue to progress in their return to health. Sheila Moody is back at work full-time and is present today. Juan and Louise are continuing to recover and were among the distinguished guests at the White House earlier this week. They are never far away in our thoughts and in our prayers. And while we recognize the professional and personal achievements of Juan, Louise and Sheila, it is our affection that provides a sense of recognition so richly deserved.

September 11 produced another group of heroes. These individuals came from many different organizations and from many different places around the country. They are military and civilian,

current employees, alumni, retirees and volunteers. These are the heroes who helped rebuild a shattered organization. Joining together virtually overnight, they formed a resource management team whose accomplishments rival that of many in existence for years. It is truly magnificent to see that kind of team and teamwork in action, and it is truly an honor to have been associated with it. It is amazing what can be accomplished when a sense of urgency is coupled with the spirit of volunteerism and a "can do" attitude. That is the true meaning of a professional resource management team. Their courage, competence and commitment are what we recognize.

Our own rebuilding process has been a slow and often times painful one. It has taken us from many emotional lows to a sense of pride and accomplishment from numerous successes, both big and small. It has taken us from a position of virtually no remaining documents through a process where our customers helped to rebuild our institutional memory. It took us from a room of empty chairs to one where we need additional space to house our analysts and accountants of tomorrow.

Over time, fewer and fewer issues will be exceptions, and more will become normal. It has exacted a physical and emotional price as we proceed on the journey, but one that we have paid and gladly continue to pay.

Today's celebration is one that reflects the past but more importantly focuses on the future. It clearly is one of mixed emotions, fond memories of the past and those who were part of it, coupled with optimism as we build the Resource Services-Washington of the future.

The bricks and mortar of the Pentagon's physical structure are rapidly being rebuilt, and you have only to drive past the heliport side of the building to see an entirely new facade. The psychological rebuild of Resource Services-Washington will take considerably longer, but with the continued assistance of the many organizations and individuals we recognize today, we continue on our march to success.

As we rebuild the Resource Services - Wash-

Professional Development

ington of the future, we reverently remember our departed colleagues. The faces have changed but the spirit is alive and well. From tragedy and

Defense of Freedom Medal

Sheila Moody

Meritorious Civilian Service Award

Anna Butler

Shirley Freelon

Superior Civilian Service Award

Juanita Galbreath

Peter Langevin

Cynthia Shufflebarger

Commanders Award for Civilian Service

Sonia Smith

Legion of Merit Award

Maj. Sean Hannah

Maj. Gordon Weed

Special Acts Award

(pending approval)

Santosh Arora

Anna Butler

Joanne Bryant

Shirley Freelon

Juanita Galbreath

Peter Langevin

Sandra Stillerman

Cynthia Shufflebarger

Distinguished Administrative Assistant Award

Michael Cox

Melissa Herr

Roger Lee

Debbera Mendyk

Meritorious Administrative Assistant Award

James Auchter

Moteshia Batts

Michael Bush

Inara Carey

Lora Clayborne

Yolanda Coe

Ronald Coleman

Dwight Fortune

Sam Friedman

Mary Galoci

Andy Guerrero

Roberta Jones

Barbara Kennedy

Donna Lawrence

Robert Leary

Col. James Leonard

Richard Malloy

William McDonald

Cynthia McElroy

Audrey Nelson

John Olson

Ursula Owens

Jeffrey Rubin

Audrey Schneider

Claude Thomas

Larry Thompson

Richard Wong

IIAC Staff - Charles

Colello and Brenda

Lyons

Iron Mike from Fort

Bragg RM Community

Sheila Moody

Cert. of Appreciation with Army Commemorative Coin

Janet Borden

Nancy Boyd

Shirley Brown

Yolanda Burslie

Carolyn Debose

Ophelia Fair

Tom Fournier

Adham Hemdan

Charito Homoroc

Sherry Land

Quentin Martin

Earl Nicks

Cheryl Reed

Cert. of Appreciation

Violet Griffin

Bettie Hargrove-Smith

Maggie O'Brien

Raquel Peterkin

Darlene Wright

Kuen M. Yu

Army Commemorative Coin

Lea Anderson

Roy Anderson

Santosh Arora

James Auchter

David Babineau

Motesia Batts

Rosalind Brevard

Joanne Bryant

Michael Bush

Anna Butler

Lucinda Clifford

Gayle Cooper

adversity will come greatness. We will succeed, we cannot be denied. Congratulations and thank you to each of you!

