

SURVEY FINDINGS

Transforming Enthusiasm for PPBE Reform into Implementation Success



DECISION LENS



SDFM

I. Executive Summary

This whitepaper analyzes survey data compiled by Decision Lens and the Society of Defense Financial Management (SDFM) to assess stakeholders' views and concerns regarding implementation of recommendation in the U.S. Planning, Programming, Budgeting, and Execution (PPBE) Reform Commission's final report published in March 2024. Synthesizing responses from real-world professionals across the U.S. Department of Defense, this report identifies barriers and practical opportunities to successfully facilitate the implementation of the Commission's recommendations.

Gauging Receptivity to Change

The survey analyzed the responses from nearly 200 PPBE professionals to understand how the Commission's final report, outlining five critical areas of reform and 28 specific recommendations, was received by those directly involved in the resource allocation process. The findings reveal a groundswell of support for reform within the PPBE community – 75%* of survey respondents believe it is highly important to reform the PPBE Process. Professionals are eager to overhaul the current system and believe the recommended changes, if implemented effectively, have the potential for significant success with 75%* of respondents believing it will have a positive impact on the mission.

Identifying Roadblocks and Opportunities

The survey not only captured positive sentiment towards reform – 66%* of survey respondents feel positive about the reform, overall –, but also illuminated potential challenges that could hinder implementation. Respondents provided valuable insights into the major hurdles that need to be addressed. However, the survey also identified key opportunities to facilitate a smooth transition. Respondents clearly outlined the crucial role of leadership support (78%*), modern software solutions (56%*), and leveraging existing expertise within the DoD workforce (81%** average across the "Critical Areas"). Investing in additional training (81%*) was also highlighted as a critical step toward successful reform. If given support, survey respondents believe the change success rate to be 79%*.

The Power of Collaboration: A Path Forward

This report is intended to provide a blueprint for building momentum towards a successful implementation of PPBE reform initiatives. By understanding the perceptions and priorities of the professionals impacted by these changes, we can chart a course toward a more efficient and effective resource allocation system for the DoD.



II. Survey Methodology: Capturing the Voice of PPBE Professionals

To develop a more comprehensive understanding of practitioners' receptivity to the PPBE Reform Commission's report, Decision Lens and the Society of Defense Financial Management (SDFM) conducted a collaborative survey between May and June 2024 that specifically targeted **PPBE professionals** across the **DoD and private industry**. With an overall sample size of 198 individuals directly involved in the PPBE's planning, programming, budgeting, and execution processes, the survey yielded valuable insights into perceptions of the Commission's report and identified specific areas for targeted reform implementation.

The survey employed a **scaled response format** with open-ended comment sections, enabling the collection of quantifiable data through a five-point scale rankings system covering likelihood, impact, and areas of support. By combining ranked responses with open-ended feedback, the survey captured both standardized data for analysis and nuanced perspectives from the professionals themselves. The specific scales used were:

- **Likelihood of Success:** very likely/somewhat likely/neither likely nor unlikely/somewhat unlikely/very unlikely
- **Probable Impact of Reform Measure:** extremely impactful/very impactful/moderately impactful/slightly impactful/not at all impactful
- **Selection Options:** Respondents could select all options that applied from a pre-defined list

PPBE: A System Out of Step with Modern Needs

Established in 1961 under Secretary of Defense Robert McNamara, the PPBE process introduced an industrial-era, decentralized approach to department-wide budget decision-making that efficiently and effectively translated strategic needs into financial reality. While a major improvement initially, the PPBE's process today has remained largely unchanged, leaving the DoD's budget process (\$894 billion, FY24) ill-equipped to confront modern and complex 21st-century challenges. As addressed in a recent report by the Defense Innovation Board (DIB) – a government advisory board established to promote the DoD's adoption of emerging technologies and innovative processes – the PPBE's two-year planning requirement process “limits the ability to quickly adapt systems against rapidly changing threats and increases the barriers for integrating advancements in digital technology in a timely and effective manner.”

