COST MANAGEMENT
CAMPAIGN PLAN FY25

DEPUTY ASSISTANT SECRETARY OF THE ARMY (COST & ECONOMICS)

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LEADERSHIP MESSAGE

As the DASA-CE I have been directed by the Assistant Secretary of the Army for Financial Management and Comptroller (ASA (FM&C)) to lead the implementation of Cost Management (CM) throughout the Army and have created this strategic document to aid in this endeavor. This plan is directly in line with the Army Cost Management Strategic Plan 2028 lines of effort to effectively utilize the Army's resources and financial management systems, as well as provide the workforce with the tools necessary to reach the Army's objectives.

At each level of the Army, cost management plays a different role in assisting decision makers to understand and effectively use cost data. The CM Strategic Plan represents the Army's commitment to provide a strategic direction to Army leaders and empower them to meet their performance

requirements, manage budgets and resources, and make financial decisions in an effective and meaningful way.

The FY25 Cost Management Campaign Plan serves as a strategic roadmap, outlining key priorities and initiatives that will enable us to instill a robust CM culture throughout the Army. In an environment of constrained resources and increasing demands, it is imperative that the Army has effective cost management practices in place to ensure fiscal responsibility and mission success.

This plan underscores the interconnectedness of CM initiatives across all facets of Army operations. It also highlights our commitment to adaptability and innovation as we promote new CM capabilities in the Enterprise Business System - Convergence (EBS-C) platform, which seeks to consolidate Enterprise Resource Planning Systems (ERPs) and provide Senior Leaders and Commanders the information they need to make resource informed decisions.

Moving toward full implementation of Cost Management is challenging and will take time. The Army's resource management professionals and operational managers must be prepared to face this challenge together in a joint effort to achieve success.

Stephen B. Loftus
Deputy Assistant Secretary of the Army
Cost and Economics

SITUATION

Cost management allows the Army to know the full cost of providing products or services to customers as well as identifying how process or other changes affect these costs and performance outcomes.

Some of the benefits:
- Improved resource-informed decision making
- Enhanced capacity management
- Established linkage of cost and performance data with objectives
- Improved reporting
- Increased financial transparency
- Elevated audit readiness
- Enhanced ability to formulate more accurate budgets that are aligned with strategic outcomes and objectives

▶ **Strategic Goal 1: POLICY** Identify and improve Army policies to include the cost management activities necessary to achieve the Army's management objectives. Develop Cost Information Framework (CIF) policies for specified business processes to build and manage cost and performance data structures.

▶ **Strategic Goal 2: DOCTRINE** Update and expand the cost management handbook which will serve as the link between the CM End-to-End (E2E) process, training, and system configuration/utilization.

▶ **Strategic Goal 3: TRAINING** Strengthen cost management capabilities in the workforce through training, best practices, and knowledge management.

▶ **Strategic Goal 4: SYSTEMS** Support Enterprise Business System-Convergence (EBS-C) to promote inclusion of cost management end-to-end capabilities.

▶ **Strategic Goal 5: GOVERNANCE** Establish governance processes to ensure the robust implementation of cost management policy, doctrine, training, and system strategic goals.

EXECUTION

The CM Campaign Plan consists of five Lines of Effort (LOE) that bring unity of effort to progress toward the Strategic Goals and Objectives by translating the Strategy into executable initiatives. Our LOE initiatives are tangible actions we will take toward enhancing Cost Management in the Army.

The five LOEs are mutually supportive in achieving our Strategic Goals. For example, Training relies on Doctrine to provide the content to be trained and demonstrates use of Systems to do the work.

Soldiers of Charlie Battery, 3rd Battalion, 112th Field Artillery Regiment, 44th Infantry Brigade Combat Team, New Jersey Army National Guard, conduct a live-fire exercise utilizing the M777 howitzer.

LOE 1

Identify and improve Army policies to include the cost management activities necessary to achieve the Army's management objectives.

Develop Cost Information Framework policies for specified business processes to build and manage cost and performance data structures.

In order to establish a robust Cost Management Culture within the U.S. Army, it is imperative to identify and improve Army policies related to Cost Management activities. Policies serve as the foundation for shaping organizational behavior and practices, providing a framework for decision-making and resource allocation. By strategically aligning policies with the Army's Cost Management Objectives, we not only ensure compliance, but foster a culture that prioritizes efficiency, fiscal responsibility, and optimization of resources. A well-defined policy framework empowers personnel at all levels to make informed decisions, promotes transparency, and ultimately contributes to the overarching goal of prudent fiscal stewardship within the U.S. Army.

INITIATIVES

- Review Strategic Documents Overview Matrix for areas of policy concern.
- Coordinate workshops with commands to update and document the commands' current cost model.
- Research and develop policy for emerging cost management pain points (e.g., EBS-C Business Process Reengineering (BPR), Local National Pay).
- Develop incremental plan to periodically review all Army policies with Cost Management implications to ensure all Army policies are up to date with respect to Cost Management.

END STATE

Improved policies and process updates that enhance Cost Management and Army Financial Operations have been published. The policies allow, and promote effective Cost Management within the Army.

A Soldier assigned to Quickstrike Troop, 4th Squadron, 2nd Cavalry Regiment, shows his motivation after a successful wireless-guided weapon system live fire exercise.

LOE 2

Update and expand the cost management handbook which will serve as the link between the cost management end-to-end process, training, and system utilization.

A comprehensive and up-to-date handbook ensures that all stakeholders, from leadership to frontline personnel, have access to standardized and clear guidance on cost management practices. It not only facilitates effective training programs, but also provides a reference point for consistent and informed decision-making. By refining and expanding this handbook, we reinforce a shared understanding of cost management principles, enhance operational efficiency, and contribute to the overarching objective of fostering a culture of fiscal responsibility and resource optimization within the U.S. Army.

INITIATIVES

- Publish the Cost Management Handbook to the ASA(FM&C) website with appropriate links and supporting documentation.
- Implement a communication campaign to ensure Commands and Soldiers are aware of this invaluable tool, and where it is accessible.

An M1A2 SEP v2 Abrams engages a target during a zero range at Rodriguez Live-Fire Complex, South Korea.

END STATE

The updated, comprehensive Cost Management Handbook is readily accessible to Commands and Soldiers, and this invaluable tool is used to inform and empower an effective Cost Management culture within the Army.

LOE 3

Strengthen cost management capabilities through training, best practices, and knowledge management to transform to a cost culture.

Training initiatives play a pivotal role in equipping Army personnel with the requisite skills and insights to navigate the complexities of cost management effectively. By emphasizing best practices and fostering knowledge exchange, we not only enhance individual proficiency, but also facilitate a collective transformation toward a cost culture. This approach empowers the entire organization to make informed decisions, optimize resource utilization, and align operational activities with cost-effective strategies. As the Army invests in the development of its human capital through comprehensive training programs, it lays the foundation for a resilient and adaptable Cost Management Culture that is essential for meeting the fiscal challenges of the future.

INITIATIVES

- Conduct training assessment visit to US Army Finance and Comptroller School at Fort Jackson to assess their current and planned course offerings for inclusion of Cost Management.
- Conduct a training assessment visit to USAFMCOM, e.g., System Support Operations (SSO) to assess their current and planned course offerings and identify opportunities for inclusion of Cost Management.

END STATE

Cost Management is integrated within institutional financial training courses, promoting the widespread utilization of CM practices and efficiencies across the Army.

An Unmanned Aircraft System (UAS) from Company D, 82nd Combat Aviation Brigade, 82nd Airborne Division is prepped for flight operations.

LOE 4

Ensure Enterprise Business System-Convergence is configured to include the Cost Management End-to-End process capabilities.

EBS-C will play a pivotal role in streamlining and integrating various facets of organizational processes, offering a cohesive platform for managing costs efficiently. By configuring the system to include comprehensive Cost Management capabilities, the Army can enhance data accuracy, transparency, and real-time visibility into financial activities. This not only facilitates informed decision-making at all levels, but also promotes a culture where cost considerations are seamlessly integrated into day-to-day operations. As ERP systems become a cornerstone for organizational efficiency, their alignment with the Cost Management End-to-End process ensures that the U.S. Army is well-positioned to navigate fiscal challenges and actively cultivate a culture of prudent resource management.

INITIATIVES

- Assist Product Support Teams (PST) in identifying, enabling, and constraining EBS-C requirements for Class V, organic transportation, and service contracts to develop the Minimum Viable Product (MVP) and Minimum Viable Capability Release (MVCR).

- Engage Army Commands in a Command Cost Model Document (CCMD) refresh to identify pain points, EBS-C requirements, and DOTmLPF-P changes.

- Business Process Reengineer (BPR) Cost Object Master Data (COMD) Elements to produce insights in support of the EBS-C CM Enabling Team and their requirement generation efforts.

