



The Journey to a Clean Opinion

Transforming DoD's Finance Function

Getting it right the first time through Transformation

Integrity

May 30, 2019



The journey to a clean opinion

Achieving a clean opinion is a significant business transformation for DoD organizations and their processes, systems, human capital, and data capabilities. Recognizing DoD IT business and financial systems and authoritative sources as foundational transformation elements is the key to a clean opinion and timely, accurate, and reliable decision-making.

DoD can no longer afford to follow antiquated transformation models designed for large-scale technology deployments. Instead, DoD should take an outcome based approach and leverage a Business Integrator to instill transformation integrity throughout the change lifecycle.

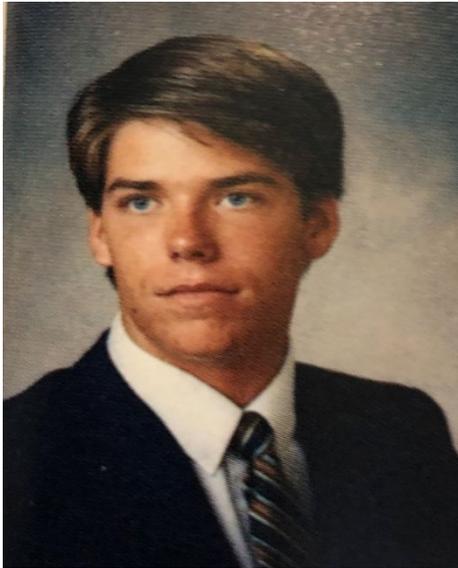
This panel will discuss how to build in transformation integrity and the role of a business integrator to address many of the fundamental requirements in DoD's finance and business transformation journey, to include:

- Audit Ready Organizational Design,
- Audit Ready Business Process Design, and
- Audit Ready IT Business/Functional Requirements Design and Standardization.

Agenda

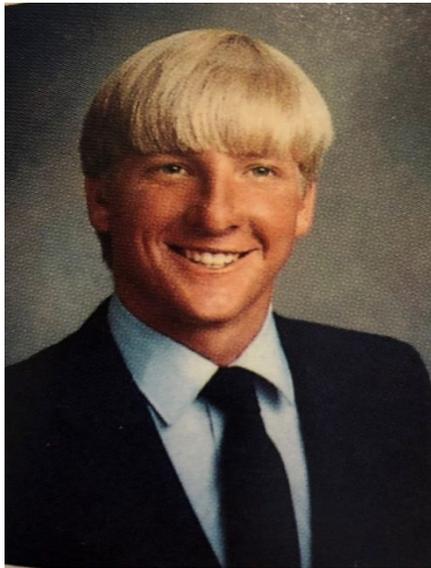
- 1** Introduction of Panelists
Ginger Bonin
- 2** DoD Transformation Challenges and Way Forward
Ginger Bonin
- 3** DON Business Transformation Challenges
Honorable Thomas Harker
- 4** OSD Business Transformation Challenges
Mr. Doug Glenn
- 5** Transformation Integrity
Mr. Mark Wojie
- 6** Audience Question and Answer Period

Our Panelists & Some Fun Facts



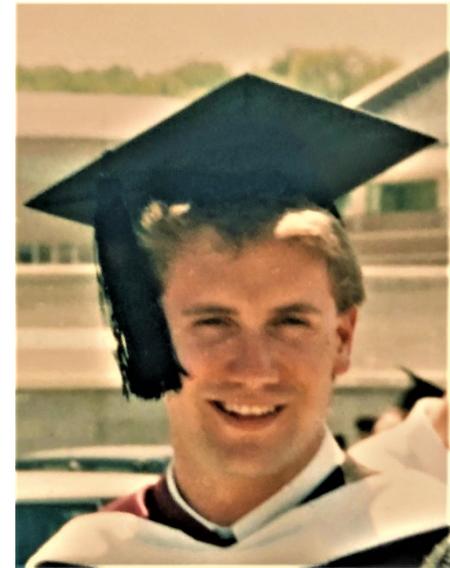
Thomas Harker

- Was captain of the water polo team;
- Was frequently found drinking in Tijuana and playing “quarters”;
- Won “Most Interesting Accomplishment” at his 10 year reunion for a \$200M drug bust that he led at the USCG;
- Historically routed for Army in the Army/Navy football game.
- Led the charge to a clean audit opinion at the Coast Guard (the biggest component of DHS).



Douglas Glenn

- Saw every heavy metal band in concert at least once (he continues this trend);
- Rode motorcycles to Tijuana on a regular basis and may have smuggled cheap tequila across the border;
- Is a former Certified Public Accountant despite the AICPA losing his exam;
- Has landed on and been launched off an aircraft carrier at sea (before joining the DoD);
- Is a fashion trendsetter, bringing back the sweater vest at the Pentagon.



