



Cost Management Steering Group (CMSG)
Meeting Summary and Actions
26 August 2016, Pentagon Conference Center (M3)



Principal Attendees (In Person): Mr. Michael Ramsey (DASA-CE), Mr. Mort Anvari (FPA), Ms. Kimberly O'Keefe (ACSIM), Mr. Paul Cramer (ASA(I&EE)), Mr. Dean Pfofizer (CIO G6), Mr. Tom Steffens (USACE), Mr. Michael Maxwell (OCAR), BG Timothy Wojtecki (USARNG), COL David Hudak (G3/5/7), Ms. Julie Cruz (ASA(M&RA)), Ms. Elizabeth Casciaro (USAAA), Ms. Raquel Saffin (DASA-BU), COL Jason Lerner (OBT), Mr. Pete Bechtel (G-4), Ms. Tracey Goldstein (ASA(ALT)), COL Robert Dotson (G-1), MAJ Gretchen (G-8 PAE), Ms. Lorraine Pace (G8). **DCS/Telecom/VTC:** Ms. Ellen Helmersen (TRADOC), Mr. William Henry (USARC), Mr. Kenneth Graham (FORSCOM), Ms. Susan Goodyear (USAMC G-8), Ms. Sharlynn Kaina (USARPAC G-8), Ms. Audrey Laden (ARCYBER), Mr. David Williams (IMCOM), Ms. Sandy Weaver (ATEC).

Meeting Summary:

Mr. Michael Ramsey, Acting DASA, Cost and Economics and CMSG Chair welcomed all members and thanked them for their continued valuable participation. After opening remarks, agenda topics were reviewed, starting with an update from the Study Advisory Group (SAG) on the Standard Labor and Time Tracking (SLTT). ASA(MR&A) noted its concerns with the SLTT study problem statement, as well as, contractors labor time tracking tie to OSD. The CMSG Chair and members acknowledged this concern and concurred with continuing the SLTT study with the current problem statement and with addressing any concerns in the analysis of alternatives (AoA) recommendations. Following this topic, the CMSG discussed the need to assess the utilization and scope of the Cost Benefit Analysis (CBA) across the Army for a strong enterprise level value proposition. Recommendations from this study will inform and support the updating of the USA and CSA CBA memorandum to enable Army Enterprise Decision Making. Following this discussion, the CMSG reviewed the updated implementation plan of Directive 2016-16 (Changing Management Behavior: Every Dollar Counts). A two-component enduring plan was reviewed with: 1) Analytical Component, linking financial inputs to operational outcomes, and 2) Cultural Component: recognizing Army leaders and organizations for spending dollars efficiently and effectively to produce critical Army outcomes; integrating operational and financial assessments to inform resourcing decisions; and supplementing financial measures (such as obligation rates) as indicators of fiscal success. The CMSG plans to review the resulting Army staffing recommendations of this plan in support of ASA(FM&C) and OBT implementation guidance publication prior to 1 OCT 16. Following this topic, the CMSG reviewed current efforts and practices on Cost Frameworks (CFs) at the Enterprise level (ACSIM Installation Management Data Integrity Project (IMDIP)), G3/5/7 Cost of Training Readiness (CoTR), DASA-CE Army Software Maintenance (SWM) and organizational level (USAREUR, USARC). IMDIP highlighted major accomplishments, including: completion of first comprehensive review of data structure (and a corresponding 23% reduction in financial structure) development of standard cost model for each Logistics Readiness function, and renewal of the Base Support Configuration Management Board. Key lessons learned from completed and ongoing enterprise and organizational CF pilots are planned for CMSG review at future forums to include best CM practices through the utilization of ERP capabilities across the PPBE process. Following this discussion, the CMSG charter was discussed for renewal in compliance with AR 15-1. As there was no objection, implementation will be completed by 24 FEB 16. Additionally, the CIO/G-6 reviewed its proposed CBA process and threshold recommendations to address significant Army workload issues associated with the rationalization, migration, and sustainment of Army enterprise systems and applications efforts, a DoD CIO policy requirement. The CMSG Chair requested that CIO/G6 re-evaluate the proposed CBA process to provide a categorical analytical tool and method for DASA-CE to work with CIO/G6 help enterprise applications and systems owners simplify and streamline migration efforts. In closing, the CMSG Chair requested topics for future CMSG sessions and thanked everyone for their valuable participation and stressed the need to continue working on addressing CM challenges and continue developing CM capabilities to cost inform the decision making process.

Actions:

- SLTT WG (Lead, DASA-CE): Continue study and development of Analysis of Alternatives (AoA).
- USA and CSA CBA Memo (Lead: CMSG CoC): Launch study to assess Army CBA utilization and scope and provide 'To Be' recommendations to inform the USA and CSA CBA memorandum in support Army Enterprise Decision Making.



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- E\$C implementation Plan (Lead: DASA-CE, FPA, OBT): Inform CMSG on Army staffing recommendations prior to 1 OCT 16.
- Cost Framework Lessons Learned (Lead: DASA-CE): Share CFs' pilot lessons learned.
- CMSG Charter Renewal (Lead: DASA-CE): Staff effort for submittal of CMSG Charter for renewal IAW AR 15-1 for implementation by 24 FEB 16.
- Rationalization, Migration, and Sustainment of Army Enterprise Systems and Applications WG (Lead, CIO/G6): Re-evaluate proposed CBA process and threshold to include a categorical analytical method to help enterprise applications and systems owners simplify and streamline migration efforts.

Way Ahead:

The next quarterly CMSG meeting is scheduled for November. Members are encouraged to provide topics for discussion. Following meetings will continue to be focused on shaping Army CM policy, strategy, and needs around the Army Cost Framework and best CM practices across PPBE to inform leadership decisions.