Business Transformation
Managing Change in a Financial Management Organization

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31 May 19

Workshop 113, 0915-1030
Introductions

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  – GS-15, AFIMSC/RM

• Ramon Contreras
  – Catalyst Advisors / Grant Thornton
  – Consultant, AFIMSC/RMI
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Source: John Kotter, “Leading Change”
Change is Inevitable

Source: https://www.torbenrick.eu/blog/change-management/change-management-comic-strips/
AFIMSC RM Integration

• Opportunity
  – Review, assess, and validate capabilities and organization of Resource Management
  – Develop recommendations and/or courses of action regarding their makeup
    Examine each capability/program for whether it should be retained or moved

• Driver
  – AFIMSC Leadership
  – Focus budget and financial support for Installations

• Outcomes
  – Centralize and optimize Installation and Mission Support (I&MS) financial management support across the US Air Force
Change Environment

• AFIMSC
  – Command stood up in 2015
  – Resource Management (RM) Integration 2018
    • AFCEC integrated in 2012
      – Previously, AFCEE, AFRPA, and AFCESA
    • AFICA re-designated 2013
      – Previously, Contract Management Division and Enterprise Sourcing Group
    • AFSVA re-designated in 2014
      – Previously, Morale, Welfare and Recreation Center
    • AFFSC re-designated 1997
      – Previously, Office of Security Police
    • AFCOE re-designated in 2004
      – Previously, AF Center of Excellence
RM Integration Scope

• **AFIMSC RM**
  – Bring together 6 Financial Management Organizations and corresponding personnel
    • Geographically dispersed at 5 different locations
  – **Capabilities/Functions**
    • Programming
    • Budgeting
    • Financial Services
    • Cost
  – **Customers**
    • 77 Installations
    • SAF
    • HAF
    • 10 MAJCOMs (AFMC parent MAJCOM)
    • 10 Detachments
## Create Urgency

### Plan

### Pre-transformation
- **Avoid Complacency**
  - No real major visible crisis
  - Low performance expectations
  - Organizational structures that are focused on stove piped functional goals
  - Insufficient feedback from customers
  - Lack of performance metrics or metrics that measure the wrong outcomes

### Ideal State
- **Instill Urgency**
  - Published timeline requiring integration
  - Reorganization needed to focus on mission and customers
  - Develop/update metrics to support change

- **Clear and honest communication**

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*GETTING TO IOC DOES NOT MEAN IT’S OVER….the FIGHT CONTINUES*
- Clearly Established Timeline: Initial Operating Capability (IOC) to Final Operating Capability (FOC)
- Maintain current operations while forming future state
- Accountability
Pre-transformation

- Leadership is required but not singular
- Lack of trust and transparency
- No clarity on goals

Ideal State

- Leadership engaged and championing change
- Enlist Tiger Teams
  - Thought leaders from around the organization
  - Team members engender trust
  - Team members have diversity/expertise
  - Team has decision making authority
- Establish change goals and objectives
Resource Management 2.0 Objectives

- Ensure financial regulatory compliance
- Provide budget and financial services support to Installations/MAJCOMS
- Provide specialized financial analysis and decision support
- One RM voice to customers and leadership regarding financial matters
- Support plans and programs
Resource Management 2.0 Capabilities

- **Tiger Teams** – formed small teams to evaluate current capabilities, future state and identify known gaps

- **Known Capabilities** - enterprise-wide financial program integration and oversight for managed funds and financial management operations, including:
  - Leadership
  - Integration
  - Funds Control
  - Funds Management
  - Funds Execution
  - Prior Year (UOA) Management
  - Reimbursements
  - Civilian Pay
  - FM Systems
  - Enterprise Controls
  - Enterprise Support
  - Planning and Programming
  - Financial Analysis and Training

Lead the Change Plan in Action
<table>
<thead>
<tr>
<th><strong>Pre-transformation</strong></th>
<th><strong>Ideal State</strong></th>
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<tr>
<td>Dictate or Decree Change</td>
<td>Leadership</td>
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<tr>
<td>Micromanage Change</td>
<td>Establishes steps and timelines to achieve strategies</td>
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**Leadership**
- Develops reasonable and appealing vision
- Articulate a strategy to achieve vision

**Management**
- Establishes steps and timelines to achieve strategies
- Communicate outcomes and goals to achieve
- Involve staff in process

SUCCESSFUL STRATEGY IDENTIFIES AREAS OF CHANGE...REALISTIC TARGETS
Strategy

Where we are or think we are?
IOC
- Manning shortfalls
- New employees
- RM Staffing/Mgmt
- FM Systems
- FARM
- Quality Control
- COR
- Awards Prgm
- Training Prgm
- Developmental Prgm
- Facilities

Where we should end up?
FOC
- Employee integration
- Integrated Decision Support
- Optimal Organization
- Superior Customer Interactions/support
- Streamlined personnel mgmt
- Top-notch employee recognition and Development
- New Tools and System Ideas and support

How do we get there?
- Training
- Capability Reviews
- Workload Alignment
- Systems & Tools

