

# DFAS Transformation



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Director

Defense Finance and Accounting Service  
September 18, 2007



# Agenda



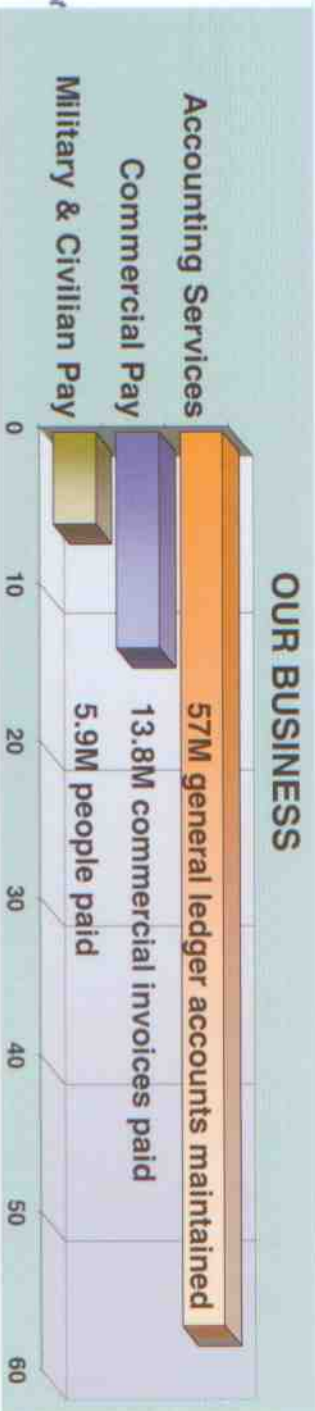
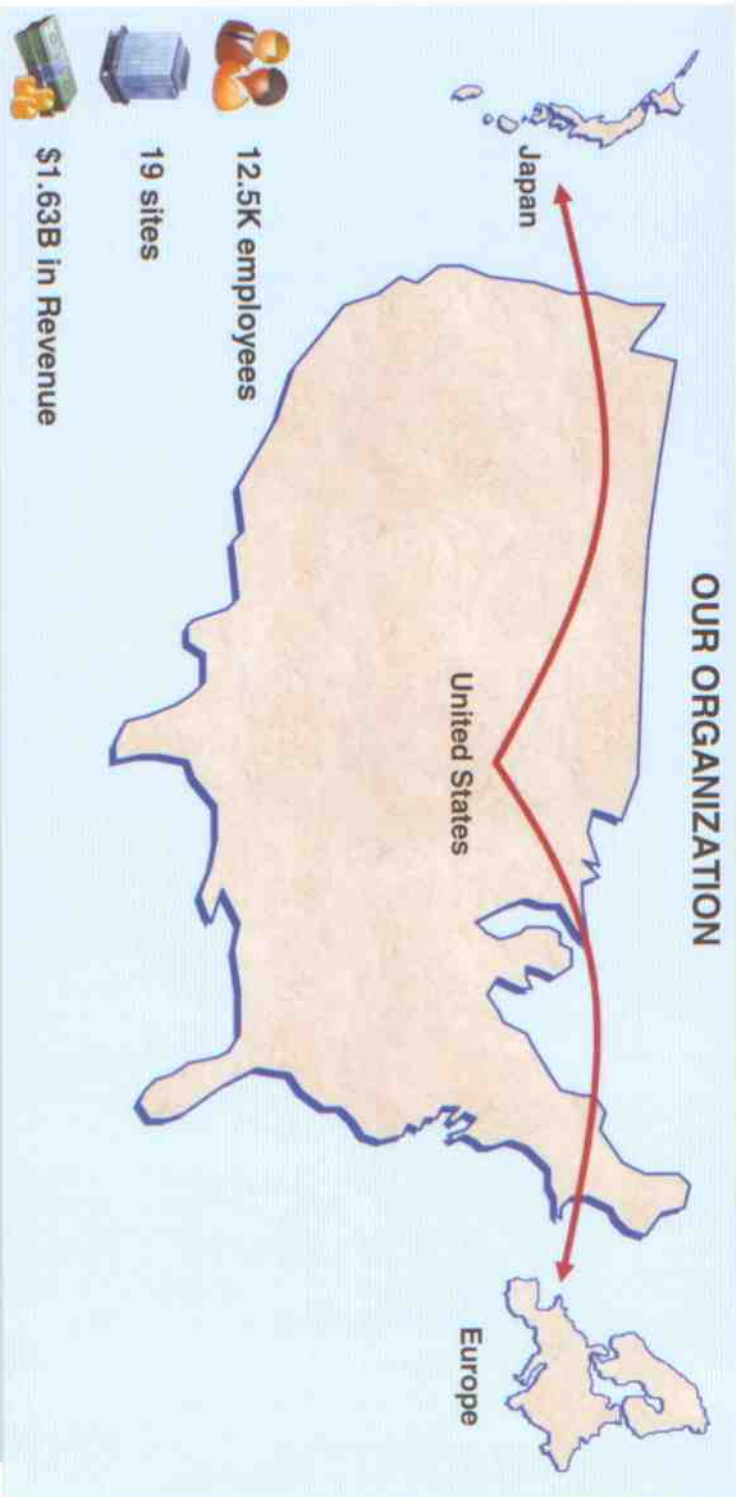
- DFAS Profile
- Strategic Alignment
- Transformation Blueprint
- Managing DFAS Transformation
  - ✓ People
  - ✓ Structure
  - ✓ Process
  - ✓ Technology
  - ✓ Information
- Summary