Juan Cruz

Tonya Easton

Shirley Freelon

Juanita Galbreath

Mary Galoci

Andy Guerrero

Maj. Sean Hannah

Melissa Herr

Karen Heinz

Carrie Horne

Patricia Johnson

Roberta Jones

Barbara Kennedy

Betty Kilday

Louise Kurtz

Peter Langevin

William McDonald

Donald Montgomery

Sheila Moody

Audrea Nelson

John Olson

Ursula Owens

Aino Pulles

Maj. William D. Price

Jeffrey Rubin

Cynthia Shufflebarger

Sonia Smith

Sandra Stillerman

Claude Thomas

Tony Turner

Sharon Weaver

Maj. Gordon Weed

Peggy Welter

Emma Williams

Joan Wilson

Richard Wong

Dianne Yancey

Antoinette Young

Secretary of the Army Coin

Lea Anderson

Santosh Arora

James Auchter

Moteshia Batts

Nancy Boyd

Shirley Brown

Joanne Bryant

Yolanda Burslie

Michael Bush

Anna Butler

Carolyn Debose

Ophelia Fair

Shirley Freelon

Juanita Galbreath

Mary Galoci

Andy Guerrero

Maj. Sean Hannah

Adham Hemdan

Charito Homoroc

Robert L. Jaworski

Roberta Jones

Barbara Kennedy

Peter Langevin

Richard Malloy

Quentin Martin

William McDonald

Audrey Nelson

Earl Nicks

John Olson

Ursula Owens

Cheryl Reed

Jeffrey Rubin

Cynthia Shufflebarger

Sonia Smith

Sandra Stillerman

Claude Thomas

Sharon Weaver

Maj. Gordon Weed

Richard Wong

ASA I&E Letter of Appreciation

With ASA I&E Coin

Shirley Freelon

Juanita Galbreath

Maj. Sean Hannah

Earl Nicks

Sandra Stillerman

Sharon Weaver

Maj. Gordon Weed

Honorary Awards

Previously Presented

Defense of Freedom Medal

Juan Cruz

Louise Kurtz

Meritorious Civilian Service Award

Lea Anderson

Santosh Arora

Joanne Bryant

Robert L. Jaworski

Sharon Weaver

Superior Civilian Service Award

Sandra Stillerman

Meritorious Service Medal

Maj. William D. Price

Professional Resource Management Course

The Professional Resource Management Course sponsored by the U.S. Army and conducted at Syracuse University has been incrementally implementing changes to ensure that the curriculum meets the current and future needs of resource management.

The purpose of the course is to provide mid-level military and civilian resource/financial managers a broad perspective of resource management.

The course is divided into three general areas: the resource management environment; budget and cost analysis; and accounting and finance.

The core competencies of the Certified Defense Financial Management Program are addressed and applied to resource/financial management. The course emphasizes the management of resource/financial management. Students are required to actively participate in discussion of key topics in business of managing resources and managing the people and processes that enable the resources to be managed.

The implications of personnel management, single stock fund, outsourcing, multi-disciplined financial analyst, certification, OPMS XXI, auditing, accounting, finance, Activity Based Costing/Management, program and budget modeling, GPRA, working capital fund management, CONOPS, management controls, and Business Initiative Council initiatives are discussed.

In addition to seminars on PPBES, students participate in simulations that involve federal budget prioritization, congressional processes, and decrements.

PPBES is examined not only from a process perspective, but also from an interpersonal, cross-functional, and organizational view. Students are asked to both analyze data and to determine how to market the results of the analysis to decision-makers at various levels of the organization. Throughout these simulations, consensus building is stressed -- both the difficulty and the necessity of achieving it.