To address these shortcomings, the U.S. Congress established the PPBE Reform Commission in 2022 following discussions that recognized a need for modernization. During a 2-year period, the Commission thoroughly examined existing PPBE processes, interviewing more than 1,100 stakeholders, including program managers and acquisition specialists throughout the DoD, other federal agencies, and private industry. In its March 2024 report, the PPBE Reform Commission identified five critical areas for reform and presented 28 key recommendations to overhaul the PPBE's processes, highlighting users' widespread dissatisfaction with the PPBE's inability to effectively align the DoD's strategic needs with budget allocations

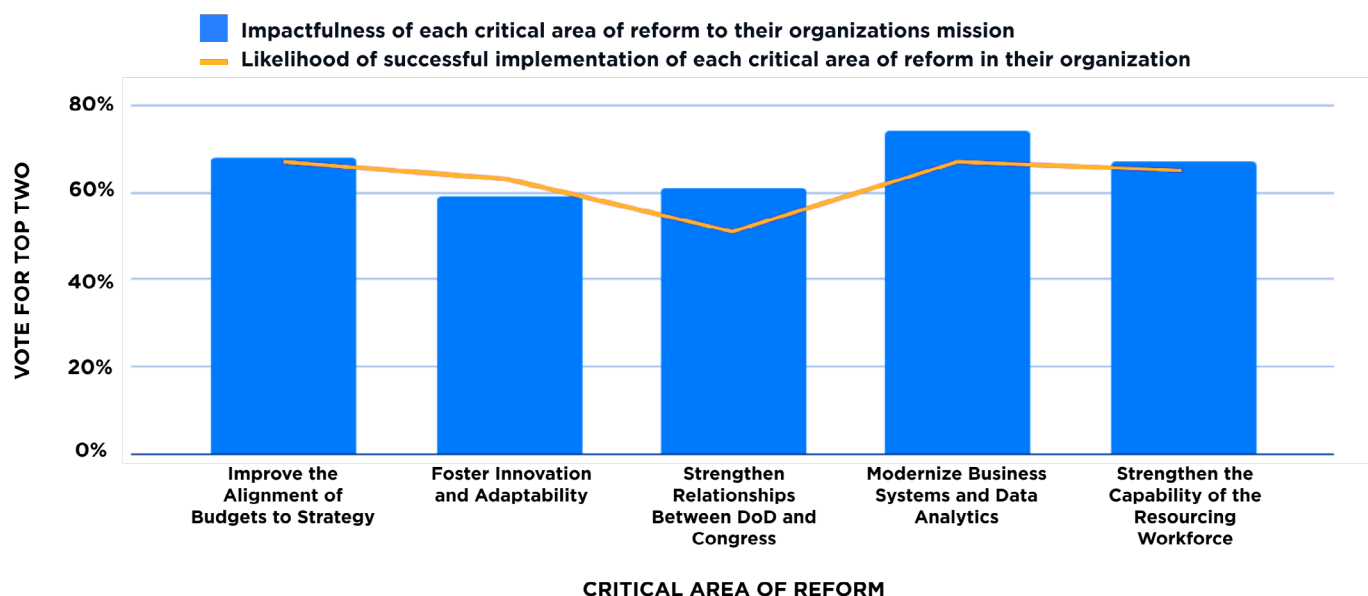
III. Survey Results

Overall, the survey’s respondents displayed a cautious optimism to the PPBE Reform Commission’s report. While a majority endorsed the Commission’s recommendations and cited the positive impact it could have on the DoD’s mission success, the respondents also noted broad concerns about the DoD’s ability to implement such reforms and emphasized a need for a well-supported transition plan to mitigate anticipated obstacles.

Broad support and general enthusiasm for PPBE reform and Commission recommendations