Mark Wojie

- Grew up in England playing cricket, rugby and football;
- Was captain of his high school baseball team;
- Led his lifeguarding squad to multiple victories at the Jersey Shore;
- Was asked if he could spell “SAP” in a job interview after graduating with M.B.A.;
- Was the cutover lead for the first massive transformation at Apple, including the release of color iMacs Day 1 of go-live;
- Turned down a job offer from Tim Cook during a large ERP deployment in Europe.

DoD's journey to a “clean” opinion is a massive

Achieving a “clean” opinion requires an evaluation and redesign of:



Operating Models - Operating model and business structure must be aligned and optimized for efficient transaction processing and compliant reporting



Technology - Supporting technology systems must securely enable compliant transaction processing



Data & Reporting – Generation of relevant and timely data to support business managers' decision making



Processes – Business processes aligned to efficiently achieve targeted outputs and clear delineation of responsibilities and authorities to execute



Workforce – The right workforce that understands their critical functions and is appropriately equipped with the right knowledge, training, technology and processes



Governance & Controls – Optimized mix of management oversight and processes to monitor outcomes

Most Transformation Initiatives Fail

Inadequate focus on Auditability, Security & Controls

Lack of Understanding Data Efforts

Lack of Standardization

Lack of Proper Testing

Missed Opportunities

Replication of Current State

Inadequate Change

Management

Vague or unclear expectations for business outcomes

Improper Architecture

70%

of major transformation initiatives fail

57%

of organizations face a decline in productivity

41%

of organizations face a decline in morale

A business oriented approach to transformation

This type of enterprise transformation demands significant changes in how we approach any type of change or remediation in the DoD.



Technology Implementation

Systems integration-driven
Technology as the driver

should be



Business Enabled Transformation

Business integration-driven
Business as the driver

Technology platform centric

Driven by IT

Automation focused

Success measured by timely deployment of technology

Technology is always the answer

Poor ROI from many programs

Starts with data (report on what I have, not what I need)

Target operating model-centric

Strategically aligned with business objectives

Business led

Process focused; audit compliance design imbedded

Value added service delivery

Success measured by achieving business value

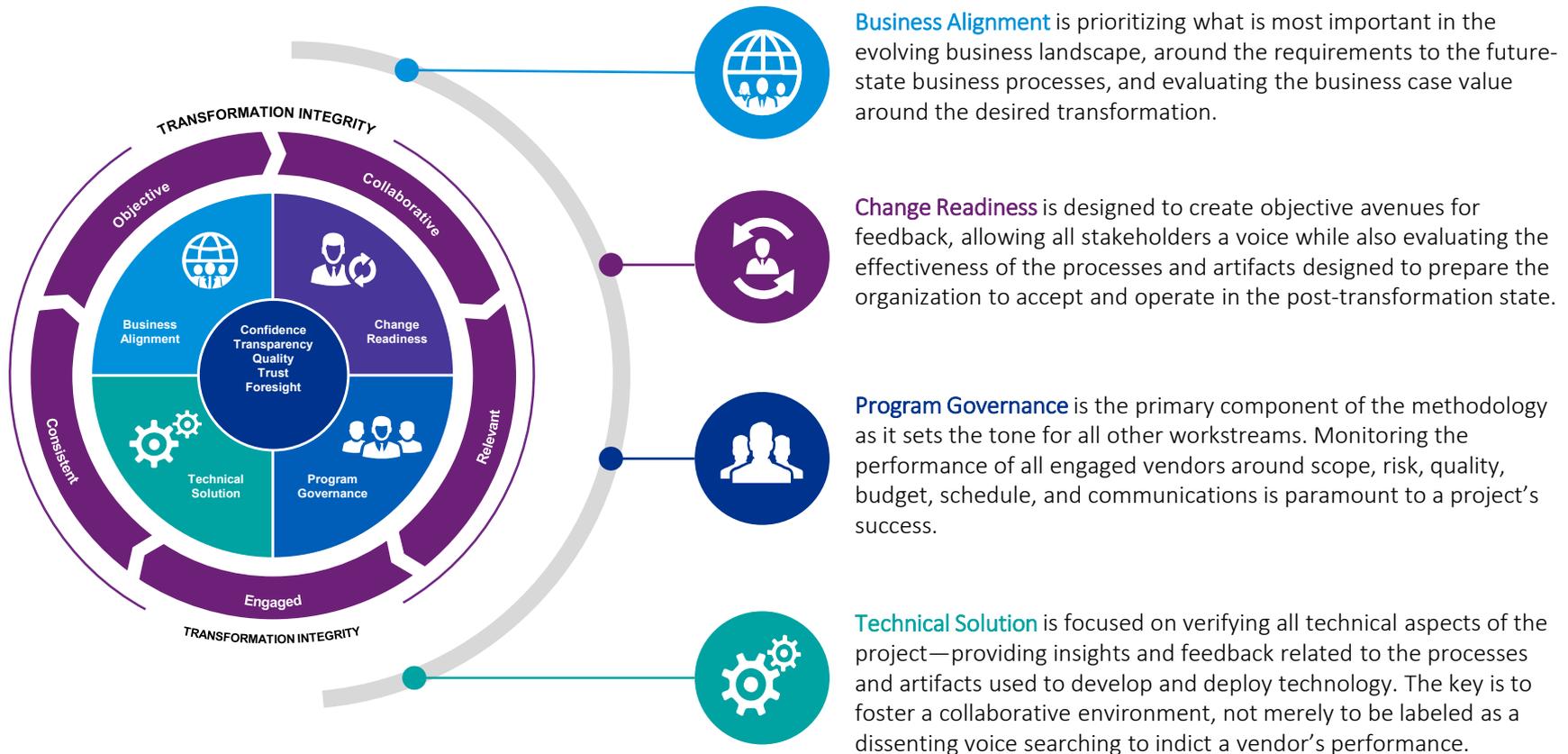
Technology is one enabler of transformation