In addition to the seminars and simulations,

HQ Department of the Army, MACOM, installation and DFAS guest speakers add their operational perspective to financial/resource management processes and challenges. Emphasis is placed on HQDA and MACOM lecturers.

In today's uncertain, volatile, ambiguous and complex environment, PRMC is designed to provide professional resource managers a 'box of tools' to successfully operate.

PRMC is offered three times a year (fall, winter and spring); it is one month in length; and open to civilians (GS 11-13, with waiver to GS 9), active and reserve military officers (major & lieutenant colonel, with waiver to captain) and enlisted (sergeant major, with waiver to master sergeant). Graduates of the Army Comptroller-ship Program can attend three years after graduation. For info about PRMC, hotel accommodations, see the end of the article on the Army Comptroller Course following.

Below is a list of recent PRMC graduates:

PRMC Class 01-II

Sarah M. Ankum	OSC
James G. Auchter	HQDA
Michael T. Barkett	TRADOC
Melinda S. Bothe	TRADOC
Paul H. Bringhurst	USAAMCOM
Charles E. Cahill	OSC
Pilar A. Camacho	USARSO
Annie E. Choudhry	INSCOM
Richard J. Coleman	AAA
William S. DeCook	EUSA
Gary M. Duncan	EUSA
Gail S. Floyd	USACE
Michael H. Garcia	NGB
Aubrey Frank Hall	AMC
Hardy, Stephen L.	USASOC
Kathryn A. Herhusky	HQ USAREUR
Barbara L. Jay	USAREUR, 104th ASG
Aletha A. Lampkin	SBCCOM
Howson Lau	USARPAC
Ryan F. McCauley	TRADOC
Patricia V. Nickell	FORSCOM
Dane H. Owens	USACE
Clifford L. Patterson, Jr.	HQDA
Charles R. Pittman	AAA
Margie R. Robinson	MDW
Donna M. Rosen	USMA
Margaret B. Rush	FORSCOM
Donna J. Sargeant	EUCOM
Forte' D. Ward	EUSA

PRMC Class 01-III

Angela L. Amadeo	ATEC
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David Apodaca
 Audrey L. Brown
 Vincent M. Brown
 Donald M. Cook
 Florence A. Dewitt
 Michael O. Ebiala
 Ophelia Fair
 Beverly Ferguson
 Dolores R. Gahres
 Susan E. Goshea
 Jeffrey W. Green
 Vicki J. Halley
 Lauren E. Hensley
 Lillie Jackson-Carter
 Robert T. Jennings
 Sandra K. Johnson
 Lelia Jones
 Gregory L. Lucas
 Kathy J. Mansell
 Melvin C. Merritt
 Chong In Paek
 Benjamin F. Porter, III
 Jesus S. Reyes
 Gladys Dianne Robinson
 Vincent L. Small
 Joseph J. Vignali
 Marlu Villarosa
 Florian Mark Webster
PRMC Class 02-I
 Shirley A. Allen
 Daniel D. Berry
 Karen Brackens
 Linda H. Brooks
 Brown-Thurman, Roberta
 Linda Bruneau
 Hang M. Chong
 Sung A. Chung
 Renate Damiano
 Violeta L. Din-Stover
 Judith A. Ericksen
 Michael A. Harris
 Forest D. Haynes
 Gayle Helms
 Jerre S. Hubley
 Bella R. Ibanez
 Stephen J. Leonard
 Charles R. Mason
 Helen J. McNeil
 Carolyn M. Peterson
 Jeffrey T. Petty
 Renee F. Robinson
 Mellie S. Rudzinski
 Beverly J. Smith
 June K. Valdez
 Dwight D. Watkins
 Robert W. Williamson
 Chong Yoi Yi