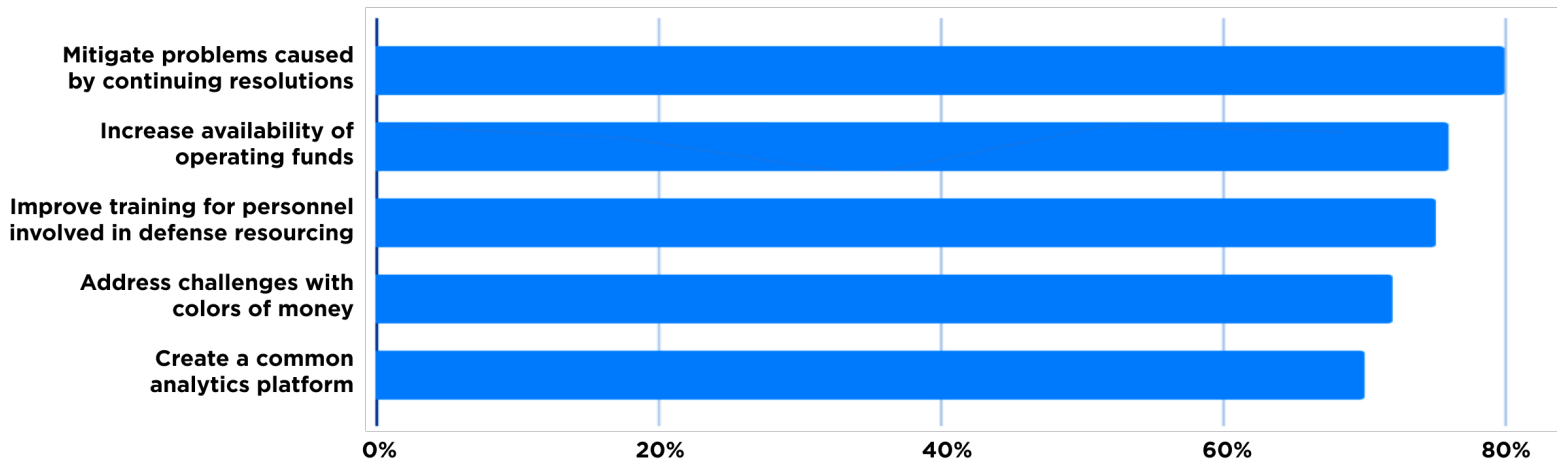
66%* of respondents endorsed the PPBE Reform Commission’s report, with 75%* believing its recommendations, if properly implemented, would have a positive impact on the DoD’s mission success. Chart 1 below captures respondents’ overall views on the PPBE Reform Commission’s recommendations, based on the report’s five “critical areas for reform”. While “Improve the Alignment of Budget to Strategy” and “Modernize Business Systems and Data Analytics” were perceived as highly impactful and feasible reform areas, only one recommendation from these categories made the top five when ranking respondents perceived impact of all 28 recommendations- that recommendation was “Create a Common Analytics Platform”. Conversely, “Foster Innovation and Adaptability,” initially seen as less impactful, contributed three recommendations to this top five. This unexpected finding suggests that cultivating a culture of innovation may be a more critical driver of overall reform success than initially anticipated. DoD leadership should prioritize the recommendations within “Foster Innovation and Adaptability” for potential maximum impact.

Critical Areas of Reform



The survey respondents prioritized several recommendations for reform, listed below, with scores of 70%** or higher in terms of perceived impact. This blend of enthusiasm for the reform’s goals with a clear understanding of the challenges ahead underscores the importance of effective implementation strategies. After ranking the 28 reform recommendations by their perceived impact, the top five, along with implementation suggestions, are listed below. These five areas represent critical opportunities for the DoD to improve its resource management practices. By addressing these challenges, the department can enhance its ability to support the warfighter, achieve mission objectives, and optimize the use of taxpayer dollars.

Impact of Recommendation



Reform Recommendation #1: Mitigate Problems Caused by Continuing Resolutions (80%**)

Continuing resolutions, which flatten budgets and hinder modernization efforts, have a significant negative impact on the DoD. By providing a holistic view of budgeting and funding data, organizations can better understand budget status, balance multiple budgets imposed by continuing resolutions, and effectively communicate with Congress. This enhanced visibility can lead to more efficient resource allocation and improved decision-making.

Reform Recommendation #2: Increase Availability of Operating Funds (76%**)

The current requirement to obligate all operating funds within the same fiscal year often leads to rushed spending and inefficient resource utilization. The proposed flexibility to carry over a small percentage of funds to the following year can enable better prioritization and execution of high-priority initiatives. Access to real-time data on potential carryover funds will empower organizations to make more informed and timely funding decisions.

Reform Recommendation #3: Improve Training for Personnel Involved in Defense Resourcing (75%**)

Inconsistent training within the DoD hinders effective resource management. By providing targeted training, such as in acquisition authorities, data analysis, and budget justification, the department can enhance workforce capabilities and improve overall efficiency. Reducing administrative burdens through automation and process improvements will free up time for training and professional development, ultimately leading to better outcomes.