- Engage Army Commands in how to capture labor for their outputs—both direct and indirect labor (Civ, Mil, Ctr, LN), and document pain points to assist in developing Labor Resource Time Tracking (LRTT) recommendations for EBS-C.

END STATE

Requirements supporting CM End-to-End process analysis are incorporated into the Enterprise Business System-Convergence platform, streamlining, standardizing and unifying business operations while improving auditability.

A cyber-security specialist at work in an operations center.

LOE 5

"Discipline is based on pride in the profession of arms, on meticulous attention to details, and on mutual respect and confidence."

—*General George S. Patton, Jr.*

Establish governance processes to ensure the robust implementation of cost management policy, doctrine, training, and system strategic goals.

Governance acts as the guiding framework, providing oversight, accountability, and a structured approach to aligning organizational activities with cost management objectives. By instituting clear processes and mechanisms, the Army can monitor adherence to policies, evaluate the efficacy of training programs, and assess the alignment of system utilization with strategic goals. This proactive governance approach not only strengthens the integrity of cost management practices, but also reinforces a culture of responsibility, transparency, and continuous improvement within the Army.

INITIATIVES

- Provide increased oversight of GFEBS affirmations/reaffirmations to ensure compliance with established rules regarding cost management critical access and restricted roles.
- Manage the Army Indirect Rate Board process and develop new reporting methodologies to provide increased granularity on indirect rates that support Financial Management Regulation (FMR) guidance on overhead.
- Support ASA(FM&C) as the steward for Army cost data.
- Maintain governance of CIF issues elevated to DASA-CE by SSO.

END STATE

Effective governance is achieved in the critical areas of GFEBS and Army Indirect Rates such that GFEBS critical access and critical roles are compliant and Army Indirect Rates are reviewed by the Army Indirect Rate Board.

A Soldier assigned to 2d Cavalry Regiment, engages the enemy during Dragoon Ready 23 at the Joint Multinational Readiness Center in Hohenfels, Germany.
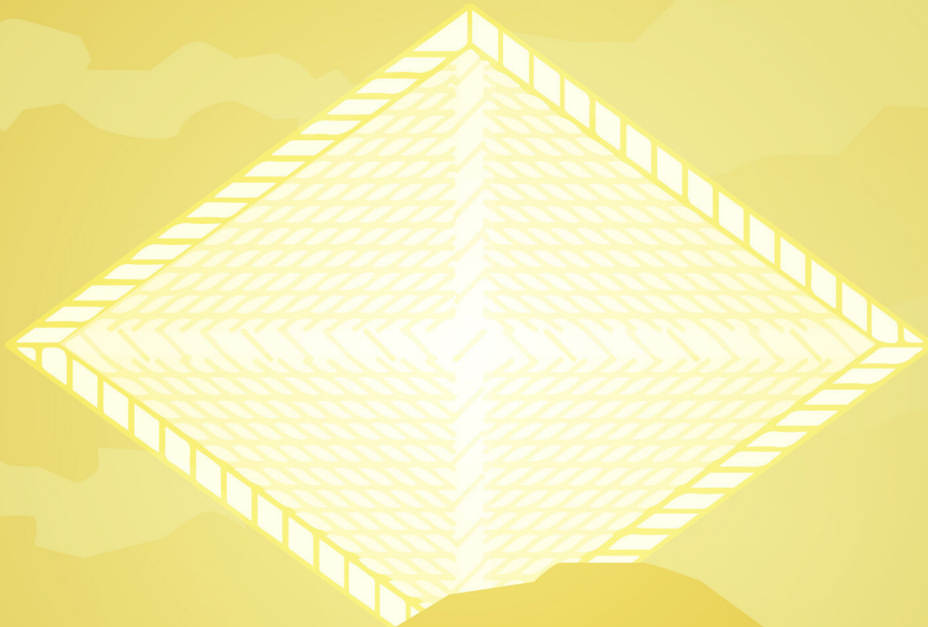
CONCLUSION

The FY25 Army Cost Management Campaign Plan provides initiatives for this fiscal year that will empower Army organizations with improved cost management so they will have data-insight into their resource requirements and costs necessary to achieve their mission.

Idaho Army National Guard Staff Sgt. completes an 11-mile ruck with a 40-pound weight in a pack during the Army National Guard Best Warrior Competition.

1 A Maine Army National Guard UH-60 Black Hawk crew conducts a training flight near Bangor, Maine, June 13, 2023.

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