# DFAS Profile



*Mission: Direct, approve, and perform finance and accounting activities for DoD*



# Strategic Alignment with External Requirements



<p><b>President's Management Agenda</b></p> <ul style="list-style-type: none"> <li>Improved Financial Performance</li> <li>Budget and Performance Integration</li> <li>Competitive Sourcing</li> <li>Expanding Electronic Government</li> <li>Strategic Management of Human Capital</li> </ul>	<p><b>Quadrennial Defense Review / Department of Defense</b></p> <ul style="list-style-type: none"> <li>Win the Global War on Terror</li> <li>Continue Transforming Enterprise Management</li> <li>Improve Effectiveness and Efficiency Across the Board</li> <li>Focus on People – Military and Civilian</li> </ul>	<p><b>DOD Comptroller's Strategic Goals</b></p> <ul style="list-style-type: none"> <li>Drive DoD-wide business transformation through leadership of financial management process and systems improvements</li> <li>Provide DoD leadership with authoritative and timely financial information and analysis</li> <li>Ensure proper stewardship of DoD funds</li> <li>Build and ensure the proper execution of budgets to execute DoD's mission</li> </ul>	<p><b>DFAS Strategic Goals</b></p> <ul style="list-style-type: none"> <li>Support DoD in winning the Global War on Terror</li> <li>Lead transformation of finance and accounting functions throughout DoD</li> <li>Perform the DFAS mission at best value for DoD</li> <li>Attain operational excellence in finance and accounting services</li> <li>Attract, develop, and retain a highly capable workforce with relevant skills and competencies</li> </ul>
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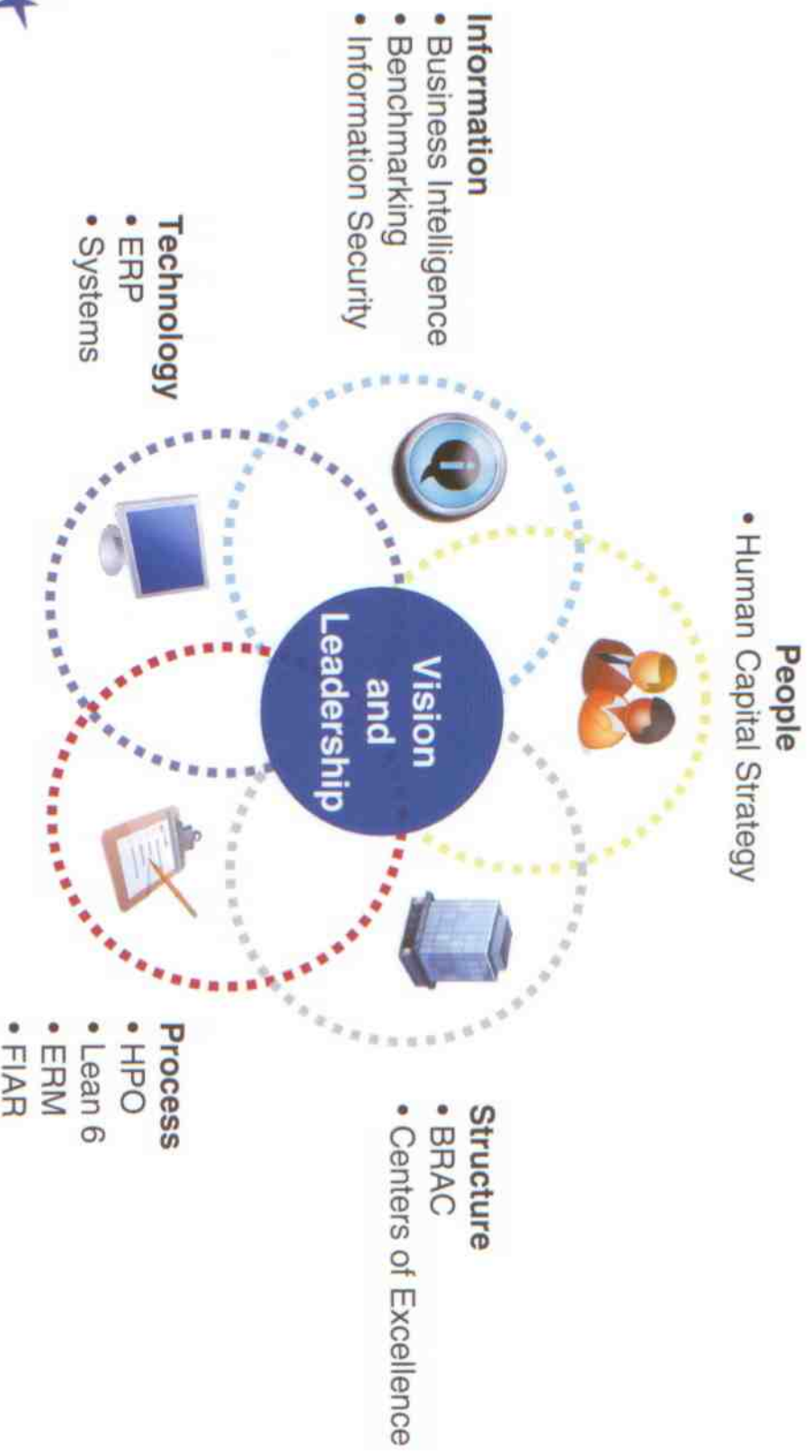




