



Army Cost Management Steering Group

12 August 2015
1300-1430
3D684

FOUO



Agenda



- Opening Comments
- Actions Update
- Command Presentation: ATEC
- Army Financial Management Optimization (AFMO): Update
- GFEBBS/GCSS-A Cost Center Federation
- “Top Ten” Cost Management Challenges- Continued
- Closing Comments



Cost Management Steering Group



Vision: A forum to **shape and inform** the Cost Management (CM) **policy, strategy, ERP utilization, and best practices** aligned with Army priorities. Provide **guidance and understanding** on Army enterprise level **cost needs, performance metrics, capability gaps**, and recommendations required for more agile, effective, and efficient decision making processes.

Expected Outcomes:

- Obtained Army-wide support to successfully implement CM.
- Developed, implemented, and monitoring progress on Army's cost data framework to meet the information needs of Army organizations and HQDA.
- Solved ERP CM issues including: better utilization of CM capabilities (Cost Planning, Cost Allocating, Cost Reporting) within Army ERPs; Standardized CM master data usage; solved process issues (e.g. direct/reimbursable tagging of personnel); integrated cost information across ERPs.
- Reengineered key Army business processes integrating cost information supporting Army business decisions.



CMSG Actions Update



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CMSG Actions Tracker				
	Action Item Description	Status	Milestone	Milestone Date
1	CMSG Charter	Closed	Complete	25 Feb 15
2	Cost Management Documentation Strategy			
	2a Cost Management Strategic Implementation Plan (CMSIP)	Open	Publish	12 Aug 15
	2b Army Standard Cost Model Document	Open	Publish	28 Aug 15
	2c Command Cost Model (CCM)	Closed	44 CCMs Published	15 Jun 15
	2d Design Decision Documents	Open	2 Drafts (Cost Elements, Cost Center)	1 Aug 15
3	Army Standard Labor Time Tracking (ASLTT) (CMSG as ASLTT SAG)			
	3a ASLTT Problem Statement	Closed	Approved	5 Nov 15
	3b ASLTT Study Plan Guidance	Closed	Study Plan Guidance Signed	11 Aug 15
	3c ASLTT Study Plan	Open	Study Plan Signed	Oct 15
	3d ASLTT Requirements	Open	Validated	Oct 15
	3e ASLTT MDD	Open	MDD	Nov 15
4	Cost Management Training	Open	Initial Concept	Nov 16
5	Cost Managed Organizations	Open	Initial Concept	Nov 15

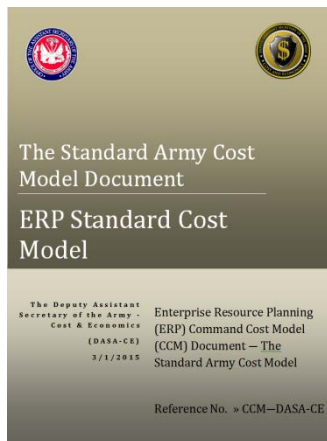


Cost Management Documentation Strategy



Action Item: 2

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a. U.S. Army Cost Management Strategic Implementation Plan

- CM Strategic Goals and Fundamental Concepts (Cost Model, Planning, Accounting, Analysis, Controlling)
- Linkage to AFMO, specifically – Army Cost Framework and CM Business Processes
- Army Operating Environment and Key CM Tasks

b. Standard Army Cost Model Document

- Army Framework “Blueprinting” Templates and Processes
- CM Master Data Definitions and Integration across ERPs
- Standard Use Cases with CM Processes
- Cost Analysis
- Cost Reporting

c. Command Cost Model Documents

- 44 Command Specific Documents; periodically updated
- Tailored Army Cost Framework
- Identified Cost & Performance Objectives
- Master Data Usage
- Specific Use Cases for CM Processes

d. Design Decision Documents

- References for CM Master Data Objects (e.g. Cost Elements, Cost Centers, WBS)
- Specifically Details Army’s Implementation of CM ERP Designs, Security, Performance Requirements.



Cost Management Strategic Implementation Plan (CMSIP)



Action Item: 2a

General Changes made:

- To reach intended audience (operational and resource managers), incorporate more information on how CM impacts the operational community
- A more defined outline of training recommendations for the RM and non-RM workforce to include SES/GO
- Integration of CM Goals with AFMO objectives
- Recommend Concurrence to Publish

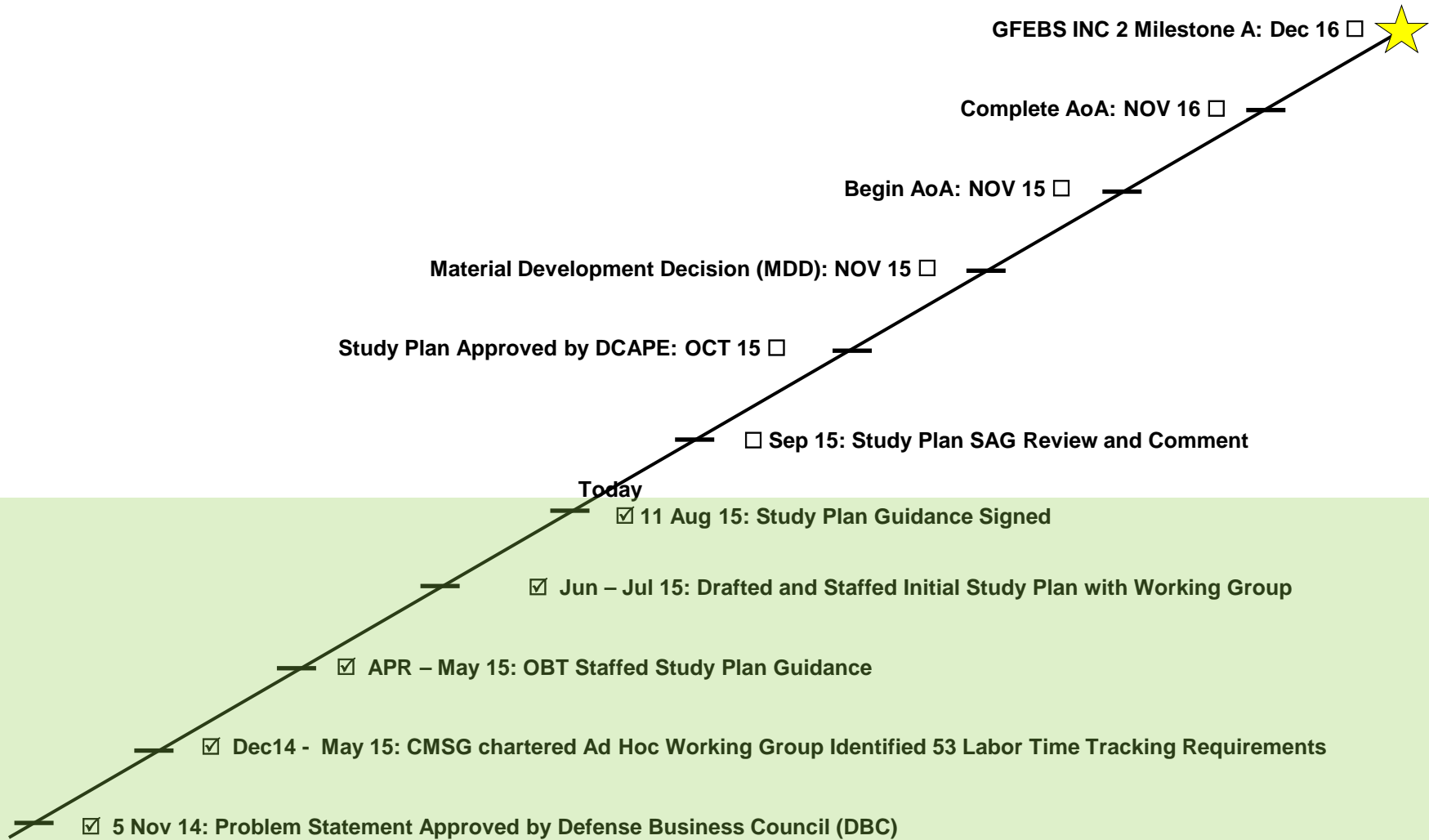


Army Standard Labor Time Tracking (ASLTT)



