

ARMED FORCES

Comptroller

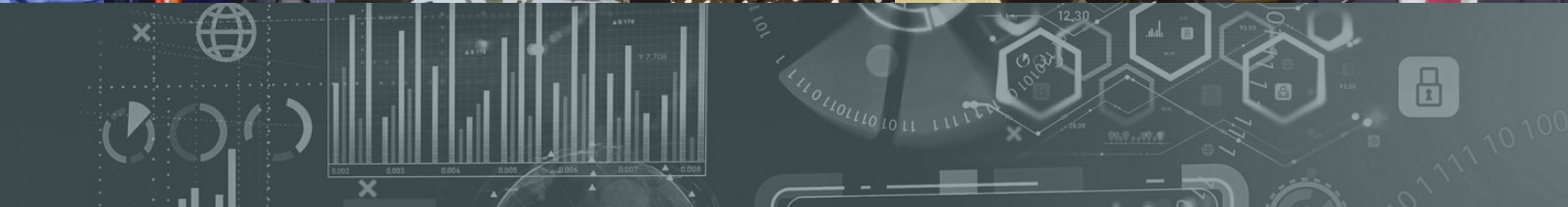
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ASMC PDI 2023

The Future of Defense Financial Management

Featuring: ASMC PPBE Reform Task Force
Survey on People & Culture



Moving from Data Validation to Data Analysis

by Joshua Martin

The Problem

Army leaders said it most directly,¹ “*We are in a war for talent.*”

The war for talent couldn’t come at a worse time. As the world speeds up, America cannot sustain today’s brute force approach to resource allocation, budgeting, and planning. And relief likely isn’t on the way. With unemployment low, many agencies are struggling to meet their recruiting goals. The result is the same or more work for less people and few ways to operate more efficiently leading to an increasingly senior workforce mired in minutiae, not the mission.

The role budget analysts, program managers, Comptrollers, and others play are critical to supporting the warfighter making it critical to identify every way to empower these individuals with deep knowledge and insight to meet the mission. Empowering the workforce to move from low value data validation to high value data analysis and scenario planning requires re-engineered processes, better technology, and less bureaucracy.

Repetitive, Manual Tasks Must Be Automated

The first step is eliminating repetitive, manual tasks. Manual processes place validation over analysis, leading to over-investment in low-value tasks, disengaged employees, and delays in decision-making. It’s why the private sector has been integrating automation into its processes for decades.

Why dedicating people to conduct manual, repetitive processes is ineffective:

- **Manual reporting detracts from data analysis.** Financial managers are required to spend much of their time validating data and making sure that it is correct instead of providing insights based on their front-line experience.

- **Manual input is shockingly error prone.** While error messages are readily apparent, a faulty formula or errant macro could return numbers that look legitimate but lead to the wrong situational assessment.

- **Manual tasks take up too much time and resources.** Rising personnel costs dedicated to time consuming, low-value data collection is an undue tax on the system which wastes precious resources.

- **Manual reporting results in bad decisions.** As soon as the quad chart is printed, it’s out of date. Information must be presented as close to real-time as possible so leaders can make decisions with the most accurate information. Manual reporting prevents this from being a reality.

Automation can shift thousands of hours from low value data validation to high impact strategy work and analysis. Some processes which can be automated include unfunded requirements, spend plan tracking throughout the year, unfunded requirements (UFR), Program Objective Memorandum (POM) planning, military construction prioritization, etc.

The Benefits of Automation

Beyond executing at the same or greater levels with fewer workers, automation creates significant advantages for the military.



- ① **Enhanced support for the warfighter.** Greater flexibility during year of execution will empower individuals to move investment toward short-term readiness and long-term modernization. While oversight and regulations must change to make this wholly realized, having in-year flexibility to take advantage of under/over-spending will provide a start.

- ② **Better, Faster Decisions.** Real-time data makes acting with agility a reality and ensures decisions respond to real-time situations.

- ③ **Increased operational agility.** Automation introduces the ability to add new capabilities into a process, such as artificial intelligence. Advanced features such as this can deliver proactive insights based on scenario modeling, historical precedence, and expected future performance. Producing these results nearly instantaneously allows for more situationally aware real-time decisions.

- ④ **Faster task completion.** Automation delivers data and insight to leaders faster than relying solely on a human workforce.

- ⑤ **Improved accuracy.** When repetitive processes have exacting standards, machines almost always produce fewer errors which leads to less time chasing issues and a guarantee that decisions are not made on incorrect data.



