Information Technology…Enabling Logistics

Financial Management Modernization Program

Steve Worton
Director, Business Modernization and Systems Integration
Office of Under Secretary of Defense (Comptroller)
March 5, 2003
Financial Management Modernization is

• DoD-wide initiative to transform business processes
• DoD-wide initiative to standardize and integrate information systems and standards

What Financial Management Modernization is not

• Not just a Finance and Accounting effort
• Not just a ‘systems’ effort
  – Focus is on business processes
Current DoD Environment - The Problem

Stovepiped non-integrated, non-standardized business processes and systems

- Combatant Commanders
- Services
- Agencies

Stovepiped Processes and Systems

The Result

- Over 1900 information systems
- Inefficiency/Wasted Resources
- Poor data for decision-makers
- Suboptimal warfighter support
Top Leadership Support

Secretary of Defense

• Vision
  – Operate DoD in an efficient business-like manner
  – Develop accurate, reliable and timely management information
  – Use clean audit opinions to verify data

• Scope
  – Standardize data and processes wherever produced - finance and financially-related “feeder” systems and business processes

• Approach
  – Created centralized Financial Management Modernization Program
  – Completing DoD-wide Financial Management Enterprise Architecture
The Solution -
DoD-Wide Governance

Governance is an organizational integration strategy.

Goal

• Ensure consistency with the requirements defined in the Financial Management Enterprise Architecture

Approach

• Begin by developing an architecture - recognized as overall framework
• Identify logical business areas
• Assign Domain Owners for each business area
• Domain Owners establish Lead Agent (Service/Agency)
• Domain Owners assume responsibility for all included activities
Governance Domains -
(Logical Business lines)

USD (Acquisition, Technology and Logistics)
1. Logistics
2. Acquisition/Procurement
3. Real Property and Environmental Liabilities

USD (Personnel and Readiness)

USD (Comptroller) / Chief Financial Officer
5. Finance, Accounting Operations & Financial Management
6. Programming, Budget and Funds Control

ASD (Command, Control, Communications, and Intelligence) / CIO
7. Technical Infrastructure
Draft Governance Concept

* Lead Agent - The lead entity (Service/Agency or combination) for a business area within a domain who takes direction from Domain Owner and manages implementation.