Reform Recommendation #4: Address Challenges with Colors of Money (72%**)

The rigid constraints imposed by "colors of money" limit flexibility and hinder the DoD's ability to adapt to changing priorities. By granting more flexibility in the use of funds, the department can improve its responsiveness and align spending with evolving needs. The establishment of a single-purpose buying organization and increased budget adaptability can significantly enhance the DoD's ability to execute its mission.

Reform Recommendation #5: Create a Common Analytics Platform (70%**)

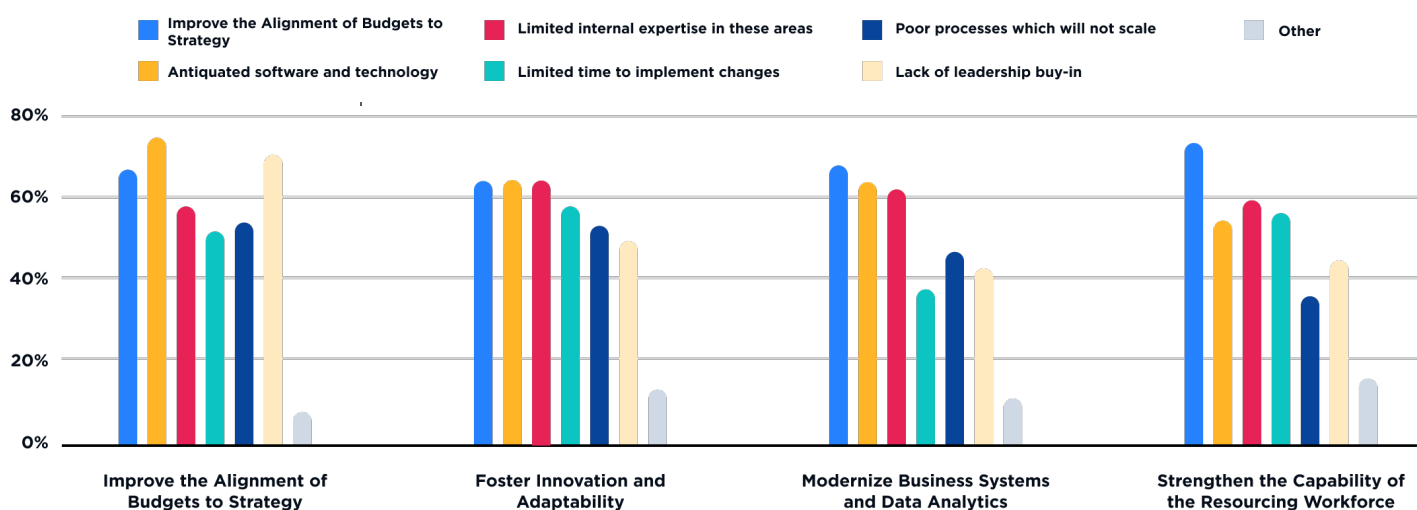
The lack of a centralized data repository and disconnected systems within the DoD hampers effective decision-making. When asked if "Ensuring all organizations are leveraging the same authoritative transaction-level data to drive more meaningful data-informed decisions" was extremely or very beneficial, 74%*** of survey respondents agreed. A common analytics platform would enable data-driven insights, improve the understanding of budget impacts, and facilitate scenario planning. By leveraging modern analytics tools, the DoD can optimize resource allocation, accelerate decision-making, and enhance communication with Congress.

Concerns around the institutional ability to implement PPBE reforms

Survey results revealed hesitations toward the PPBE Commission's recommendations, with 41%* of respondents feeling somewhat or very prepared for a PPBE transition and only 18%* believing implementation would be easy. Survey respondents identified several challenges they hope a new PPBE system will address. The most prominent concerns were high workload (62%**), followed by insufficient time for training (56%**) and difficulty recruiting personnel with the necessary analytical skills (56%**). These results highlight the strain on the current workforce and the need for a system that can streamline processes and improve efficiency. Additionally, 38%** of respondents felt the current system lacks a clear mission focus, suggesting a need for a more strategic approach to resource allocation.