“Automation can shift thousands of hours from low value data validation to high impact strategy work and analysis.”

Automation & The Early Careerist

While saving time/money and doing more with less are meaningful outcomes of automation, one of the biggest benefits is in recruiting early Gen-Z careerists to entry level financial management roles.

According to the partnership for public health,² just eight percent of the federal workforce

is under the age of 30 while the 55+ segment represents nearly 30% of employees. As renowned author Geoffrey Moore highlights in his famous Diffusion of Innovation – the youngest generation drive the transformational technology adoption which ushers in a new era of operational excellence.

¹ <https://www.ngaus.org/newsroom/army-leaders-we-are-war-talent>

² <https://ourpublicservice.org/fed-figures/fed-figures-covid-19-and-the-federal-workforce/>

But this demographic is sorely missing in the military – specifically, but not exclusively in key civilian roles. According to a recent Deloitte survey,³ Gen-Z is seeking a different relationship with their employer. This generation wants a better work-life balance, more development opportunities, and derived meaning from their work. According to the study, “Nearly two in five (37% of Gen-Zs) say they have rejected a job and/or assignment based on their personal ethics.”

Providing this group with meaningful work tied to an organization’s mission demands automation. These innovative young careerists must be challenged with difficult tasks which deliver organizational value, or they won’t take a role and those who do will churn out quickly. Incorporating new technology, eliminating low-value repetitive tasks, and demonstrating a direct line between effort and mission will be essential to recruiting the next generation and maintaining American superiority.

Best Practices for Adopting Automation

The benefits of automation are why, according to *Entrepreneur Magazine*, automation is becoming a business imperative.⁴ Getting started is not a Sisyphean task but can commence quickly and efficiently. Here are some easy to implement best practices from the private sector:

- **Get your data house in order.** Data is the critical path to automation and better, faster decisions. Most organizations have data in siloed systems, with different parameters, or expressed in different ways. This makes collecting it difficult, transforming it time consuming, and analyzing it nearly impossible. By starting with the end in mind – typically achieving your organization’s mission – and working backward provides the right framework for organizing data to make it mission-ready. Identifying partners to help with this process will speed up the effort and provide a well-rounded and robust approach.
- **Identify repetitive, manual processes.** These are typically the processes workers dread doing daily. Looking at your to-do list over the course of several days should make identifying these tasks straightforward. Then one must ask if the task is high value – requiring knowledge to improve the outcome – or low value – requiring humans

to simply complete a task. Examples of these tasks may include:

- **Project or Request Calls.** Collating data and adding it to a spreadsheet is low value.
- **Data Drills.** Pulling data from multiple sources into a report can and should be done manually to speed up the process and ensure access to the most real-time data.

- **Garner support by being an advocate.** Less than three percent of employees are “Innovators” yet they drive most adoption and change in organizations. Cultural resistance is a typical obstacle that individuals advocating for change face within their organizations. However, by bringing individuals into the transformation process, ensuring their roles will not be reduced, but enhanced, and focusing on better meeting the mission are all ways to win support. To create change, you must advocate for it.

While there are many benefits of automation, it does come with perceived threats which could derail important

initiatives. These include:

- **Fear of becoming expendable.** In the private sector where efficiency drives profitability there is legitimate concern over a role being eliminated when automation is introduced. However, in the military there is a focus on increasing the contributions of individuals to meet the mission. This, not profitability, is the driving factor behind automation. Individuals leveraging automation make themselves more – not less valuable – all while having more meaningful work and delivering for the warfighter.
- **Loss in the appearance of control.** Maintaining a manual process provides the appearance of control – even if this is not the case. When automation takes over checks and balances instituted to ensure data integrity are now part of the system. This is why engineering an approach which includes checks and balances within the automation itself is necessary. Ultimately though, errant macros, a missed version, or a formula mistake can all lead to unexpected and difficult to discover errors when a process is manual. These issues should not exist in an automated approach.



“When repetitive processes have exacting standards, machines almost always produce fewer errors which leads to less time chasing issues and a guarantee that decisions are not made on incorrect data.”

- **Introduce potential risk.** If individuals cannot quickly understand and explain how an automated process works, it might result in lack of trust in the system. This requires ongoing education on the system, new technologies, and general awareness to build trust that the data is accurate and analysis developed from the results is accurate.
- **Cost-benefit may seem too low.** New technology requires an adoption curve. Sometimes this can be as little as a few hours, but for enterprise software it typically can be weeks or more. Investing all this time can appear to reduce the value of changing to a new solution. However, the time invested upfront almost always is less than the time saving garnered by implementing the solution – oftentimes within months.