# DFAS Transformation Blueprint



*Vision: Transforming with the Warfighter to remain the trusted financial partner for DoD*





# People - Human Capital Strategy



<10K People



General Schedule Pay System



Reactive

Pro-Active

Process-Oriented

Results-Oriented





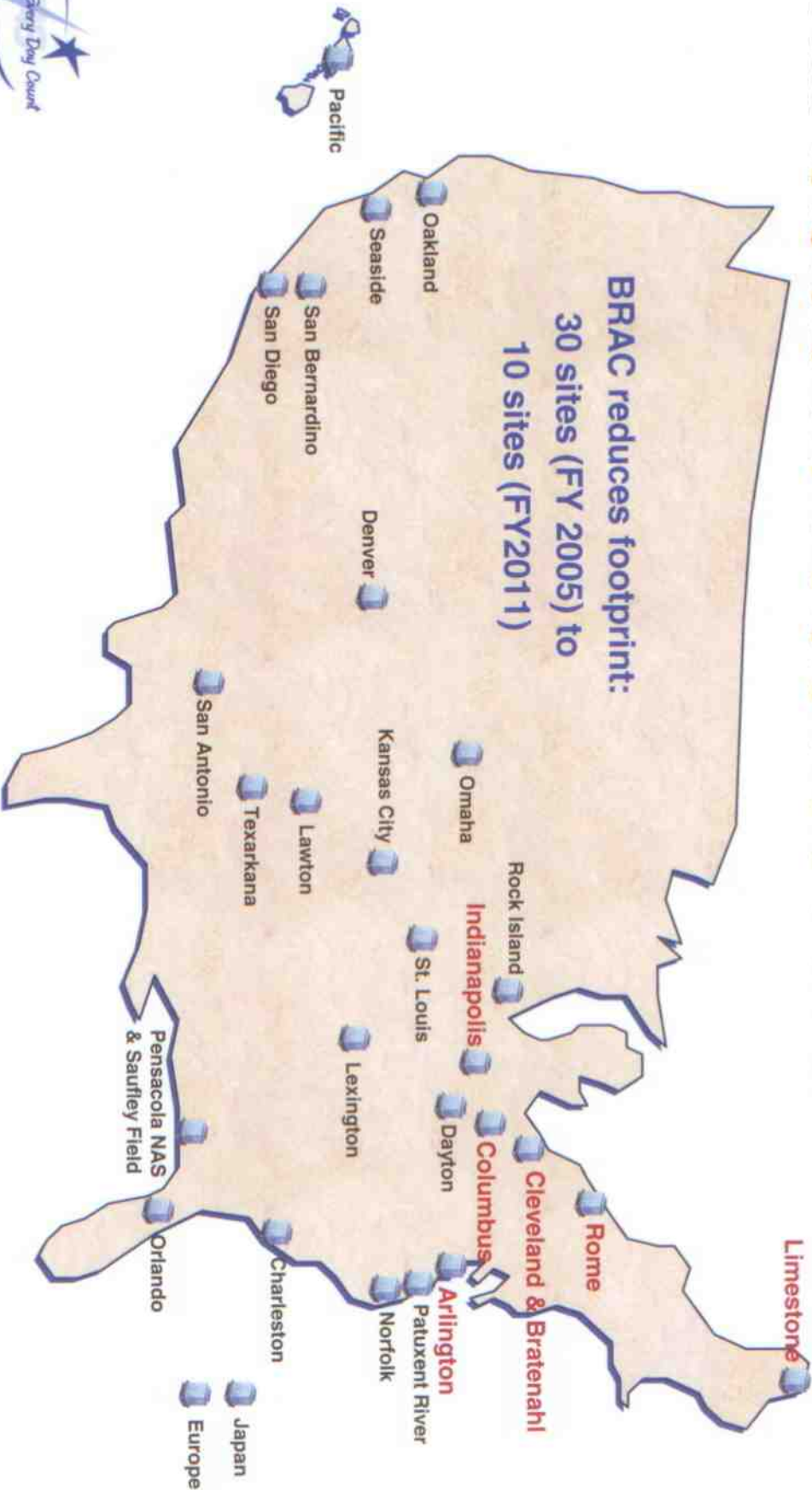