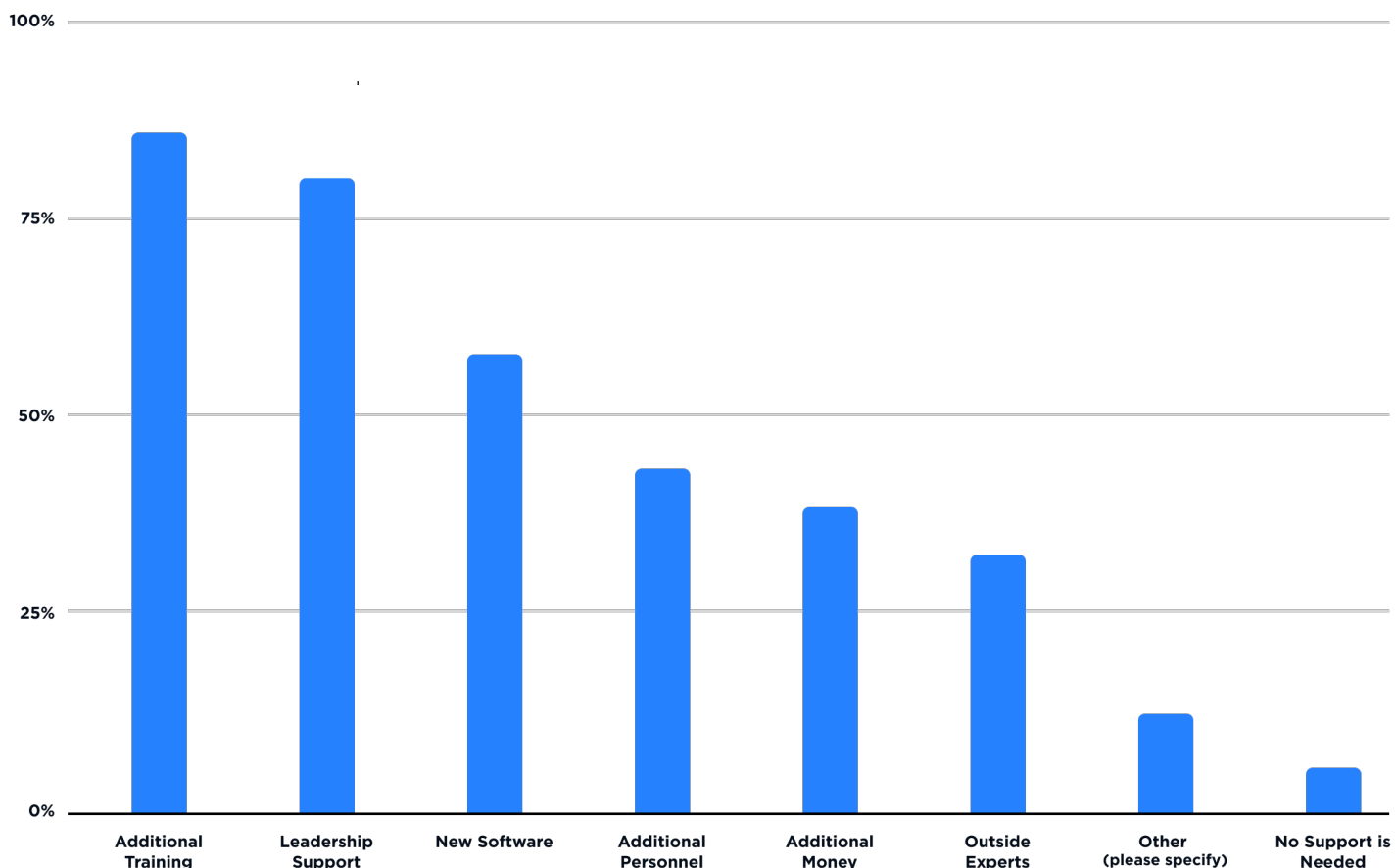
As charts 3 and 4 below detail, survey respondents believe significant investment in workforce development and support structures will be crucial for reform to successfully take hold. If their organization had adequate resources to implement PPBE reform, 79%* of respondents stated that it would be “somewhat likely” or “very likely” to modernize how the organization plans, programs, budgets, and executes PPBE.

What types of challenges do you foresee with the recommendations for...?