Action Item: 3

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Targeted Cost Management Training



Action Item: 6

- Considerations:
 - Financial Management Workforce
 - Operational Workforce
 - Appropriate Level 0-4/5, O-6, O7, GS 13/14, 15, SES
- Integration into General Management Training
 - Military
 - Advanced Leader's Course (ALC)
 - Senior Leader's Course (SLC)
 - Master Leader Course
 - Sergeants Major Academy
 - Basic Officer Leaders Course
 - Captain's Career Course
 - Company Command First Sergeant Pre-Command Course (CCFSPCC)
 - Intermediate Level Education (ILE)
 - The Battalion and Brigade Pre-Command Course (BBPCC)
 - Garrison Leader Course
 - Army War College
 - Civilian
 - CES Foundation Course (FC)
 - CES Basic Course (BC)
 - CES Intermediate Course (IC)
 - CES Advanced Course (AC)
 - Senior Enterprise Talent Management (SETM)
 - ASEEP, ASLDP, FMCSL (SES)
 - Cost Management Certificate Course (CMCC)
- Functional Training
 - Functional Area 50 Qualification Course (FA50QC)
 - Finance School
 - Installation Managers Course



Action Item: 6

Cost Management Certificate Course (CMCC)



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WHAT IS CMCC?

- ✓ An intense 4 week program designed to teach students how to manage Army business operations efficiently and effectively through accurate measurement and thorough understanding of the “Full Cost” of business processes, products, and services.
- ✓ Certificate holders will become consultants who are equipped to help decision makers, and provide the best value to customers and stakeholders.
- ✓ Graduates will earn 12 graduate credits from the Darla Moore School of Business, University of South Carolina.



UNIVERSITY OF
SOUTH CAROLINA

TARGET AUDIENCE

Military (Army Only):

Officer: Major and Above
 Enlisted: Master Sergeant
Army Civilians:
 GS-13 and above

Bachelors Degree
 Three years of government service
 Senior (SES/GO) Leader Endorsed

FY 16 SESSIONS (tent)

April 4th - April 29th
 July 11th - August 5th

- Week 1 Managerial Costing - instruction in cost concepts and analysis techniques that include cost benefit, break-even, and variance analysis.
- Week 2 Operations Management - fundamentals of design, management, and control of operational processes for cost management.
- Week 3 Cost Control - cost management and controlling concepts, development of a cost culture team and building a strong staff to support the commander and decision makers.
- Week 4 Leadership & Ethics- instruction to analyze, understand, and influence organizations within which they work by introducing psychology, behavior, and communication principles applied to organizations.



Cost Managed Organizations (CMO)



Action Item: 5

How Do We Increase Cost Management Implementation?

- Identify cost management best practices
- Highlight successful implementation
- Recognize leaders managing cost
- Provide objective feedback to leadership
- Define Functional excellence

Working Group Kickoff Meeting

- 25 Aug
- Capture Management Needs
- Define Criteria
- Define Processes



ATEC

Cost Management Business Practices



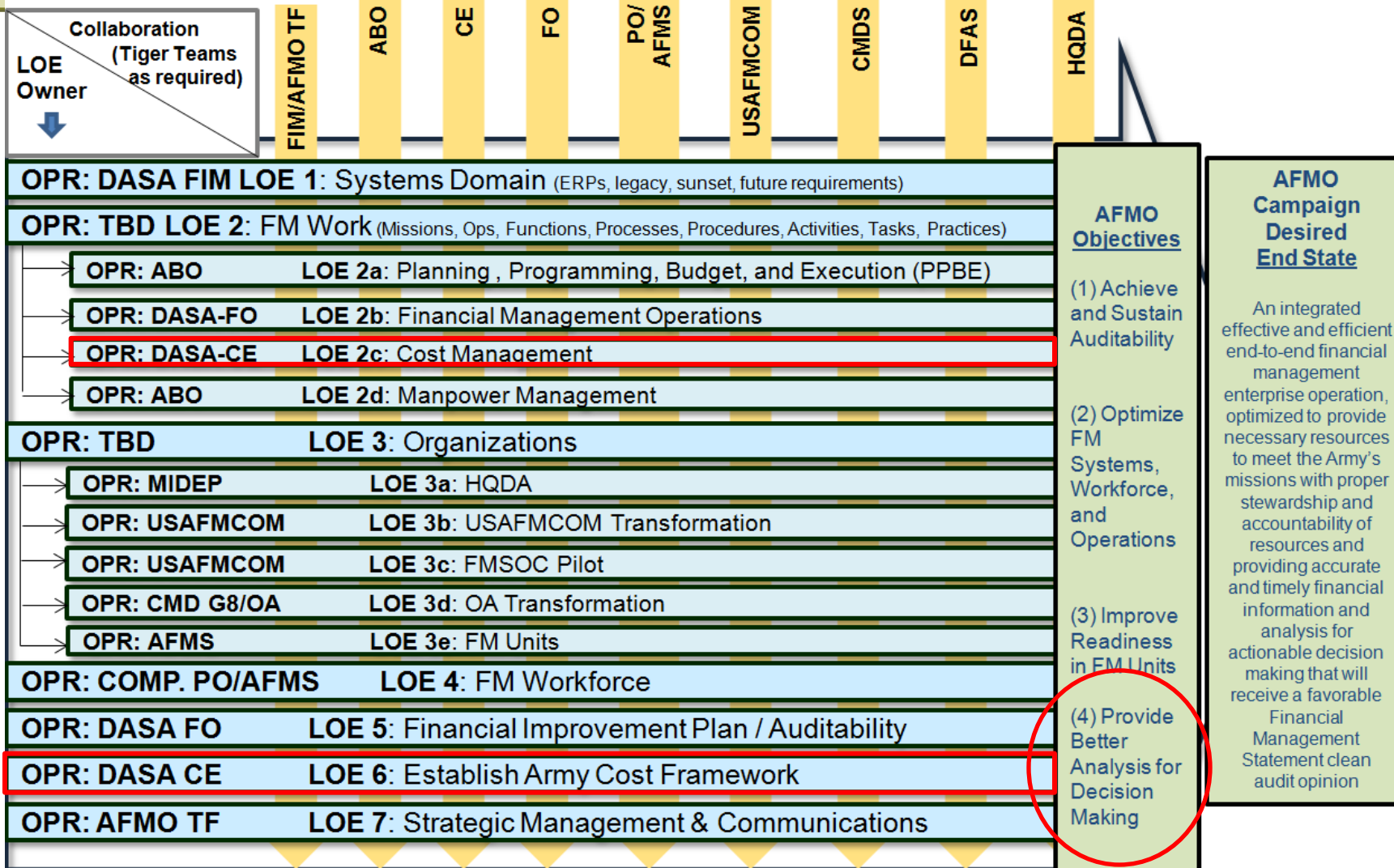
Army Financial Management Optimization (AFMO): Update



Driving Change in the Financial Management Enterprise AFMO Campaign Plan



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AFMO Objectives

- (1) Achieve and Sustain Auditability
- (2) Optimize FM Systems, Workforce, and Operations
- (3) Improve Readiness in FM Units
- (4) Provide Better Analysis for Decision Making

AFMO Campaign Desired End State

An integrated effective and efficient end-to-end financial management enterprise operation, optimized to provide necessary resources to meet the Army's missions with proper stewardship and accountability of resources and providing accurate and timely financial information and analysis for actionable decision making that will receive a favorable Financial Management Statement clean audit opinion



LOE 6: The Army Cost Framework Priority Key Tasks



OPR: DASA CE

LOE 6: The Army Cost Framework

Definition - Establish and strengthen policies, processes, procedures, ERPs, and workforce analytical capabilities to maximize the use of available resources in the PPBE decision making process and create value across the Army; ensure effective management of cost to formulate, submit, and defend the Army budget; and provide transparency in support of financial auditability.