Considers the technology needs within the larger technology portfolio

Analytics enabled

Transformation Integrity workstreams

Transformation Integrity is predicated on delivering proactive monitoring and insights across an entire program. To accomplish this four work streams are highly leveraged:



Transformation Program Roles

Today's complex transformations require a new deployment model. This modernized approach leverages additional expertise and perspectives across the program to maximize success

System Integrator

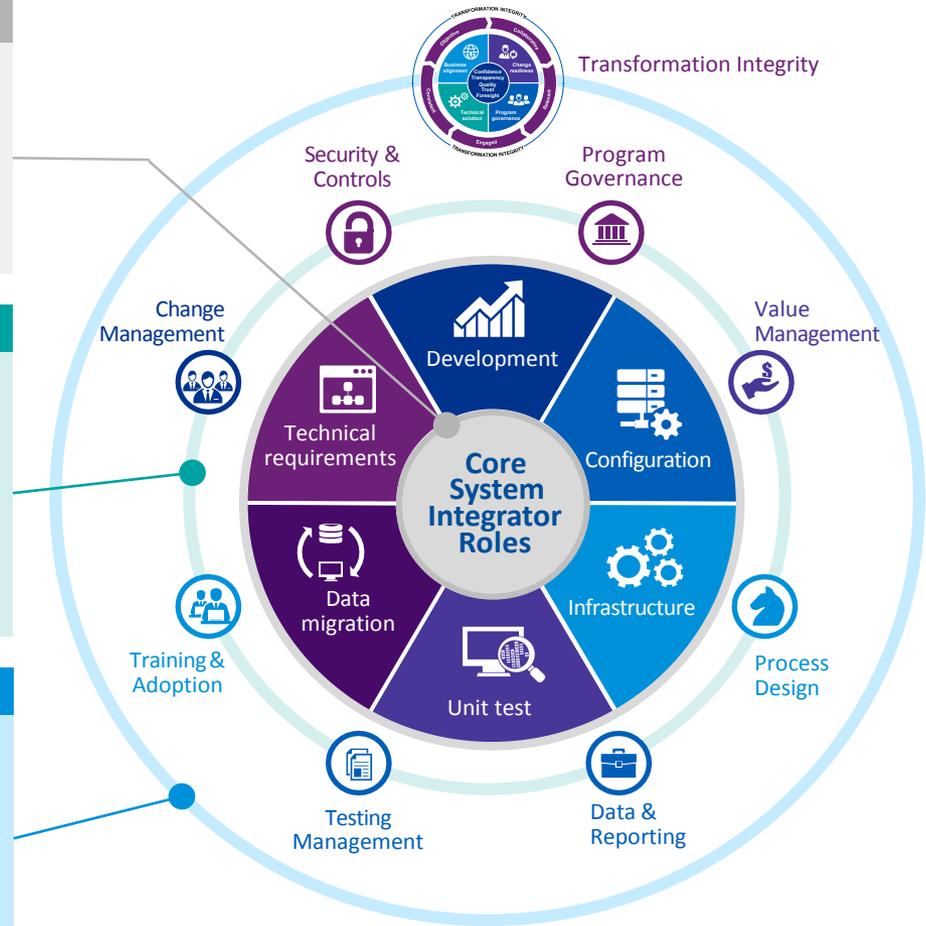
- Executes traditional technical roles
- Configures solution environment
- Integrates with other technical systems
- Develops custom RICEF objects
- Manages infrastructure strategy
- Creates and executes data migration strategy
- Conducts software quality assurance for coded objects

Transformation Enablement Partner

- Supplements system integrator role with targeted, independent capabilities
- Designs and implements security and controls integrations
- Defines and executes independent program governance
- Validates program savings and value creation from business case
- Establishes change and training efforts to embrace transformation

Transformation Integrity Partner

- Monitors various program aspects as an objective party for quality adherence
- Evaluates strategic transformation risks beyond traditional horizon of program governance
- Utilizes specific client, industry, technology or transformation insights to inform key stakeholders
- Serves as a 5th layer of quality and risk defense beyond traditional risk players (SI, PMO, Internal/External audit, software vendors, etc.)



Limited Experience Continues to Prevent the Most Critical Trans

“Starting with a clear, concrete “end” or business/mission function

The What:



The How:

