



# Strategy Focused Workforce Transformation

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# OUTLINE



- Profile
- Background
- Reorganizing for Strategy
- Developing Strategy & BSC
- DFAS Strategy
- Translating Strategy into Action
- Communicating for Action
- Results



# PROFILE – World's Largest Finance and Accounting Operation

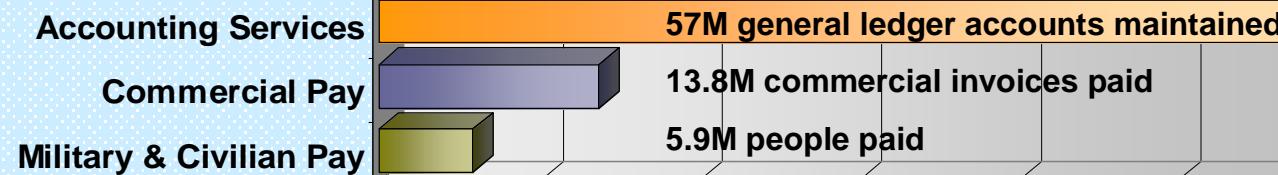


*Mission: Direct, approve, and performance finance and accounting activities for DoD*

## OUR ORGANIZATION



## OUR BUSINESS



# DFAS TRANSFORMATION



FY 2005

- 30 locations
- 13,8792 employees
- 92 systems
- \$1,615M operating costs<sup>3</sup>
- **70% technicians / 30% professional**
- Aging workforce
- General Schedule Pay System



FY 2011

- Fewer locations: 10<sup>1</sup>
- 9,915<sup>2</sup> employees
- 18 systems
- \$1,368M operating costs<sup>3</sup>
- **70% professional / 30% technicians**
- Right employees with right skills
- Optimum number and mix of civilians/contractors
- Pay for performance under NSPS

<sup>1</sup> Includes Europe & Japan

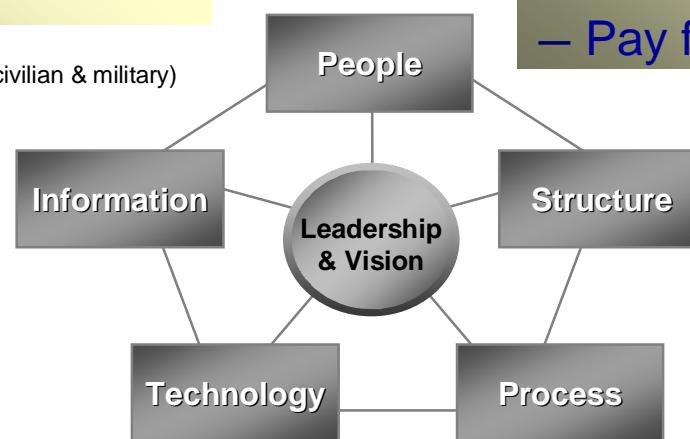
<sup>2</sup> Source: HR Flash Report September 2005 (civilian & military)

<sup>3</sup> Current\$

<sup>1</sup> Includes Europe & Japan

<sup>2</sup> Projected Civilian & Military

<sup>3</sup> Current\$



# DEVELOPING THE STRATEGY & BSC



Governance structure ensures that leadership is involved at all stages of development, and that there is meaningful linkage between the top level strategy and the BSC measures

## Phase # 1

- SBM reviews the current strategy and recommends revisions
- ECAG & EC approve changes to corporate **STRATEGY:**

    ü Vision   ü Mission   ü Goals   ü Objectives

### Office of Strategy Management (OSM)

- Reviews current strategy & provides analysis to Director, SBM



### Director, Strategic Business Management

- Reviews strategy & environment with DFAS leaders
- Mission, Vision
- Strategic goals, objectives in line with four BSC perspectives



### Executive Council Advisory Group

- Recommends changes to DFAS Corporate Strategy



### Executive Council

- Approves final strategy
- **Mission, Vision, Goals, Objectives**

## Phase # 2

- Based on new strategy & current BSC results, SBM recommends revisions
- ECAG & EC approve new **BALANCED SCORECARD:**

    ü Measures   ü Targets

### Office of Performance Management

- Reviews current measures & provides analysis to Director, Policy & Performance Management (P&PM)



### Director, P&PM with Proponents

- Recommend changes to measures
- Baseline measures and recommend targets



### Executive Council Advisory Group

- Recommends measures and targets to EC



### Executive Council

- Approves final scorecard
- **Measures & Targets**

JAN  
FEB  
MAR  
APR  
MAY  
JUN  
JUL

# DFAS STRATEGY 2008-2013



## MISSION

Direct, approve and perform finance and accounting activities for DoD

## VISION

Transforming with the Warfighter to remain the trusted financial partner for DoD

### GOALS

### OBJECTIVES

#### *Customer Perspective*

Support DoD in winning  
the Global War on Terror

- Support Customers in the Global War on Terror

Lead transformation of finance and  
accounting functions throughout DoD

- Establish business requirements for DoD transformation initiatives related to  
finance and accounting activities
- Execute and/or support deployment of DoD transformation initiatives

#### *Financial Perspective*

Perform the DFAS mission  
at best value for DoD

- Use DFAS resources efficiently and effectively to achieve expected results
- Achieve expected financial results from transformation initiatives

#### *Internal Perspective*

Attain operational excellence  
in finance and accounting services

- Optimize processes to meet or exceed industry and government standards
- Increase productivity, reduce errors, and deliver products and services on time
- Identify and mitigate risks to improve processes and internal controls

#### *Learning & Growth Perspective*

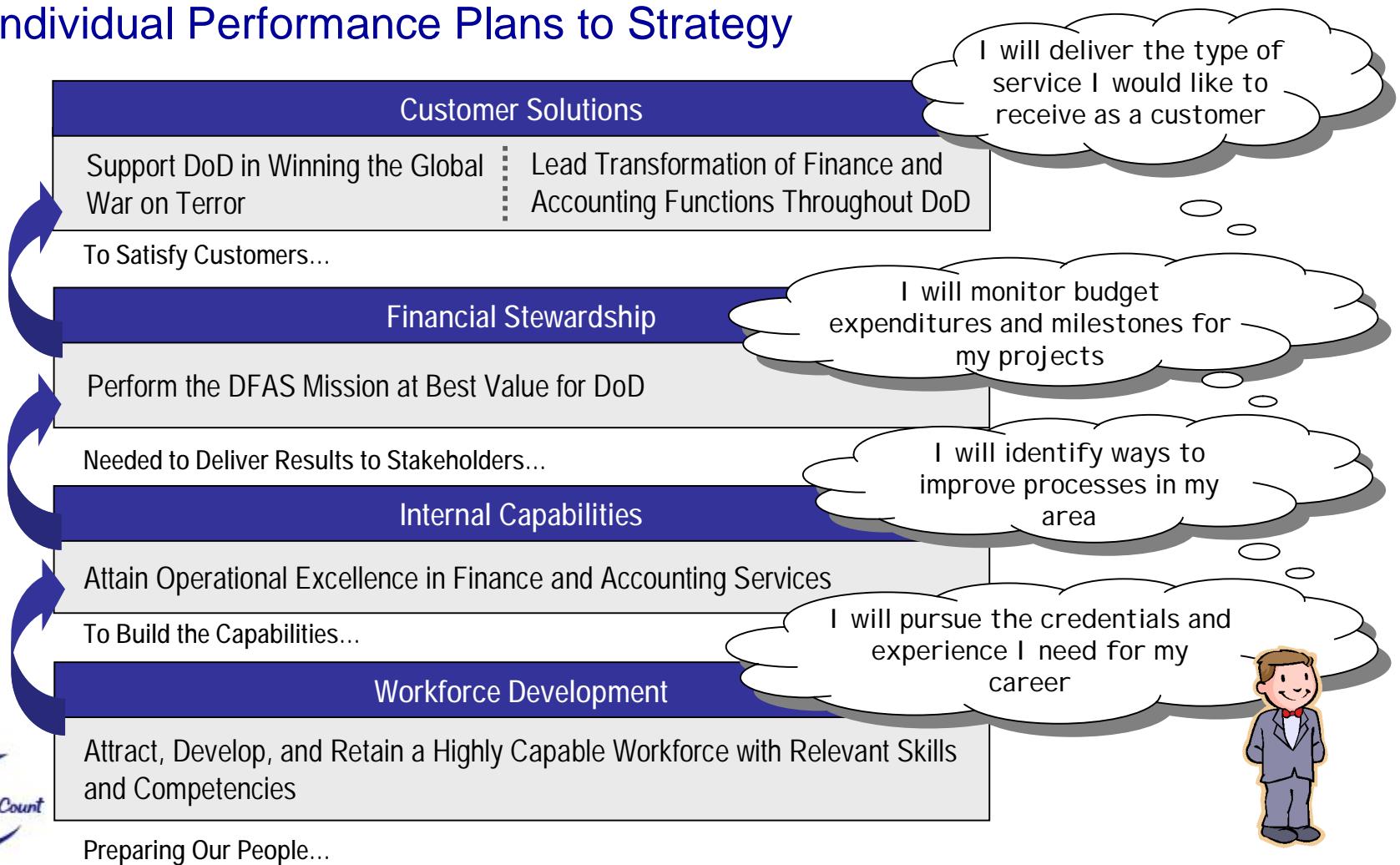
Attract, develop, and retain  
a highly capable workforce with  
relevant skills and competencies

- Raise the level of relevant skills and competencies to meet anticipated needs
- Attract and retain employees with needed skills and competencies

# COMMUNICATING FOR ACTION



- Continually communicate the strategy to the workforce
- Link Individual Performance Plans to Strategy



# ACHIEVING RESULTS



**2001-2007: Productivity up 46% -- Cost Savings of \$285M**

## Information

- Business Intelligence: Dashboards allow for EVM and other analysis
- Information Security: Effective data sharing without loss or theft

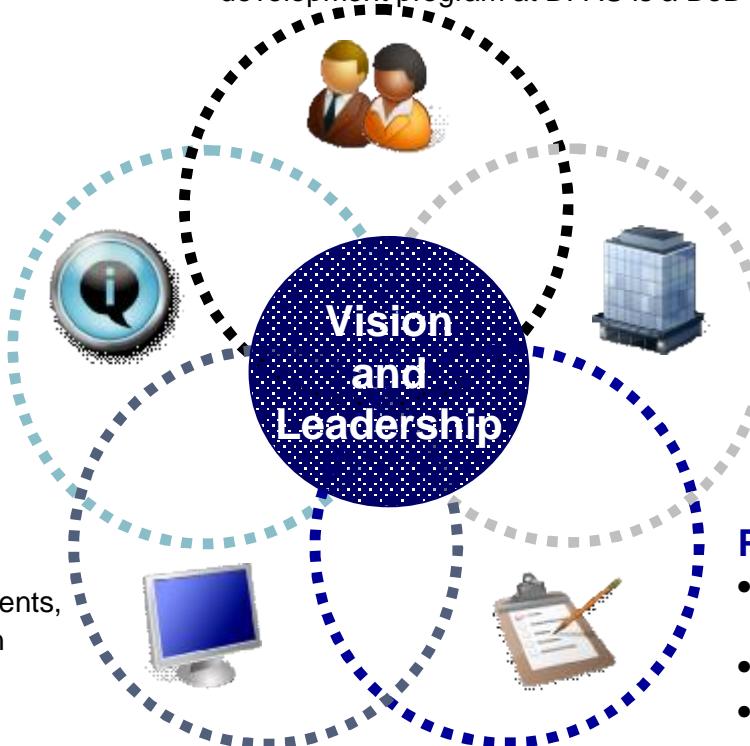
## Technology

- ERP: Providing requirements, testing and implementation teams for 16 DoD cross-component systems



## People

- Human Capital Strategy: Leadership development program at DFAS is a DoD highlight



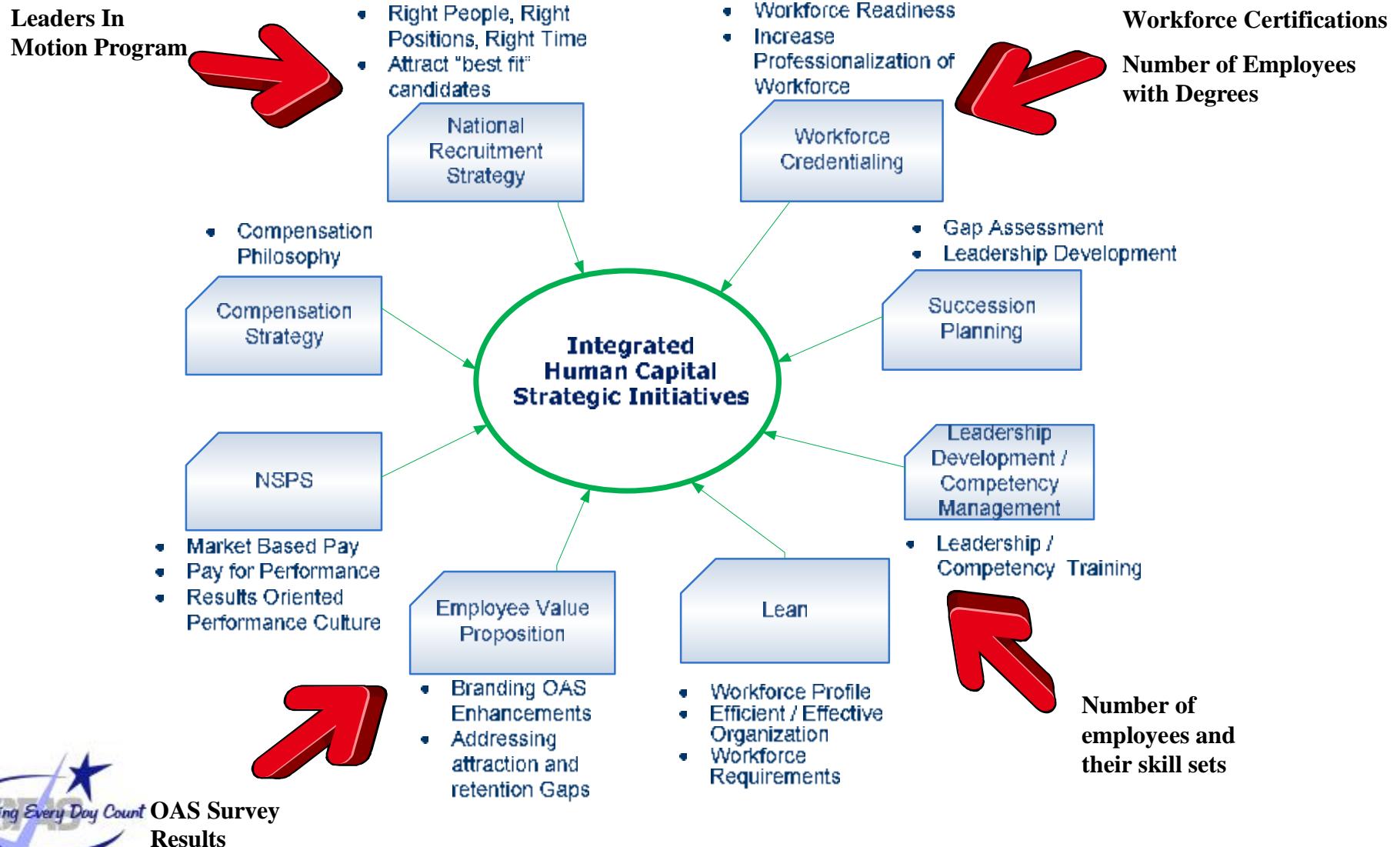
## Structure

- BRAC: 11 sites closed on time with no mission impact
- Centers of Excellence: Program Management and Financial Management CoEs established in 2007

## Process

- HPO: Pilot provided 600 competitive sourcing credits
- Lean 6: \$21M ROI for projects in 2007
- ERM: Cross-organizational management of all core processes
- Seven consecutive clean audits

# WORKFORCE TRANSFORMATION



# SUPPORTING OUR WORKFORCE TRANSFORMATION



- 221 critical manager positions identified. 68% have at least three successors identified – 82% have at least one successor identified
- Leader's in Motion (LIM) Program a “pocket of brilliance” (Vice Admiral Lou Crenshaw, quoted in *Federal Computer Week*). 675 LIMs recruited to date - retention rate of over 87%. National Association of Colleges and Employers survey indicates 25% of recruits in private industry leave within the first five years.
- Increased degreed employees by 11.5% since 2001
- 27 employees enrolled in agency-funded degree program
- Exceed American Society for Training & Development (ASTD) standards
  - Production time spent on training is 2.6% (ASTD standard 2.3%)
  - Employees attending training is 98.3% (ASTD standard 90.1%)
- Training expenses are 2.2% of our overall budget - \$11.8M for FY 08



# SUMMARY



# QUESTIONS?