Key Task 1.1.1 Synchronize CO Module with the FI and FM Modules (Ex: Cost Elements, Validation Rules)

OPR/OSR: DASA-CE (Lead); FIM, FO, ABO (Assist)

MOP Indicator: % completion in identifying & addressing critical integration points of the three (FM, FI, CO) Modules.

Outcome 1.1: Quality Cost Data for Financial Transparency

-Established Quality Cost Data & Info to ensure financial transparency & accurate reporting compliant with law & regulations

-MOE Indicator: Cost Master Data Quality Assessment Metrics

AFMO Objectives

(1) Achieve Auditability

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Key Task 1.2.1 Publish policy and guidance on the Standard Army Cost Framework (Cost Models, Cost Movement Methodologies, & Data Capture)

OPR/OSR: DASA-CE (Lead); ABO, FIM, FO, HQDA, OA (Assist)

MOP Indicator: % increase in documentation of the Army's cost framework for CM business processes.

Outcome 1.2: Cost Framework for CM Business Processes

-Established and Standardized Cost Framework for CM business processes compliant with regulations

-MOE Indicator: # of key procedures and practices documented

Key Task 4.2B Leverage SES/GO executive level groups to establish an integrated Cost Framework across the ERPs.

OPR/OSR: DASA-CE (Lead); FO, FIM, ABO, HQDA, OAs (Assist)

MOP Indicator: % of Army-wide objectives with cost model constructs developed

Outcome 4.2: Consistent Cost Structure

-Established a consistent cost structure across all of the ERPs to improve the resource-informed decision making process

-MOE Indicator: Increased Reliability & accuracy of costs for decision making

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OPR = Office of Primary Responsibility
OSR = Office of Supporting Responsibility

UNCLASSIFIED



LOE 2c: Cost Management Priority Key Tasks



OPR: DASA CE

LOE 2c: Cost Management

Definition - Managing business operations efficiently and effectively through the accurate measurement and thorough understanding of the "full relevant cost" of an organization's business processes, products, and services in order to provide the best value to customers using the five steps of the E2E business process: Developing & Maintaining a Cost Model; Cost Planning; Cost Accounting; Cost Analysis; and Cost Controlling.

Key Task 2.1.1 Develop a list of recommended military and civilian positions to support the leadership

OPR/OSR: DASA-CE (Lead); PO/AFMS/FM&C, OA, HQDA
MOP Indicator: A: % completion in identifying civilian cost management positions by Operating Agency (RMs& OMs)
B: % completion in identifying military cost management positions by Operating Agency (RMs & OMs)

Outcome 2.1: Cost Management Skills Integrated Into the Workforce

-Cost Management skills and practices, incorporated into position descriptions, and assessed as an element of personnel performance objectives.
-MOE Indicator: # of personnel performing cost management duties

Key Task 2.2A.2 Establish a training plan for FM and non-FM personnel at all levels of experience.

OPR/OSR: OAs (Lead); Refer to DASA-CE Guidance
MOP Indicator: # of organizations with established policy and/or guidance on training for their FM and non-FM workforce (RM & OM)

Outcome 2.2: Fully Trained Workforce

-Fully trained workforce (operational and financial), in cost management, at all levels of the decision-making process
-MOE Indicator: % of OAs implementing their CM training strategies

Key Task 4.2D Continually assess (Ex: during periodic cost management reviews) costs and outputs against desired outcomes and implement cost controlling techniques to realign resources to achieve goals/targets.

OPR/OSR: OAs, ABO (Lead)
MOP Indicator: % of UFRs funded as a result of continued cost controlling techniques

Outcome 4.2: Reliably & Accurately Answer Cost Questions

-Army can more reliably & accurately answer cost questions for internal & external reporting requirements
-MOE Indicator: Auditability of cost savings/cost avoidance data

AFMO Objectives

- (1) Achieve Auditability
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“Top Ten” CM Challenges (Updated)



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	#	
	CAT	
<u>Planning / Decision Making</u> ACSIM, AMC, CIO/G-6, G-4, TRADOC, USARPAC	11	Integrating cost throughout the PPBES process
<u>Standards</u> ATEC, CIO/G-6, G-4, TRADOC	10	System interoperability (manual, work-arounds); CM process standardization
<u>Full Cost / Visibility</u> ACSIM, CIO/G-6, OBT, TRADOC	7	Capture full costs from ERPs; Accurate and holistic
<u>Training</u> ACSIM, AMC, CIO/G-6, G-4, USAEUR, USARC,	7	Personnel are not adequately trained on cost management, and/or cost management expertise is lost faster than staff can be trained
<u>Strategic Communications</u> AMC, TRADOC, USARC	7	Changing perception that cost management is only for RM personnel; Difference between cost management and budget / finance
<u>CM Tools</u> ACSIM, AMC, ATEC, USARPAC	7	Lack of CM tools, trained in use of ERP capabilities; Making the GFEBs costing capability useful
<u>Performance / Output Measure</u> ACSIM, AMC, CIO/G-6, USARC, USARPAC	6	Accountability/Performance Management
<u>Cost Estimation</u> ACSIM, CIO/G-6, G-4, TRADOC	6	Cost Drivers; Reimbursable cost factors; Products & services costs
<u>Information Needs</u> CIO/G-6, G-4, OBT	5	Accuracy and fidelity of available data (manual vs. automated process); Tracking execution of funds
<u>Manpower</u> USARC, USARPAC	2	Challenges in building a cadre dedicated exclusively to Cost Management



Army Cost Framework Efforts (AFMO LOE 6)



- Installation & Infrastructure Services (BASOP Services/SSP) (ACSIM/CE/OBT)
- Training Readiness (G3/G8)
- Weapon System Structure (ALT)
- Post Production Software Support (ALT, G4, G6, CE)
- Recruiting (G1, M&RA, CE, OBT)
- Test & Evaluation (ATEC)
- CTCs (FORSCOM, USAREUR)



Cost Management

Resource Informed Decision Making and Performance Management

Framework, Methodology
Cost of Recruiting - Case Study

DASA-CE

12 August 2015



Current Situation



- Costs are typically tracked vertically either by organization level and then by commodity (examples: Civilian labor at AMC Hq, Fuel at the 101st CAB, travel costs at ATEC) OR by key 4 line of accounting
 - Fund (APPN, FY, Base/Supplemental); Command; SAG/APE; and MDEP
- The costs for “horizontal” Army processes are typically not tracked, particularly those that cross organizational boundaries, *yet processes are how the Army accomplishes its primary Title 10 missions—training, equipping, recruiting, acquiring, maintaining, etc.*
- The full fielding of the General Fund Enterprise Business System (GFEBs) provides unprecedented capability to better determine Army costs
- Budget constraints place a greater emphasis on better informed decision making



Recruiting Cost Management Case Study



- Overall objective: Develop a transferable Army framework which will allow leaders to see the total and sub-elements of cost for key Army processes which will then enable better decision-making
- Method:
 - Lay out the process steps and stakeholders
 - Determine the relevant costs and where the data resides
 - Determine the measures of performance desired from the process
 - Determine how Army leaders could best use cost and correlated performance data to make better decisions regarding Army recruiting
 - Based on feedback and results, develop the necessary policy and DOTLMPF implications needed to expand the framework and methodology to other Army processes
- Why Recruiting for this Pilot?
 - Multiple stakeholders and organizations
 - Varied costs
 - Outcomes are critical for the Army



Cost Management & Performance Management



Decision Makers Span of Control & Influence (SC&I)

What questions are decision makers asking regarding cost & performance?