MEDCOM
 AAA
 USAPAC
 USASOC
 FORSCOM
 USAREUR
 HQDA
 AMC
 AMC
 USAREUR
 EUSA
 USACE
 FORSCOM
 INSCOM
 TRADOC
 USASOC
 MEDCOM
 INSCOM
 MDW
 MTMC
 EUSA
 AMC
 USACE
 USAREUR
 AAA
 HQDA
 EUSA
 FORSCOM
 FORSCOM
 DFAS
 TRADOC
 USACE
 USAREUR
 EUCOM
 EUSA
 EUSA
 TRADOC
 USARPAC
 USAREUR
 EUSA
 INSCOM
 TRADOC
 MEDCOM
 MEDCOM
 FORSCOM
 AMC
 FORSCOM
 AMC
 AMC
 USACE
 FORSCOM
 USAREUR
 FORSCOM
 USAREUR
 HQDA
 USARPAC
 EUSA

Army Comptroller Course

The Army Comptroller Course is sponsored by the U.S. Army and conducted at Syracuse University. The purpose of ACC is to provide a basic multi-disciplined financial and resource management overview to officers newly assigned to the Comptroller Career field, Department of Army interns in the financial management career fields and to other personnel without a multi-disciplined background. The course blends current DoD/Army management and the latest in financial management techniques. It provides graduates the ability to operate within the current environment and give them the skills necessary to be effective and efficient.

Students are required to actively participate in discussion of key topics in the business of managing resources and managing the people and processes that enable the resources to be managed. The implications of the personnel management, single stock fund, fiscal law, outsourcing, multi-disciplined financial analyst, certification, OPMS XXI, Activity Based Costing/Management, program and budget modeling, working capital fund management, internal controls, conflict resolution, team building, CFO, and efficiencies are discussed.

In addition to seminars on PPBES, students participate in simulations involving: budget and fiscal controls, and DA installation prioritization. PPBES is examined not only from a process perspective, but also from an interpersonal, cross-functional, and organizational view. Throughout these simulations, consensus building is stressed - both the difficulty and the necessity of achieving it.

In addition to the seminars and simulations, speakers from HQ Department of the Army, MACOM, installation and DFAS expose the students to their operational perspective on financial/resource management processes and challenges. Emphasis is placed on installation speakers.

ACC is designed to provide entry-level professional resource managers a set of skills to successfully operate in today's uncertain, volatile, ambiguous and complex environment

Professional Development

ACC is offered three times a year (one winter course and two summer courses); it is one month in length; and open to civilians (GS 7-12, with waiver to GS 5), active and reserve military officers (captains and majors) and enlisted (master sergeant and sergeant first class) Graduates of the Army Comptroller Course can attend the Professional Resource Management Course or the Army Comptrollership Program.

ACC and PRMC students are housed at the Marriott Residence Inn, an extended stay hotel. Each room consists of a kitchenette, living room and sleeping area. The hotel has a classroom, veranda for breakfast and lunch, exercise room, indoor/outdoor swimming pool, and laundry facilities.

The Army Programs staff will help students take fullest advantage of the resources at Syracuse University and provide classroom resources to support the teaching assignments during the program.

All accommodations are provided as single-occupancy; any special needs should be requested prior to arrival. All breakfast and lunch meals are provided at the Residence Inn Monday-Friday. All dinner and weekend meals are the responsibility of the participant.

The hotel offers a free grocery delivery service; guests pay only for the cost of groceries. Additionally, there are several restaurants within walking distance of the hotel.