Example: Automating Unfunded Requirements

The key to successful automation is identifying the processes which could benefit. At Decision Lens, our customers often start by transforming their unfunded requirements process. Today, the process is very manual, time consuming, and limited.

Most organizations conduct calls for requests or projects via email and requests come in the form of text, slide decks, or spreadsheets. Projects do not all contain all the relevant information to make decisions leading to ongoing back and forth communications. Harmonizing various file types into a single, structured data set is time consuming. Version control issues constantly create fear that something may be missed in the data. Once structured the data can be ordered in a manual way but the list is a snapshot in time and not reflective of any changes. Finally, acting on the list to create scenarios is not possible.

When customers implement Decision Lens they modernize how they plan, prioritize, and fund with a decision workflow made for today.

Step 1. Automating the Call for Requests. A user friendly collection method with dropdowns, stars, cost-tables, permissions, and links to collect data ensuring all the right information is requested and your list of requirements remains up to date.

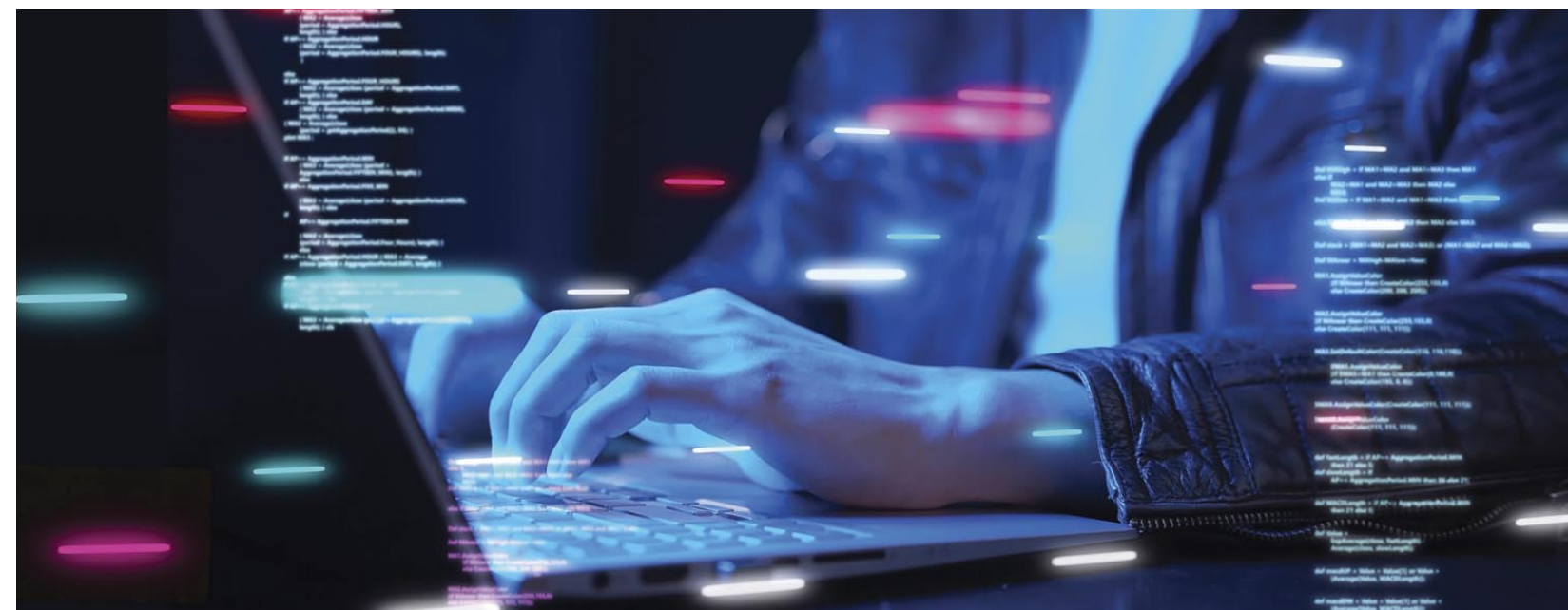
Step 2. Adding data to an enterprise framework. By developing an enterprise data framework and requiring the information be shared forms will now add data directly to your model. No version control issues, no back and forth to get the right data, just a clean list.

Step 3. Create a prioritized list. With data organized and structured, creating a 1-N list is simple. Leveraging metadata on priorities, weights, and other criteria the list can be adjusted in real time to reflect changing conditions.