# Structure - 2006



14K People - 

30 Sites - 

\$1.76B Costs - 







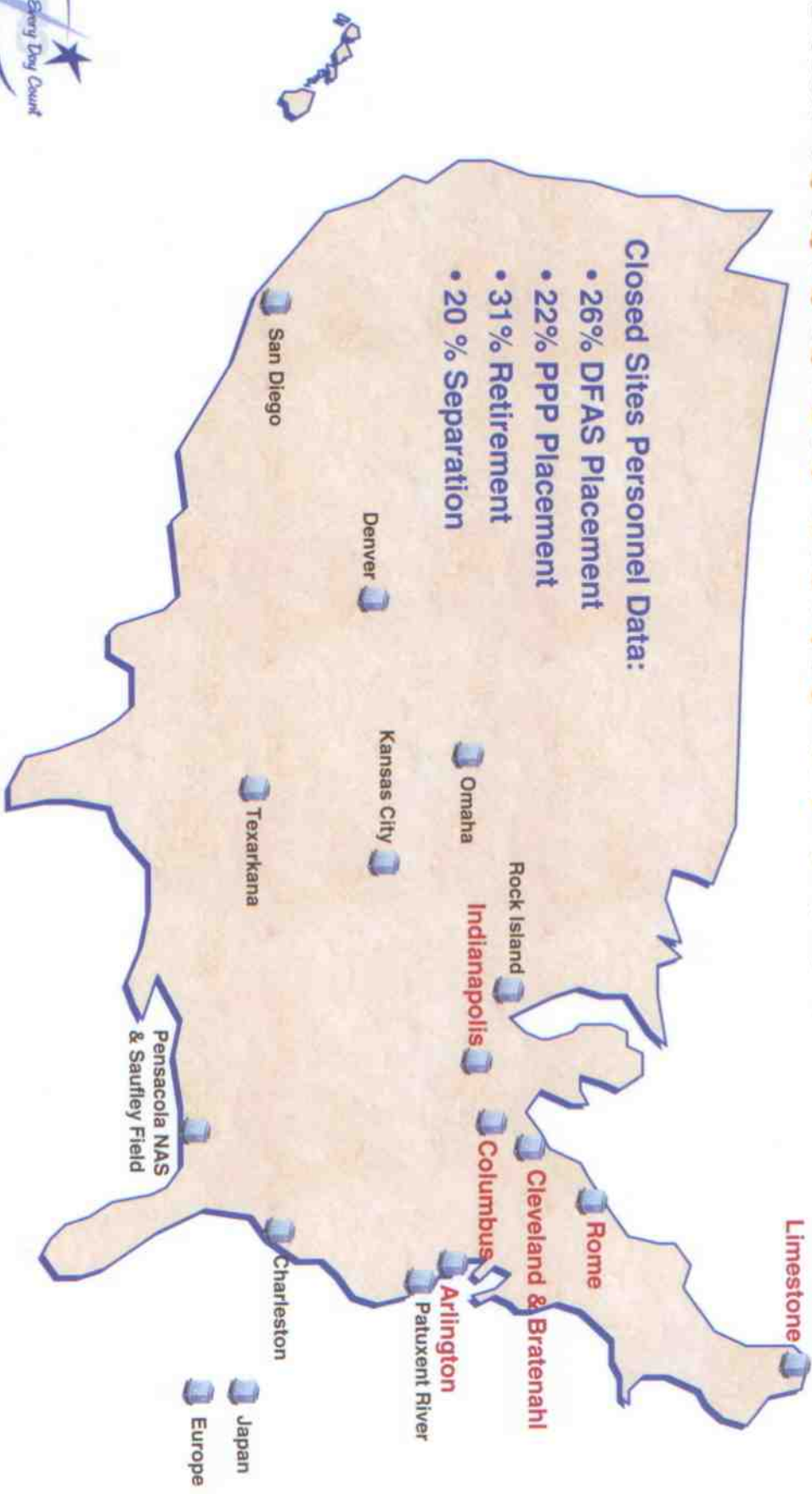
# Structure - Present



<13K People - 

19 Sites - 

\$1.61B Costs - 



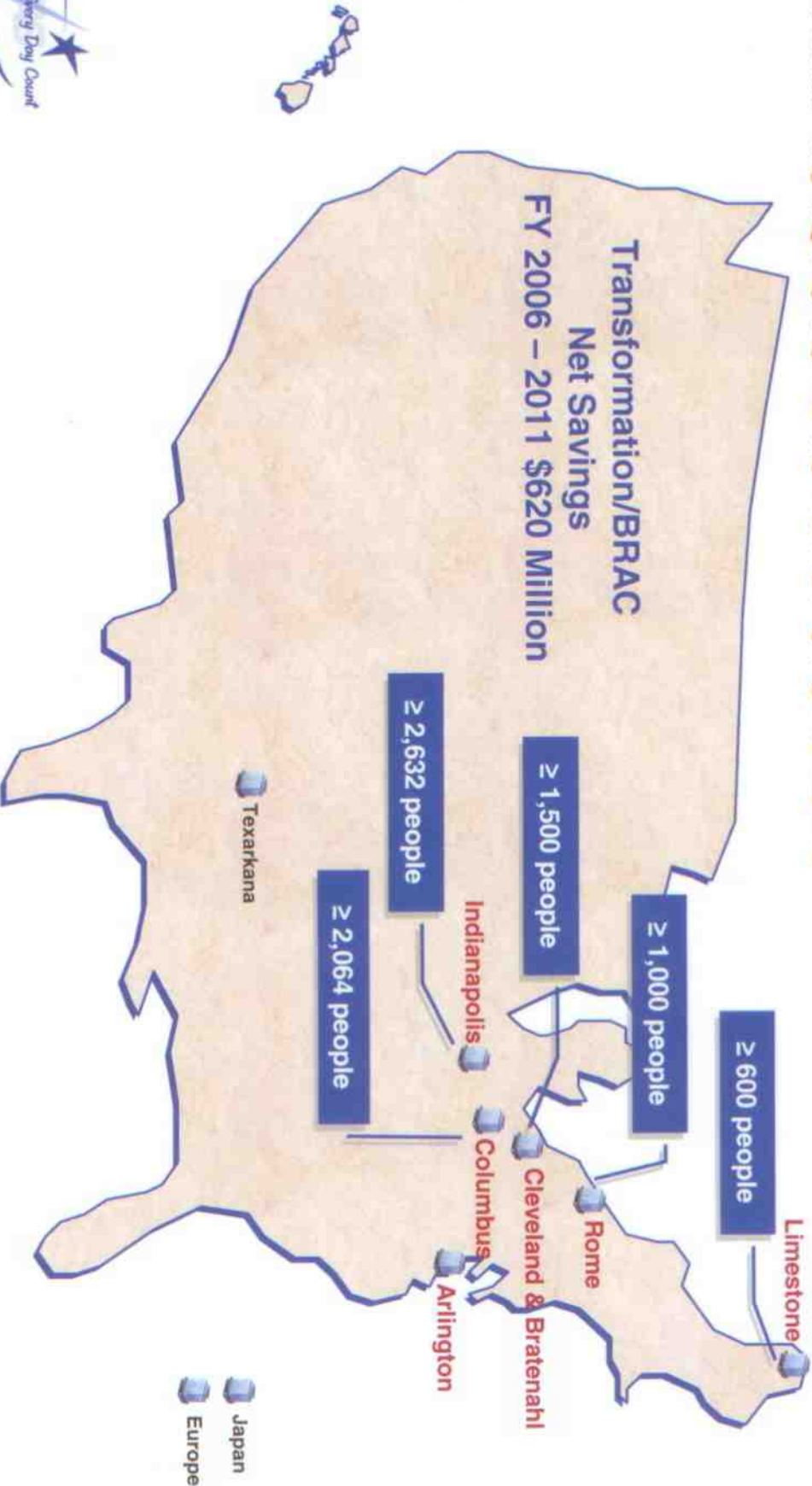




# Structure - 2011



- <10K People - 
- 10 Sites - 
- \$1.31B Costs - 