Below is a list of recent ACC graduates:

ACC Class 01-II

Eric C. Anderson	USASOC
Luvenia S. Baker	TRADOC
Jason Berry	HQDA
John A. Cano	USAREC
James E. Davis	SHAPE
Christopher C. Dixon	ATEC
John P. Farrell	TRADOC
Chafik H. Fattouh	USCENTCOM
Anthony A. Gilliam	TRADOC
Amelia D. Harris	USAREUR
Nicole M. Haydon	TRADOC
Mary A. Henley	TRADOC
Lynn S. Hughes	MEDCOM
Peggy M. Kammen	HQDA
David A. Kirby	INSCOM
Brooke A. Larrabee	HQ USARC
Peggy M. Merrell	HQDA
Maria Pangelinan	HQDA

Thelma Ponce	AMC
Tomothy E. Prince	USAREUR
William H. Ridenour	TRADOC
Ira V. Smallwood	AAA
Nancy M. Torres	FORSCOM
Jacqueline A. Williams	TRADOC
Robert J. Young	OCAR
ACC Class 01-III	
Chong-Nan An	EUSA
Joel J. Atkins, Jr.	USACE
Jacquelyn Connor	FORSCOM
J. Denise Contreras-Williams	AMC
Dorotheine Eaddy	USACE
Annette Ford	ARPERSCOM
Robert A. Golden	AMC
Veronica M. Gonzalez	AMC
Yvonna C. Guillory	TRADOC
William A. Guptill	ARPERSCOM
James Jack IV	AAA
Gerri D. Jones	FORSCOM
Kevin Keipp	TRADOC
Walter M. Magruder	FORSCOM
James P. Massa	TRICARE
John W. Matthews III	USARPAC
Sean D. McDonald	USAREUR
Arie J. McSherry	TRADOC
Hyon-Hui So	EUSA
Tonya D. Spriggs	AAA
Douglas L. Stratton	MEDCOM
Jeffrey P. Weber	USAREUR

Army Comptrollership Program gives two degrees

The Assistant Secretary of the Army (Financial Management and Comptroller) and Syracuse University's School of Management and Maxwell School of Citizenship and Public Affairs have developed a joint degree program to replace the current Army Comptrollership Program's Master of Business Administration curriculum.

The goals of the new program are to provide students essential tools of private and public sector business practices and the ability to analyze and develop public policy. With the Department of Defense efforts to improve the efficiency and effective of its business practices and processes, both skill sets are considered essential.

The new ACP will provide essential educational skills for financial managers to assist the Army's leadership in making the hard resource decisions to transition the Army to a more

Professional Development

efficient and effective organization.

Sandra Pack, Assistant Secretary of the Army (Financial Management and Comptroller), approved the new program in January, and the Class of 2003 will begin the new curriculum in June. The new curriculum is 60 credit hours that students will complete in 14 months.

Graduates will receive master's degrees in business and public administration. Students will take 42 credits at the School of Management and 18 credits at the Maxwell School.

The School of Management's MBA program will consist of the following courses: Economics, Data Analysis, Management Information Systems, Financial Accounting, Marketing Management, Strategic Human Resources, Operations Management, Activity Based Costing/Management, Business Strategy, Business Law, Entrepreneurship, and Comptrollership.

The Maxwell School's Master of Arts in Public Administration, or MAPA, program will include: Mid-Career Seminar: Managerial Leadership, Dispute Resolution for Public Managers, National Security, Public Budgeting, Public Administration & Law, and a master's project. In addition to the academic program, all students will train for and take the Certified Defense Financial Manager examination. Students will also be required to participate in 24 hours of community service.

The following is a breakout of the degree programs for the 2002-2003 academic year,

with graduate semester hours or credits shown in parentheses:

First Quarter -- Summer '02: 12 Credits

- Orientation (1 Week w/ Math Camp)
- ECON 604 - Economics for Managers (3)
- MBC 638- Data Analysis (3)
- MIS 646 - Management Information Systems (3)
- PPA 730 - Dispute Resolution for Public Managers (3)

Second Quarter -- Fall '02: 15 Credits

- MBC600 - Financial Accounting (3)
- MBC 600 - Marketing Management (3)
- MBC 600 - Strategic Human Resource Management (3)
- PPA 706 - National Security Policy (3)
- PPA 734 - Public Budgeting (3)

Winter '02/'03:

- PPA 742- Public Administration & Law (3)