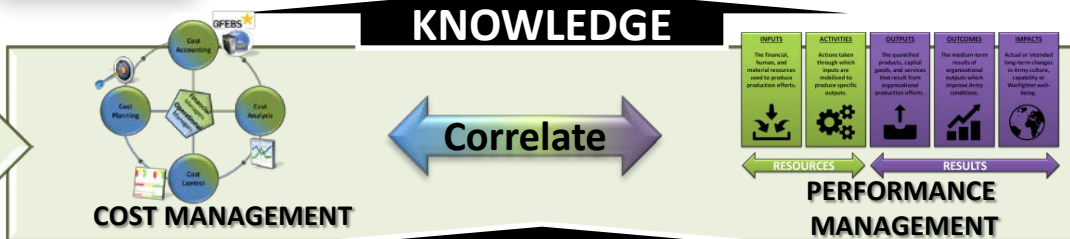
Customer

What knowledge is required to make cost & performance decisions?



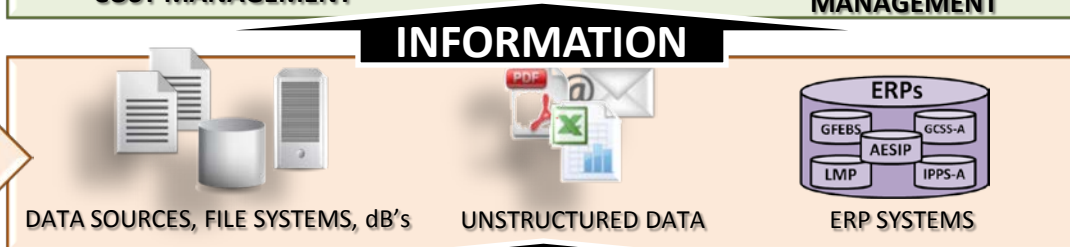
Output

How do organizations correlate cost to performance?



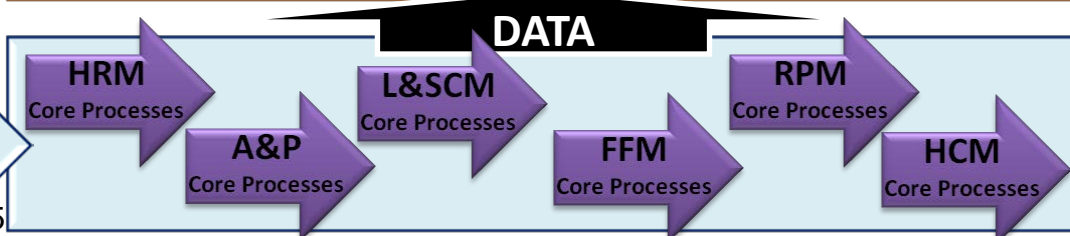
Process

Which systems provide cost & performance data?



Input

Which processes generate the cost & performance data?



Supplier

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Correlate Recruiting Costs to Performance



Decision Makers Span of Control & Influence (SC&I)

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Army leaders can assess cost/recruit, advertising effectiveness, retention rates, and other decisions



Customer

Recruiting knowledge can be analyzed through BI reports, dashboards, and analysis

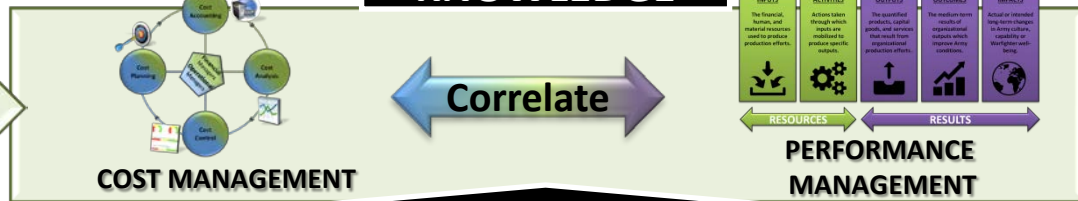
DECISIONS



Output

DASA-CE & OBT provide USAREC, USAMEPCOM, & TRADOC cost and performance correlation support

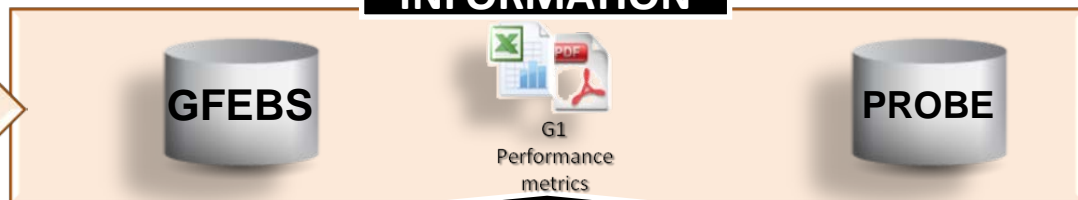
KNOWLEDGE



Process

Recruiting cost and budget data, along with other data sources

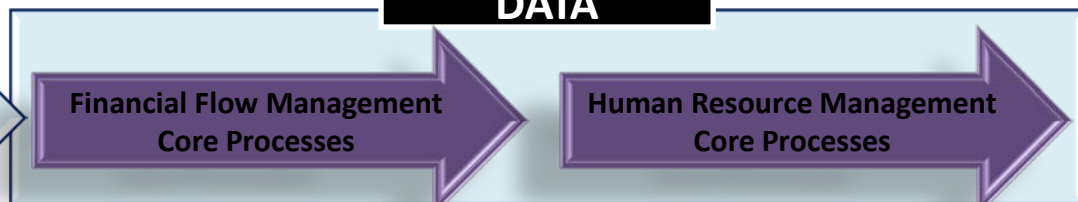
INFORMATION



Input

Recruiting, assessment & training cost and performance data from core processes

DATA



Supplier



SMS Dashboards (Notional)



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Recruiting Performance Dashboard