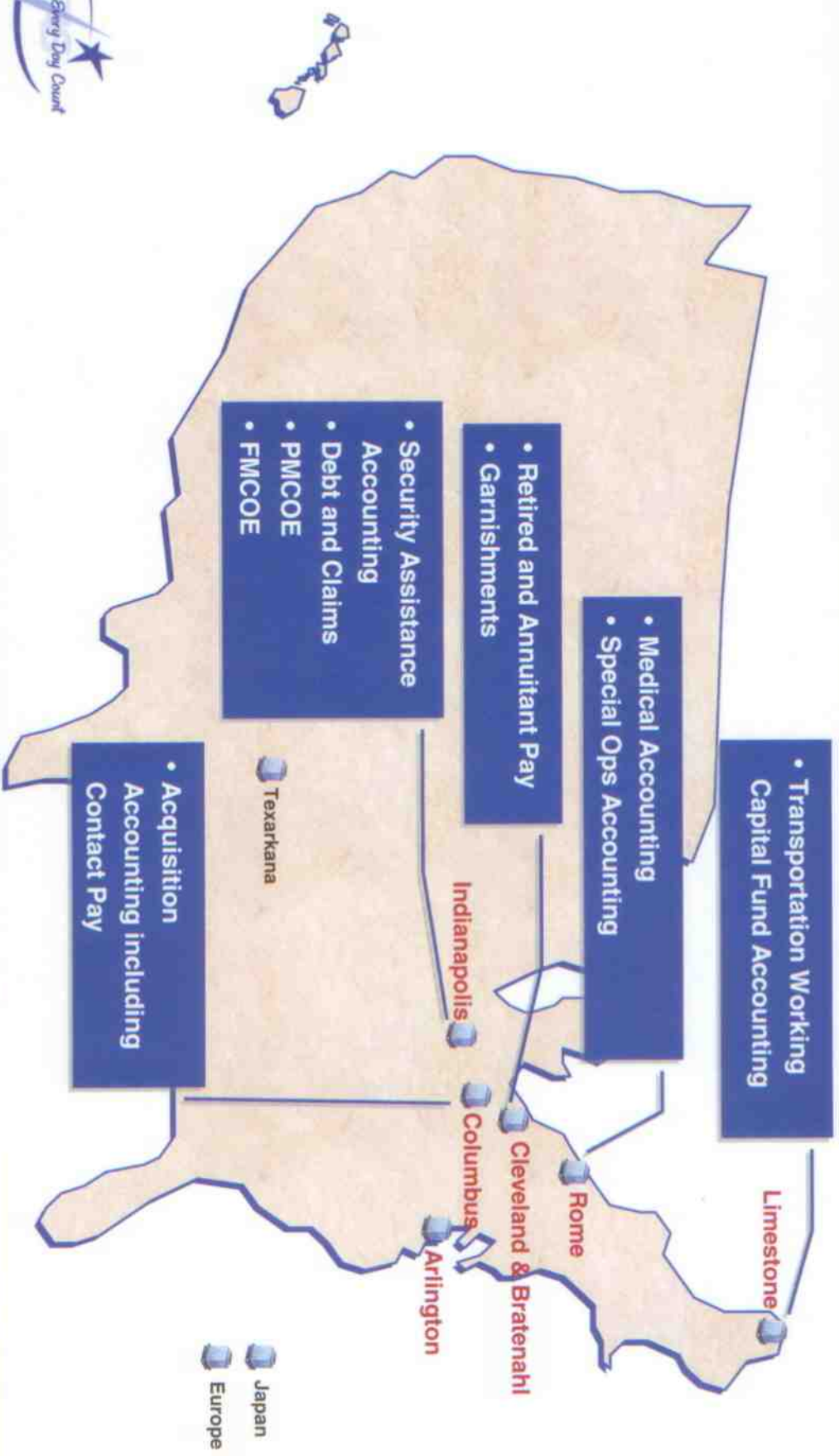




# Structure - Centers of Excellence



Enabled by BRAC and High Performing Organizations, COEs contribute to transformation of DFAS core mission and support functions





# Process - High Performing Organization

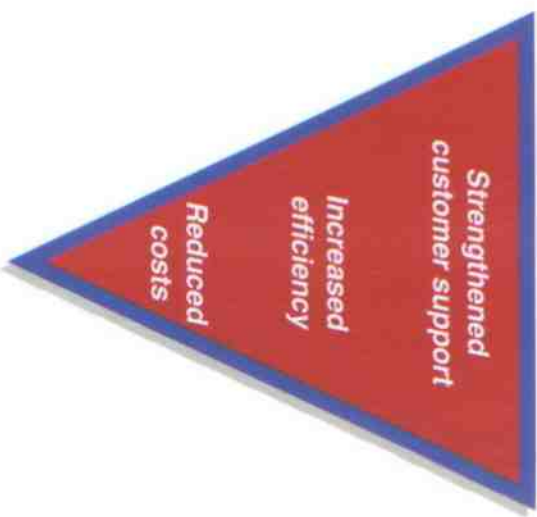