Third Quarter -- Spring '03: 18 Credits

- MBC 600 - Operations Management (3)
- ACC 600 - Activity Based Costing (3)
- MBC 600 - Business Strategy (3)
- MBC 633 - Managerial Finance (3)
- MBC 600 - Business Law & Natural Environment (3)
- PPA 895 - Mid-Career Seminar: Managerial Leadership (3)

Fourth Quarter -- Summer '03: 12 Credits

- MBC 600 - Entrepreneurship Project (3)
- BUA 786 - Seminar in Comptrollership & CDFM (3)
- BUA 787 - Seminar in Resource Management (3)
- PPA 996 - Master's Project (3)

Army Management Staff College 2001 graduates

Class SBLM01-1

Regina R. Adams	USACE
Corlis J. Alexander	MEDCOM
Cynthia R. Arnold	USAREUR
Kathy J. Ash	FORSCOM
Glenn L. Blondin	TRADOC
Ronald L. Bowman	EUSA
Leslie L. Christensen	USARSO
Rodney R. Furby	EUSA
George W. Hall	NGB
Michael E. Hanson	USAREUR
L. Lisa Hughes	NGB
Deborah A. Manner	HQDA
Krystal L. Nienaber	HQDA

Leonard M. Pazur	AMC
John G. Raisigel	USAREUR
Linda M. Rosser	SMDC
Dennis S. Taylor	HQDA/AAA
Faith H. Teitelbaum	AMC

Class SBLM01-3

Geraldine B. Anthony	FORSCOM
Kevin J. Cunnion	AMC
Justine M. Landrum	HQDA
Vanessa T. Lee	AAA
Angela M. Lewis	AMC
Sylvester Lindsey	FORSCOM
Martin E. Schroeder	USAREUR
Yolonda L. Smith	AMC
John J. Vietor	AAA
Evelyn Wong-Herrmann	USAREUR

Commencement remarks:

Tosh award recipient discusses lessons learned

by Elizabeth Robinson

(Editor's note: On the cover are members of last August's graduating class, including Elizabeth Robinson.)

First, I would like to thank my classmates for selecting me as the Tosh award recipient.

While pondering what I would say today, many thoughts came to mind.

I remember the class coming together to help someone, the fear of forgetting an assignment and suffering consequences for not making the best use of my time.

I consider the education I received at Syracuse University to be well rounded because learning took place during all those times.

The professors at this august institution ensured that there was a lot, and I do mean a lot, of book learning, but there were many lessons that the books did not cover. I would like to share some of those lessons with you today.

• **Lesson I:**

If the only voice I hear is mine, I have ceased to learn.

• **Lesson II:**

My ideas are not always the best ideas, but if I don't listen to others, those ideas will remain mysteries.

• **Lesson III:**

A good leader was once a good follower.

• **Lesson IV:**

Everyone has a role to play, and to ignore or belittle anyone's role hinders us all.

• **Lesson V:**

Decisions cannot be made in a vacuum because even the most seemingly benign

decision can affect the lives of many.

• **Lesson VI:**

Pick your battles carefully, but after you pick them stand firm regardless of the consequences, because those battles define who you are.

• **Lesson VII:**

As you climb the ladder to success, be kind to those you pass, because they will be the same people who determine whether you continue to climb that ladder or you fall from it.

For the Class of 2002, I leave these thoughts.

The Army Comptrollership Program is challenging but rewarding.

You will need each

other, so make it a point to bond, and leave out no one.

Competition in a group setting is beneficial only when it motivates the other group members to achieve their maximum potential.

Lastly, Syracuse University provides more than book learning if you get out and experience what Syracuse and the surrounding areas have to offer.

In conclusion, I would like to thank Col. David Berg and the faculty of Syracuse University for giving us the tools we need to make a positive impact on the Army.

Class of 2001, go forth, do good, and let's keep in touch. Thank You.

About the Author

Elizabeth Robinson is an auditor with the Army Audit Agency. She received the David E. Tosh Award for teamwork, high standards, selflessness and compassion.

*Pick your battles carefully,
but after you pick them stand
firm regardless of the
consequences, because those
battles define who you are.*



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