Step 4. Scenario Planning. When organizations want to proactively prepare for various situations or understand the impact of decision, automating courses of action can evaluate thousands of potential outcomes and come up with the best one based on your needs.

Our customers have reported consolidating down from dozens of spreadsheets and hundreds of hours of work to a single system of record and orders of magnitude fewer hours to collect, organize, and act on their unfunded requirements list.

This is the power of automation. In the above scenario, financial managers are proactively assessing scenarios, evaluating real world conditions, and presenting suggestions to their commanding officers. This type of work is meaningful, impactful, and maintains mission alignment.



³ <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/genzmillennialsurvey.html>

⁴ <https://www.entrepreneur.com/article/332361>

Bringing Automation into Your Organization

The first step in introducing automation is to determine if you want to improve or re-engineer your processes.

Business process re-engineering and business process improvement are very different but strike equal amounts of fear in managers. This should not be the case because reviewing existing processes provide the freedom to identify inefficiencies, introduce new approaches, and improve outcomes. As discussed at PDI 2023 during the panel Optimizing PPBE Outcomes through Automation it is critical to not simply automate a bad process but to re-engineer it for the demands of today and powered by leading edge technology. By articulating the gains achieved through developing a new process, organizations will more readily understand the benefit and value of transformation.

Organizations need not go through this evaluation on their own. The most successful efforts as evidenced by decades of work in the commercial sector are done in conjunction with experts and partners. There are many options to choose from, but it is important they understand the outcomes you seek to achieve, the limitations your organization faces and the technology at your disposal today and in the future. The partnership will reduce stress on the transformation and guarantee best practices are implemented.

One lingering question to ask is whether your process should be designed to fit with technology or custom technology should be developed to fit your process. Historically the DoD has followed the latter path, but this need not be the case in light of tremendous gains in commercial software. Commercial-off-the-shelf solutions are constantly evolving and integrating best practices from many organizations – in essence – building best practices into the solution from the outset. Further, by leveraging broadly adopted solutions organizations will see greater efficiency from workers who transition in and out of

different departments. Don't adopt technology that doesn't do anything you need to achieve your outcomes but consider adopting workflows to fit commercial solutions. These offerings are updated regularly, focus heavily on up-to-date security, and are backed by engineers and developers solely focused on building software.

Finally, a critical element is finding and securing budget for new technology. This oftentimes is the most challenging issue facing change agents. Software is not typically in the POM or in regular budget cycles and buyers of transformational business automation software are not regular buyers of technology – especially when it costs more than what can be charged on a purchase card. Some options to consider include working with a contracting officer to identify existing contracts with headroom, working with the budget officers and comptrollers to get software acquisition into future POM planning, or by including software as an unfunded requirement and working to prioritize a purchase when funds become available.

Conclusion

There are several macroeconomic factors which make automation an organizational imperative. However, automation isn't an activity unto itself but instead must be used to re-engineer and improve inefficient processes. Thinking outside the box is critical to identify ways in which automation can improve operations and create headspace for workers to think, act, and analyze. Successful implementation requires automation be additive, incorporated into your workstream in a meaningful way, and deliver equal or better outcomes than manual efforts.

Providing relief from manual tasks and replacing that effort with meaningful work will allow organizations to do more with the same, maximize employees to their highest potential, and recruit talent looking to leverage technology whenever possible for maximum efficiency.



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Decision Lens

Over his 20+ year career, Mr. Martin has gained deep insight into the use of data as a strategic asset. Recently, he has focused his efforts on applying this knowledge to the Department of Defense by attending many ASMC events, speaking with dozens of local chapter leaders, and having direct discussions with hundreds of individuals involved in the PPBE process.

These efforts have resulted in Decision Lens launching TheFutureofPPBE.com – a definitive source for the collected wisdom on PPBE reform, the production of *The Six Guiding Principles of a Next Generation Government Defense System*, and to Decision Lens being an early invitee to discuss reform with the PPBE Reform Commission.



A U.S. Air Force Special Tactics Airman from the 24th Special Operations Wing jumps from the back of a U.S. Marine Corps KC-130J Hercules, assigned to Marine Aerial Refueler Transport Squadron (VMGR) 252, during a flight over Hurlburt Field, Florida. VMGR-252 participated in the 16th Annual Emerald Warrior exercise, a field-training exercise designed to prepare special operations forces, conventional force enablers, international partner forces and interagency elements to integrate in a complex and evolving security environment.