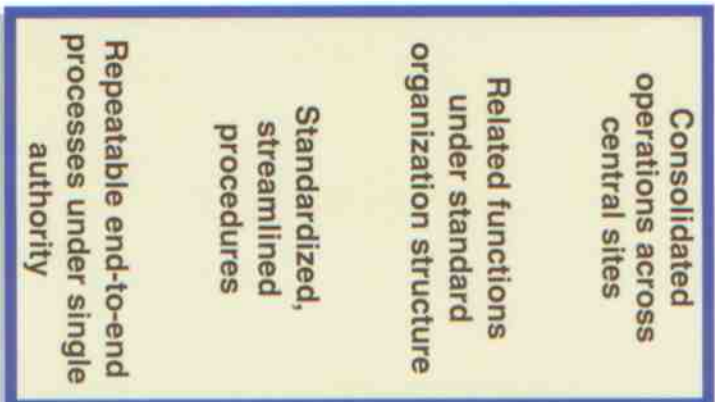
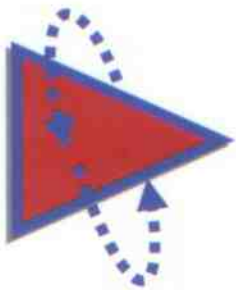


Study

Plan

Implement

Yield



- ✓ Accounting HPO currently under implementation (impacts ~7,000 personnel)
  - Limestone Accounting Pilot HPO implementation (2<sup>nd</sup> Qtr FY08)
- ✓ Contract Pay Study completed (impacts ~500 personnel)





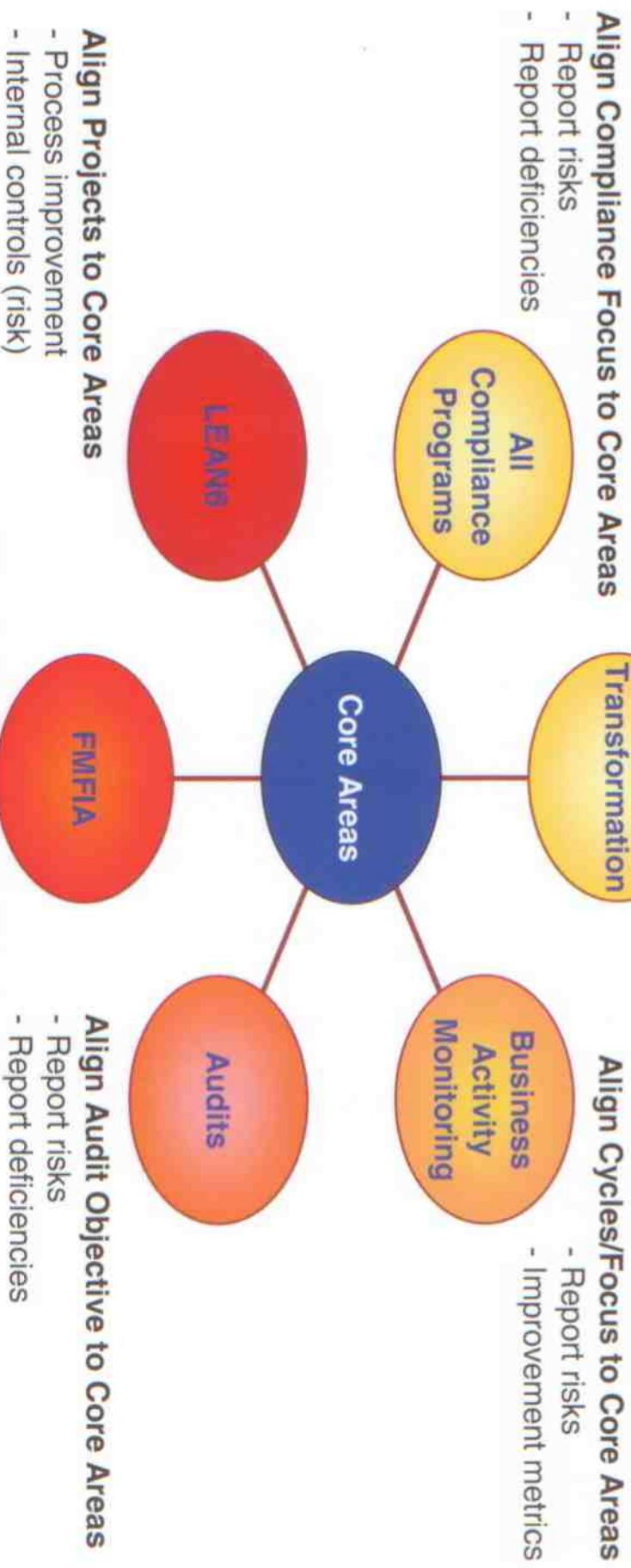


# Process - Enterprise Risk Management Program



## Align Initiatives/Projects to Core Areas

- Report risks by project



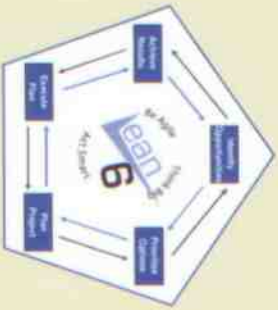
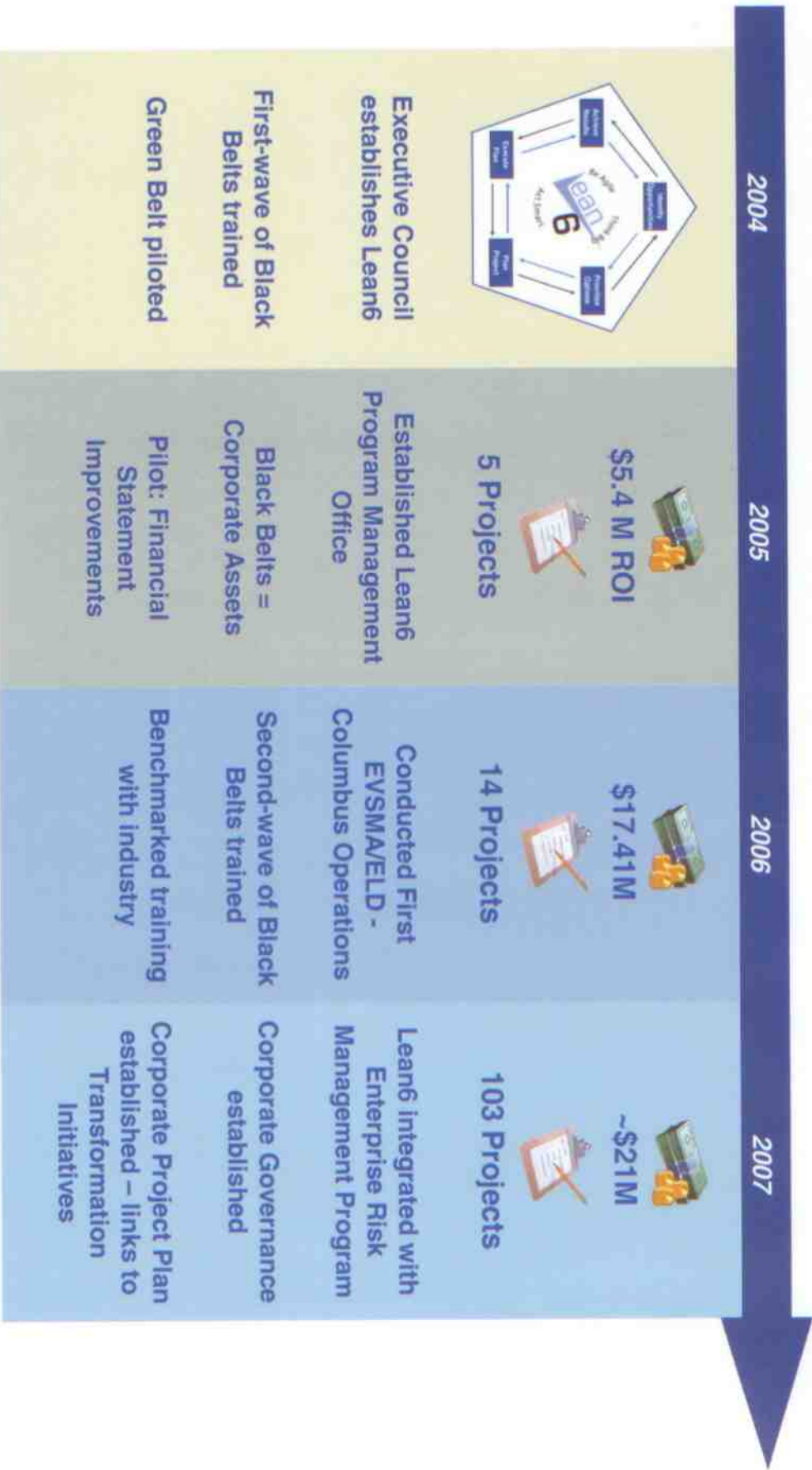
## Align Self Identified & Self Evaluations via Assessable Unit Manager by Core Areas