Retraining



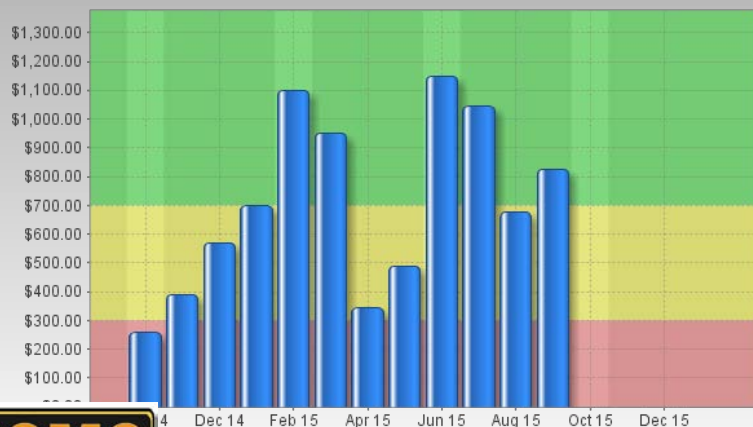
USMEPCOM reject rates



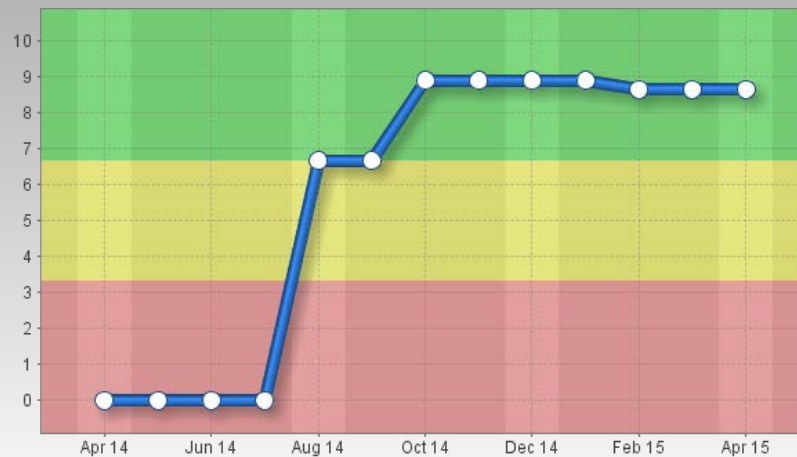
TRADOC Pass rates



Delays-TTHS



USAREC Monthly Costs



Retention Score





Army Enlisted Recruiting and Accession Functions by Organizations



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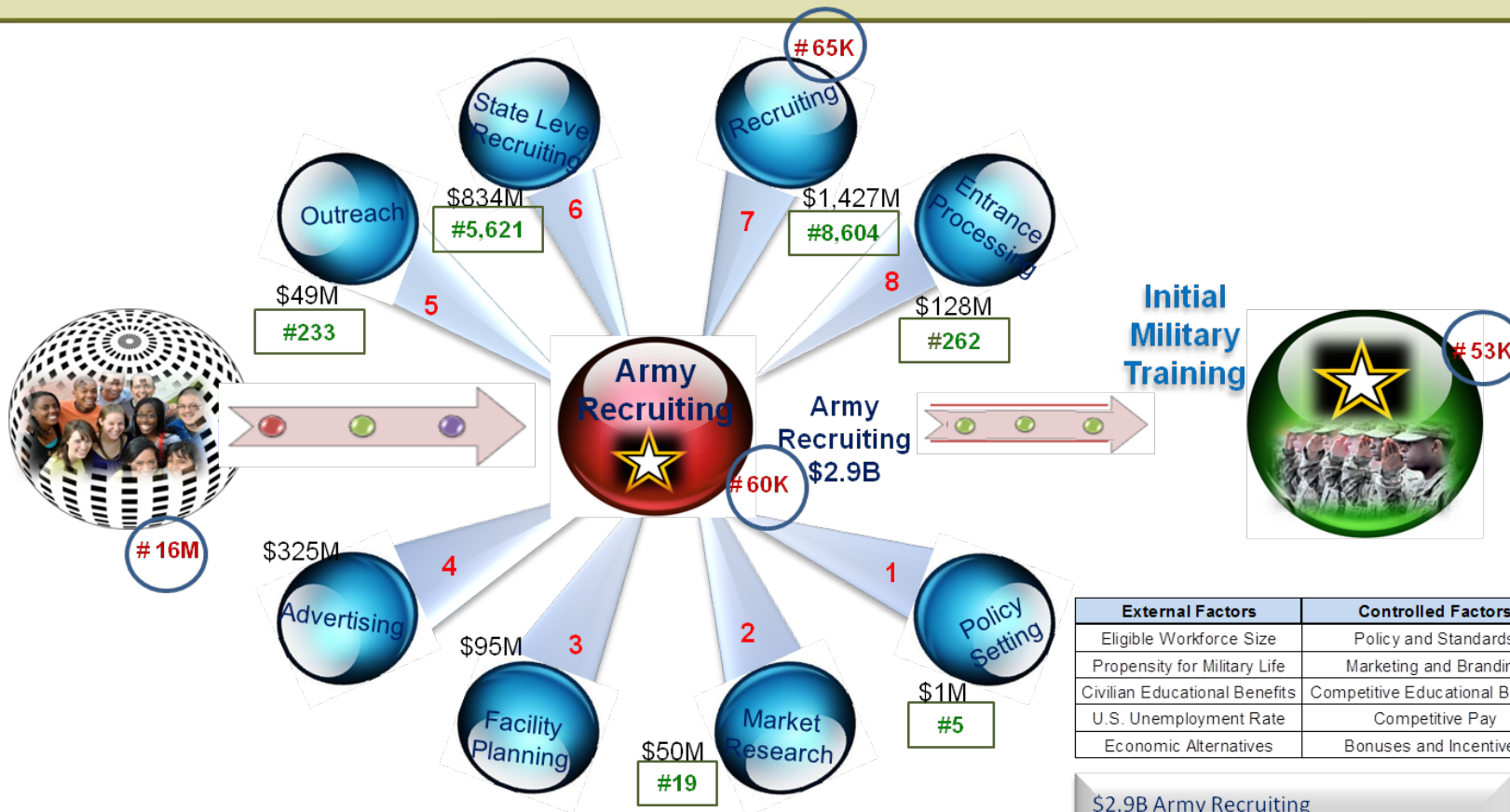
Functions / Cost Centers	OA22			TRADOC				MEPCOM	ARNG	USAR	USACE	ARI, CAA, FM&C, RAND
	G1/M&RA	G2	AMRG	TRAC	Accessions Brigade	USAREC	Schools					
Accessions Research & Analysis	✓		✓	✓								✓
Advertising			✓						✓			
Other Marketing (Marksmanship, ..)					✓							
Recruiter School							✓					
Recruiting Stations Facility Cost											✓	
Recruiting Operations Cost						✓			✓			
Examining & Entrance Processing								✓				
Staff Mil Pay			✓		✓	✓	✓	✓	✓	✓		
Recruit Incentive Pay & Educational Benefits	✓											
Recruit Background Investigations		✓										
Basic / One Station Unit Training							✓					
Advanced Individual Training							✓					
Initial Military Training Student Mil Pay							✓					
Excluded - Disability Attrition												



Army Enlisted Recruiting (FY14 Look)



Cost Management Steering Group



External Factors	Controlled Factors
Eligible Workforce Size	Policy and Standards
Propensity for Military Life	Marketing and Branding
Civilian Educational Benefits	Competitive Educational Benefits
U.S. Unemployment Rate	Competitive Pay
Economic Alternatives	Bonuses and Incentives

	Who	Activity
1	M&RA / G-1 / ARNG	Policy Setting (Quality Standards; Waivers; Bonuses)
2	ARMG / ARNG	Market Research (Effect of Advertising; Propensity for Army life, Messaging)
3	USACE	Facility Planning
4	ARMG / ARNG	Advertising (Development; Funding; Monitoring)
5	AC Accessions HQ / ARNG	Outreach (Social Media, Accessions Support)
6	ARNG	State Level Recruiting and Staffing Requirements
7	USAREC	Recruiting / Contracting
8	MEPCOM / AC/ARNG Recruiters	Entrance Processing (Recruiter escorting; Travel; Testing; Medical consults; Career counseling)