The chart above illustrates the perceived challenges associated with implementing the PPBE reform recommendations across the Critical Reform Areas (“Strengthen Relationships Between DoD and Congress” was not included in this section of the survey). The most significant challenges identified are insufficient training, antiquated software and technology, and limited internal expertise. These issues are consistently raised across four of the five reform areas, indicating a broad need for workforce development and technological upgrades. Additionally, poor processes, limited time for implementation, and lack of leadership buy-in are seen as major obstacles, particularly for modernizing business systems and data analytics and fostering innovation and adaptability.

What support do you feel is needed for a smooth transition to a modern PPBE process?



Survey respondents emphasized the need for support during the transition, ranking training, leadership commitment, and new software as the top priorities. Notably, 32%* of respondents stated that they had the right partners to implement reform, and even fewer (26%* and 22%*, respectively) felt they had the necessary software or training.

Across the critical areas of reform, an average of 81%** of respondents emphasized the importance of internal expertise for successful implementation. Respondents also showed overwhelming support for additional training (81%*). Survey respondents identified data analytics (91%**) as the most critical training area for the resourcing workforce, followed closely by understanding resourcing structure (81%**) and effectively presenting resourcing data (79%**). While preparing justification books (69%**) was also considered important, data-centric skills were prioritized. This indicates a strong need for upskilling the workforce to leverage data-driven decision-making and improve communication within the resource allocation process.

IV. Charting the Course for a Modernized PPBE

The survey findings paint a clear picture: the PPBE reform initiative has the potential to revolutionize resource allocation for the DoD, with the support of the workforce to back it. However, successful implementation hinges on embracing the opportunities identified by the survey's participants.



“The Commission recognizes that continuous modernization of defense business systems, which include defense resourcing business systems, is an ongoing complex and challenging task for the DoD.”

- Defense Resourcing for the Future - Final PPBE Commission Report, March 2024

Leveraging Experts

Achieving the benefits of PPBE reform requires leveraging the collective expertise of government, nonprofit and commercial sectors to discuss the unique defense operating environment, tailor solutions to fit requirements, and leverage the innovative technologies being developed to meet the most challenging and complex problems.

The right partners offer deep domain expertise, ensure ongoing regulatory compliance, and will integrate workflows with your systems of records in various ways to minimize low value data tasks. As you begin reforming your PPBE efforts the right partners will help you train and support for your organization which leads to faster implementation times and rapid time to value of your modernization efforts.

PPBE Modernization at the Speed of Relevance

By prioritizing modernization, streamlining, and empowering the workforce, the PPBE reform initiative can transform resource allocation into a nimble and efficient system. Investing in training, cutting-edge software, and relying on leadership support will equip the DoD to meet the evolving security landscape at the “speed of the warfighter.” This will ensure that critical resources are delivered where they are needed most, when they are needed most, ultimately bolstering national security.

A Call to Action

Modernizing the PPBE process is not just an option, it's a necessity for the DoD to maintain its edge in the evolving security landscape. The findings presented herein offer a roadmap for building the momentum required for successful reform. By embracing commercial solutions, investing in training, and collaborating with experienced partners, the DoD can transform its resource allocation system, ensuring that critical resources are delivered where they are needed most, when they are needed most.

This initiative holds significant implications for the broader government sector as well. The lessons learned through the DoD's PPBE reform can serve as a model for other agencies seeking to modernize their own resource allocation processes. Further discussion and collaboration are essential to ensure the successful implementation of these important reforms.

Collaboration is Key

The organizations involved in this survey – the Society of Defense Financial Management (SDFM) and Decision Lens – all bring valuable expertise to the table.

- **The Society of Defense Financial Management** is the platform for competency, community, and content, supporting those who are mission-critical in defense financial management. With a wide membership that ranges from military to corporate professionals, SDFM continues to grow, serve, and help lead individuals to greater competency, content, and community.
- **Decision Lens** develops integrated planning software which modernizes how government prioritizes, plans, and funds. We have been transforming public sector planning since 2005, delivering the people, process and technology which empower the Department of Defense to achieve a sustained operational advantage through superior long-term planning, continuous medium-term prioritization, and short-term funding execution.

* _ n= 198

** _ n= 44-52

*** _ n= 170

**** _ n= 120