- Report risks
- Report deficiencies





# Process - Lean6





## Process - Financial Improvement and Audit Readiness



*Oversight mission to establish and maintain the integrity of DFAS' financial improvement processes relating to the FIAR Plan*

### **Roles and Responsibilities include:**



Developing, coordinating and achieving audit readiness of DFAS's functions



Developing DFAS Key Milestones and financial improvement plans for accounts payable and accounts receivable



Identifying and reporting actions owned, led or supported by DFAS in customer financial improvement plans







# Technology - ERP & System Initiatives



Initiative	Fiscal Year									
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	
BEIS - Business Enterprise Information Service	System Upgrade									
DTS - Defense Travel Service	System Upgrade									
SFIS - Standard Financial Information Structure	System Upgrade									
CAMS ME - Capital Asset Management System Military Equipment	System Upgrade									
EBS - Enterprise Business System	Enterprise Resource Plan									
LMP - Logistics Modernization Program	Enterprise Resource Plan									
SDI - Standard Disbursing Initiative	System Upgrade									
GFEBS - General Fund Enterprise Business System	Enterprise Resource Plan									
Navy ERP - Navy Enterprise Resource Planning	Enterprise Resource Plan									
DIMHRS - Defense Integrated Military Human Resource System	Enterprise Resource Plan									
EFD - Enterprise Funds Distribution	System Upgrade									
DAI - Defense Agencies Initiative	Enterprise Resource Plan									
DEAMS - Defense Enterprise Architecture Management System	Enterprise Resource Plan									
DCPPDS - Defense Civilian Personnel Data System	System Upgrade									
IGT - Intra-Governmental Transactions	System Upgrade									
ECSS - Expeditionary Combat Support System	Enterprise Resource Plan									



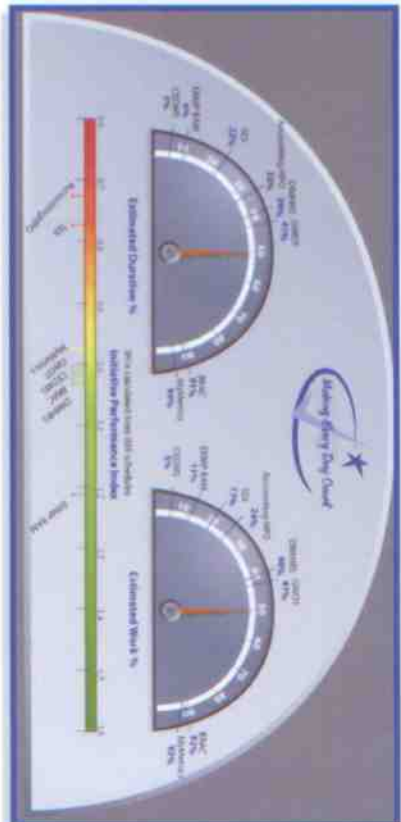
Enterprise Resource Plan



System Upgrade



# Information



## Business Intelligence



## Benchmarking



**Virtual Keyboard**

4	5	7	8	9	2	3	6	0	1
Backspace					Clear				
E	W	Q	U	I	O	Y	R	P	T
A	H	G	D	J	S	K	L	F	
B	C	V	X	Z	M	N			

## Information Security



# Summary: Making Every Day Count



2006

2011

Workforce Staffing

13,475 People

<10,000 People

Workforce Composition

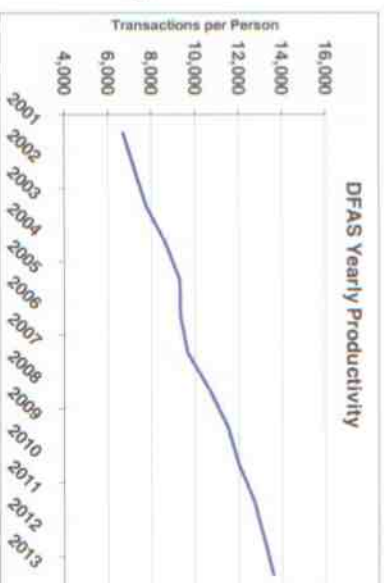
70% Technical  
30% Professional  
1:8 Supervisory Ratio

30% Technical  
70% Professional  
1:15+ Supervisory Ratio

Workforce Productivity

9,300 Transactions per person

13,600 Transactions per person



Business Environment

- Manual Processes
- Large-scale rework
- Workforce with minimal analysis skills
- Legacy systems
- Overhead staffing and costs exceed industry benchmark



- Automation of business processes
- Less rework
- Workforce with mature financial analysis skills
- Migratory systems on-line
- Overhead staffing and costs match or exceed industry benchmark



Providing Better Service, Faster and at Less Cost