\$2.9B Army Recruiting

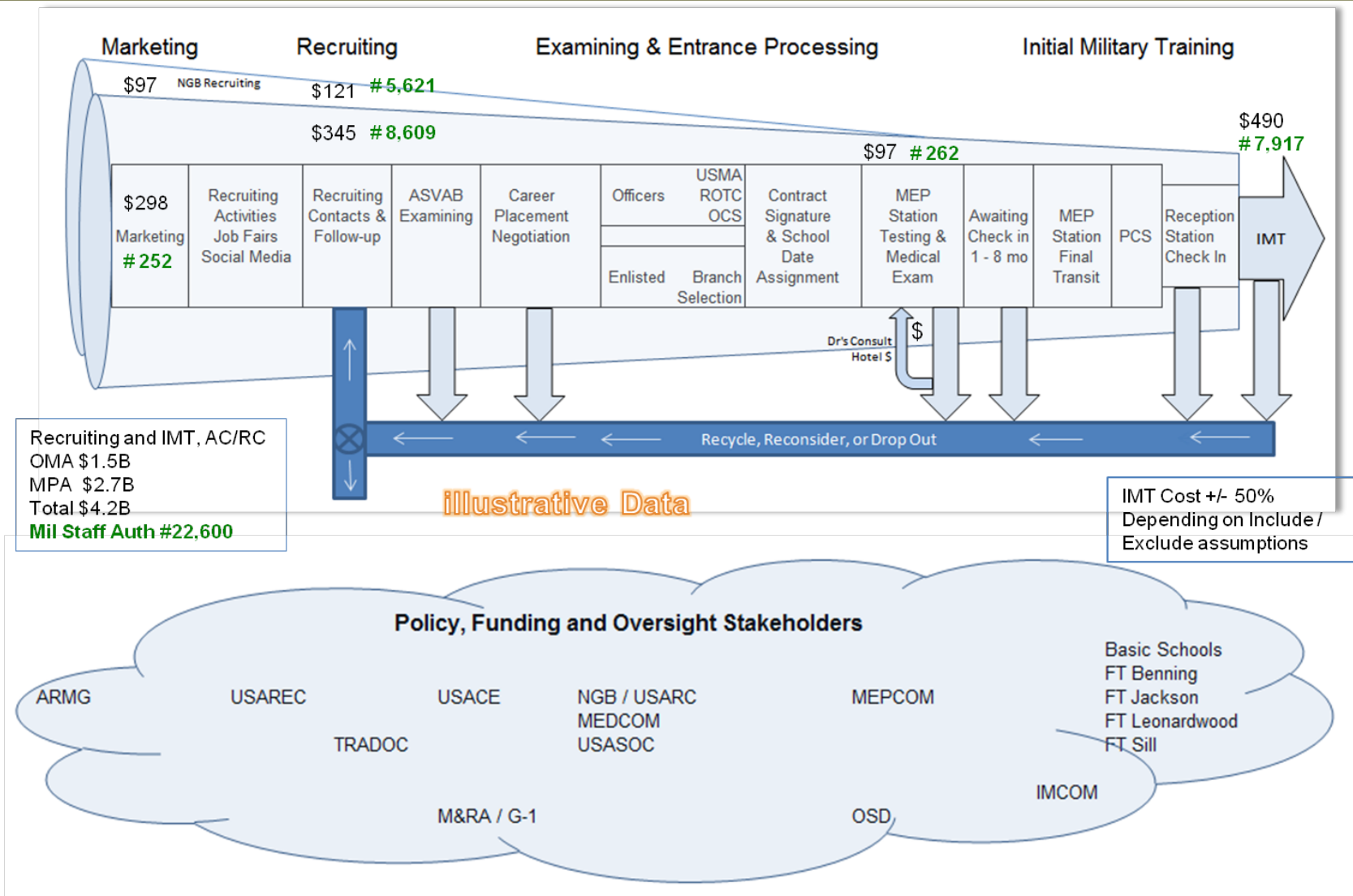
- Includes: AC/RC OMA & MPA
- #14,700 Soldier Recruiters & Staff
- #60K AC Mission;
 - 43,650 ARNG; 18,300 USAR Mission
- \$24,000 Recruiting \$/Recruit AC/RC
- \$25,000 Recruiting \$/ Recruit AC only



Army Enlisted Recruiting & IMT Pipeline FY14 OMA Cost Drivers



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Enlisted Recruiting (FY14 O&M Execution)



Methodology: Include / Exclude

- Preliminary cost of enlisted recruiting (Active, Guard & Reserve) focuses on O&M cost and Mil Pay of associated Staff.
- Shown at right are the O&M funding organizations (OA)
- Not included are the cost of: Officer Recruiting / accessions; Initial Military Training (IMT)
- Staff Mil Pay is captured in total cost of recruiting but not shown with O&M.

Cost Management Steering Group

	Mission	OMA \$K	\$K pCap
AC	60,000	538,839	8,981
USAR	18,300	164,346	8,981
ARNG	43,650	253,343	5,804
Total Army	121,950	\$ 956,528	7,844

MDEP	MDEP Text
FAAC	Accessions Command Support
FARC	Army Recruiting
QACS	Army Community Services (ACS)
QPSG	Personnel Support
QPSM	Physical Security Matters
TTDY	Military Training Specific Allotment
VAMP	Army Marketing Program
VIRS	Army Recruiting and Retention Initiatives
VSHP	Sexual Harassment/Assault Response & Prevention
VTER	Anti-Terrorism

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other
RSW (OA22)	331	331711	A22WW	OTJAG (HQDA)	375	375					-
		331712	A22FA	AMRG	224,898		224,898				-
	332	331712	A22FF	ASA MRA DCS G1	31,532				31,532		-
		332111	A22FA	AMRG	14,270			14,270			-
451	451020	A22FA	AMRG	3		3				-	
434	434R10	A229A	Hqs, HRC	44	44						-
OA22 / AMRG Total					271,122	419	224,901	14,270	31,532	-	-

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other
TRADOC	331	331711	A57AN	TRADOC USAREC	205,677	205,677					-
		324	324771	A57AN	TRADOC USAREC	15,461	13,620				1,841
	434	434R10	A57AN	TRADOC USAREC	14,701	14,701					-
	131	131018	A57AN	TRADOC USAREC	315						315
		131039	A57AN	TRADOC USAREC	1,007						1,007
121	121018	A57AN	TRADOC USAREC	84						84	
TRADOC Total					237,246	233,998				1,841	1,407

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other
ACCESSIONS HQ	332	332111	A39AA	ACCESSIONS HQs	2,265			2,265			-
		332112	A39AA	ACCESSIONS HQs	5,972			5,972			-
		332113	A39AA	ACCESSIONS HQs	6,078			6,078			-
	331	331711	A39AA	ACCESSIONS HQs	7,015			7,015			-
	131	131039	A39AA	ACCESSIONS HQs	122						122
	324	324771	A39AA	ACCESSIONS HQs	37						37
ACCESSIONS HQ Total					21,489			21,330		37	122

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other	
USARC	434	434R10	A23AA	DIR, CH USAR	3,179		3,179				-	
			A24BB	AR CAREERS DIVISION	-	13,559						-
			A24SS	USARC CONSOLIDATED	-	310						
USARC Total					17,048	13,869	3,179					
USAR Officer Accessions							1,000					
USAR Enlisted Recruiting					16,048	12,869	3,179					

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other
Total AC Direct											
Total AC / USAR Direct					\$ 545,906	\$ 247,287	\$228,080	\$35,600	\$31,532	\$1,878	\$1,529
AC					418,319	189,492	174,774	27,280	24,162	1,439	1,172
USAR					127,587	57,795	53,306	8,320	7,370	439	357

OA	SAG	APE	FC Cd	Funds Center	Total \$K	OMA	49%	24%	7%	17%
MEPCOM		131	BOS	A39BB	USMEPCOM	57,501	Army \$K	AC	USAR	NG
MEPCOM Total						199,171	28,054	47,811	14,582	34,782

OA	SAG	APE	FC Cd	Funds Center	Total \$K	38%	29%	9%	0%
USACE				Recruiting Stations	250,000	Army \$K	AC	USAR	NG
						94,886	72,710	22,176	

OA	SAG	APE	FC Cd	Funds Center	Total \$K	FARC	VAMP	FAAC	VIRS	TTDY	Other
NGB Total					218,561	120,253	97,101		1,207		



Cost of Recruiting (Scope)



Cost Management Steering Group

Costs selected are foundational to answer performance questions:

1. O&M

2. Staff MPA

3. Student MPA

4. Base Ops

Recruiting O&M \$K						
Include	MDEP	MDEP Txt	O&M Total	OMA	OMNG	OMAR
<input checked="" type="checkbox"/>	FAAC	Accessions Command Support	28,617	28,519	-	99
<input checked="" type="checkbox"/>	FAME	USMEPCOM	94,108	94,108	-	-
<input checked="" type="checkbox"/>	FARC	ARMY RECRUITING	368,553	229,304	111,993	27,256
<input checked="" type="checkbox"/>	MU2P	MEPCOM JCC & IRR	27,809	27,809	-	-
<input type="checkbox"/>	PRTF	RC Pay and Allowances - Initial Entry Training IET	1,852	-	-	1,852
<input type="checkbox"/>	TRIT	RC Initial Skills Training Attendance	26,094	-	20,462	5,632
<input type="checkbox"/>	TRJR	Junior ROTC	195,475	195,475	-	-
<input type="checkbox"/>	TROT	Senior ROTC	178,652	178,652	-	-
<input type="checkbox"/>	TRRS	Sr ROTC Scholarships	222,326	222,326	-	-
<input type="checkbox"/>	TWOJ	Warrant Officer Candidate Course	2,066	2,066	-	-
<input type="checkbox"/>	USMA	United States Military Academy	100,172	100,172	-	-
<input type="checkbox"/>	USMB	United States Military Academy Preparatory School	3,733	3,733	-	-
<input checked="" type="checkbox"/>	VAMP	Army Marketing Program	342,952	248,025	91,801	3,127
<input type="checkbox"/>	VBSA	Boy/Girl Scout Activity Support	24	24	-	-
<input type="checkbox"/>	VCAP	Army Career Alumni Program	12,280	7,695	-	4,584
<input type="checkbox"/>	VCSF	Comprehensive Soldier Fitness Program (CSF)	595	223	372	-
<input checked="" type="checkbox"/>	VRS	Army Recruiting and Retention Initiatives	18,198	18,160	38	-
<input type="checkbox"/>	VMUS	NATL ARMY MUSEUM PGM	24,006	23,313	-	693
<input checked="" type="checkbox"/>	VRAE	Reception Stations	9,973	9,973	-	-
Total Considered Cost			1,657,485	1,389,576	224,666	43,244
Total Selected O&M Cost			\$ 890,210	\$ 655,897	\$ 203,831	\$ 30,481

Include	Staff MPA Cost	Cost \$K	Qty	per Capita
<input checked="" type="checkbox"/>	Recruiters	\$ 823,830	7,846	\$ 105,000
<input checked="" type="checkbox"/>	MEP Mil Pers	\$ 46,410	442	\$ 105,000
<input checked="" type="checkbox"/>	Enlisted Basic Training Mil Pers	\$ 61,635	587	\$ 105,000
<input type="checkbox"/>	ARNG Recruiters	\$ 11,760	112	\$ 105,000
<input type="checkbox"/>	Warrant Officer Candidate Course Mil Pers	\$ 8,234	77	\$ 106,941
<input type="checkbox"/>	USMA Mil Pers	\$ 103,514	730	\$ 141,800
<input type="checkbox"/>	Cadet Cmd, ROTC / OCS Mil Pers	\$ 185,476	1,665	\$ 111,397
Total Considered Staff MPA Cost		\$ 1,240,859	11,459	\$ 108,287
Total Selected Staff MPA Cost		\$ 931,875	8,875	\$ 105,000

Include	Recruit / Student MPA Cost	Cost \$K	Qty	per Capita
<input type="checkbox"/>	Enlisted Recruit MPA through Basic Training	\$ 320,036	14,000	\$ 22,860
<input type="checkbox"/>	Warrant Officer Candidates	\$ 40,297	700	\$ 57,567
<input type="checkbox"/>	Officer Candidates in USMA	\$ 24,000	4,000	\$ 6,000
<input type="checkbox"/>	Officer Candidates in ROTC	\$ 48,000	8,000	\$ 6,000
<input type="checkbox"/>	Officer Candidates in OCS	\$ 28,784	500	\$ 57,567
Total Considered Recruit MPA Cost		\$ 461,117	27,200	\$ 16,953
Total Selected Recruit MPA Cost		\$ -	-	\$ -

Include	Base Ops Infrastructure Cost	Cost \$K	Qty	per Capita
<input checked="" type="checkbox"/>	Staff BOS Support	\$ 44,375	8,875	\$ 5,000
<input checked="" type="checkbox"/>	Recruit / Student Support	\$ -	-	\$ 2,000
Total		\$ 44,375	\$ 8,875	

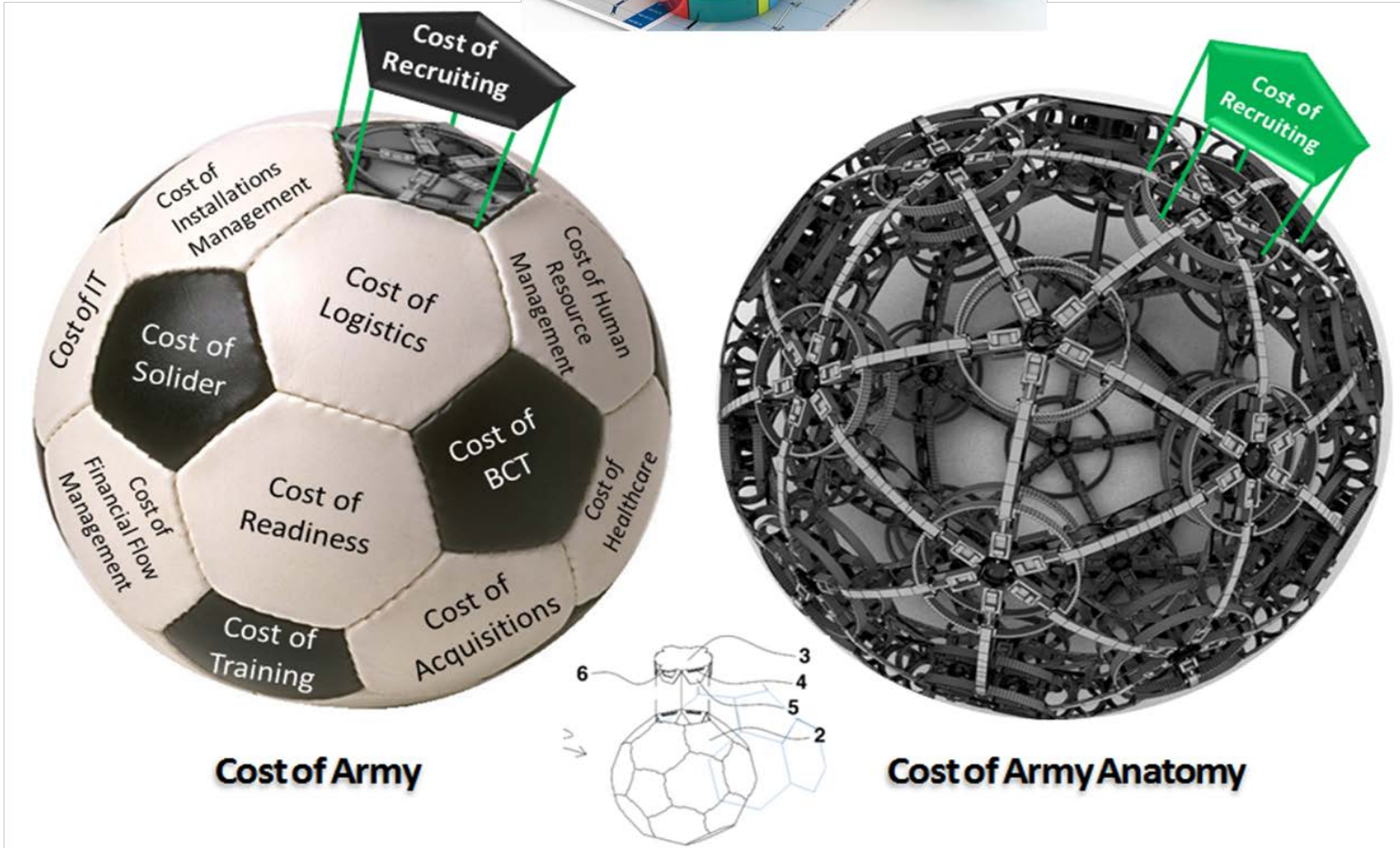
- Recruiting Performance Measures:**
- USAREC Retention Rates
 - USMEPCOM reject rates
 - TRADOC Pass rates
 - Delays-TTHS
 - Issues
 - Rework
 - Retraining
 - Early Discharge
 - Accessions rate



Visualization of Cost Interdependencies



Cost Management Steering Group





GFEBBS/GCSS-A Cost Center Federation



- Federation is the process of aligning the Financial Master Data Elements between GFEBBS and GCSS-A
 - Example: Funds, Functional Areas, WBS Elements, Cost Centers (CCs).
 - Allows for automatic consolidation of Financial information and ease of reconciliation for Financial transactions and processes.
- GFEBBS and GCSS-A programs aligned their schedules in 2011 to allow for GCSS-A to generate the Organization/CC code due to technical requirements
- GFEBBS Federation History
 - 4* series CCs first created during Wave 3 of Deployment
 - CC Federation Status briefed at GFEBBS Council of Colonels meetings
 - Some organizations were identified to be 4* series from the start, others had to be converted at a later date
 - 'Pre-Wave 3' Conversion efforts started shortly after deployment starting with conversion of CCs for tactical entities (e.g. TRADOC & FORSCOM)



CC Federation Status

(As of July 31st, 2015)



Cost Management Steering Group

OA	OA Title	Non-Fed CCs to Convert	% CC Done	% Fed CCs used (FY15 Obl)	% Old CCs in use*	Year *	OA	OA Title	Non-Fed CCs to Convert	% CC Done	% Fed CCs used (FY15 Obl)	% Old CCs in use*	Year*
17	USMA		100%	3%	85%	2015	78	EUSA		100%	69%	NA	NA
18	ARNG		100%	74%	1%	2011	82	USARPAC		100%	74%	NA	NA
21	USACIDC		100%	66%	52%	2011	84	USARSO		100%	35%	NA	NA
22	OA22	428	66%	0%	68%	2015	86	SOUTHCOM		100%	69%	NA	NA
23	OCAR		100%	94%	NA	NA	89	USAREUR		100%	51%	NA	NA
24	USARC		100%	64%	NA	NA	94	EUCOM		100%	75%	97%	2011
25	INSCOM		100%	11%	NA	NA	2A	IMCOM		100%	6%	38%	2013-2015
29	ARCYBER		100%	56%	2%	2011	2B	AWC		100%	94%	NA	NA
36	SMDC- ARSTRAT		100%	83%	NA	NA	5U	JIEDDO	15	0%	NA	93%	Leaving Army
39	ACCESSIONS		100%	99%	19%	2012	5X	USAASC	334	50%	0%	72%	2015
40	MDW		100%	34%	NA	NA	8A	USARCENT		100%	35%	47%	2012
41	A TEC		100%	94%	77%	2013-2014	8B	USARNORTH		100%	14%	90%	2014
50	USASOC		100%	28%	NA	NA	8K	AFRICOM		100%	86%	NA	NA
57	TRADOC		100%	70%	13%	2010	8M	VICENZA		100%	36%	NA	NA
60	AMC	129	97%	44%	70%	2011-2015	A3	NETCOM		100%	59%	26%	2010-2011
74	MEDCOM	1,360	5%	17%	77%	TBD	A8	USACE		100%	2%	NA	NA
76	FORSCOM		100%	68%	16%	2010-2012	VS	ANC		100%	0%	100%	2015

NA = Always Federated Format



CC Federation Process - Phases



- **Phase I – CC Conversion Process**

- Review of current non 4* series GFEBs CCs against latest approved TDA
- Create new set of 4* series CCs in GFEBs & GCSS-A
- Performed by DASA-CE representatives with input from Organization POCs
- Army-wide conversion goal: End of FY2015

- **Phase II – Transition to 4* Series CCs**

- Updating Master Data with new CCs (e.g. HRMM, WBS Elements, Internal Orders, DTS, ATAAPS) – everything that references a CC needs to be updated from the old to the 4* series CCs.
- Performed by Organizations as part of YE activities or when first initializing a transaction such as contract starts or DTS order that will cross fiscal years
- Army-wide transition goal: Start of FY2017; GCSS-A deployment schedule dictates transition



Closing Comments

Cost Management Steering Group

	#	
	CAT	
<u>Planning / Decision Making</u> ACSIM, AMC, CIO/G-6, G-4, TRADOC, USARPAC	11	Integrating cost throughout the PPBES process
<u>Standards</u> ATEC, CIO/G-6, G-4, TRADOC	10	System interoperability (manual, work-arounds); CM process standardization
<u>Full Cost / Visibility</u> ACSIM, CIO/G-6, OBT, TRADOC	7	Capture full costs from ERPs; Accurate and holistic
<u>Training</u> ACSIM, AMC, CIO/G-6, G-4, USAEUR, USARC,	7	Personnel are not adequately trained on cost management, and/or cost management expertise is lost faster than staff can be trained
<u>Strategic Communications</u> AMC, TRADOC, USARC	7	Changing perception that cost management is only for RM personnel; Difference between cost management and budget / finance
<u>CM Tools</u> ACSIM, AMC, ATEC, USARPAC	7	Lack of CM tools, trained in use of ERP capabilities; Making the GFEBs costing capability useful
<u>Performance / Output Measure</u> ACSIM, AMC, CIO/G-6, USARC, USARPAC	6	Accountability/Performance Management
<u>Cost Estimation</u> ACSIM, CIO/G-6, G-4, TRADOC	6	Cost Drivers; Reimbursable cost factors; Products & services costs
<u>Information Needs</u> CIO/G-6, G-4, OBT	5	Accuracy and fidelity of available data (manual vs. automated process); Tracking execution of funds
<u>Manpower</u> USARC, USARPAC	2	Challenges in building a cadre dedicated exclusively to Cost Management