** FOCUS AREA **
### Pre-transformation
- Can’t articulate vision/strategy
- All levels of staff are engaged and communicating
- One-way communication

### Ideal State
- Keep it simple
- Utilize varied forums and mechanisms
- Repeat, Repeat, Repeat…
- Lead by Example
- Give and take
  - Staff
  - Customers

MESSAGE SHOULD BE SIMPLE, BRIEF AND APPEALING
**Internal-Vertical Communications** allow for the organization to share strategic priorities and intent, communicate key decisions, and promote organizational alignment. Examples include:

- Strategic messages from leadership to the entire organization
- Strategy documents and decision memoranda
- Taskers
- AFIMSC/RMI (Integration) will serve as focal point for internal comms

**External Communications** allow for the organization to share key planning, programming and financial information, priorities and policies with stakeholders including installations and program managers. Examples include:

- Financial drills, execution reviews, CURR mgmt, POM, BCAs, EA
- Qtrly MSG DCS, BCE Updates, AFIMSC Corp Structure
- AFIMSC will provide single point of contact for all external stakeholders

**Internal-Horizontal Communications** allow for the organization to work across “stovepipes” to share information, collaborate, and link key activities. Examples include:

- PPBE
- RM strategic messaging
- Each Division will have an Integration focal point to work across enterprise
Communication Plan in Action

Communication Methods
- Fiscal Fury
- End of Year War Room
- FMA Conference
- Provide UOA Training
- Qtrly Wing / MSG / BCE / CPTS CC Brief
- Weekly Det FM / MAJCOM Program Review
- Manage Budget Execution Analysis Strategy Tool
Pre-transformation

- Structures create barriers
- Lack of skill sets
- People and systems make it difficult to act
- Supervisors discourage implementation

Ideal State

- Breakdown silos and align organization to support vision
- Conduct skills assessment
- Develop/update systems to support transformation
- Present Supervisor with options and encourage them to empower staff

LEADERS NEED TO ACTIVELY REMOVE ORGANIZATIONAL BARRIERS
### Current Level of Service/Capacity Factors with Associated Risks

- **List high-level outputs/tasks**: Provide portfolio response for FM Datacalls such as Execution Plan, Mid-Year Review, Continuing Resolution, Initial Distribution, End of Year (ANNUAL) (3)

- Interpret guidance, coordinate/issue AFIMSC specific guidance and funding bogey by program
- Task Installations/Funds Management Teams/Q&A assistance
- Review inputs and coordinate UFR strategy
- Corporate process for approval

### Risk:
- Limitation Violations
- No visibility in program requirements (funded/unfunded)
- Delayed execution
- Missed opportunities for UFR funding
- Confusion and aggravation

### CURRENT FTE:

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### FUTURE FTE:

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### Customers/Stakeholders:
- AFIMSC/RM Integration
- AFIMSC/RM and IZ Functional Teams
- PSUs/DETs/Installations FM offices
- Requirements owners
- PSU/DET/Installation Corporate Board
- AFIMSC Corporate Board (FWG/Group/Board/Council/AFMC/MAJCOM CV)
Sub-Capability Definition – OPR providing portfolio response to official FM datacalls (typically AF Wide / Annual)

**WHO:**
- AFIMSC/RM Integration
- AFIMSC/RM Funds Management Teams (Strategic/Tactical)
- IZ Functional Teams

**WHAT:**
- No Change to As Is - Guidance, Official datacalls, ExPlan, CRA, ID, MYR, EOY, consolidated requirements/UFR lists

**WHY:**
- PPBE process, Auditability item, Policy and AFI

**HOW:**
- Integration - Receive and interpret guidance; Issue AFIMSC specific guidance, coordinate/establish timelines for due dates
- RM – Develop Strategies (special interest programs, taxes (ERA, RMA, Storm, etc.), bogey by program)
- Integration – Official Data Call to Installation Comptrollers and PSUs through SOCCER
  - Tactical team follows up with Installations to ensure receipt of and compliance with task
  - Strategic Team follows up with PSUs to ensure receipt of and compliance with task
- PSU Requirements Owners Submit Requirements through AFBEATS for Strategic Team Validation
- **Installation Comptrollers** Submit Requirements through AFBEATS for Tactical and Strategic Team Validation
- Strategic Team - Requirements Validation/Bogey Allocation in coordination with IZ and in accordance with strategy

**Considerations (Assumptions & Constraints)**
- Leadership schedules
- Time: Hard due date w/no extensions
- Leadership schedules
- **RMAI – Integration**
  - Facilitate budget drills - ExPlan, SpendPlan, CRA, MYR, EOY, etc.

- **RMAS – Programs**
  - Manages by Programs working with Enterprise Managers to validate requirements

- **RMAO – Installations**
  - Provides mission support to bases/installations world-wide

- **RMAE – Execution**
  - AFCEC locally executed programs (BRAC, ERA, EQ, K1/K2, etc)
## Generate Wins

### Plan

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<tr>
<td>Day to day grind</td>
<td>Short Term Wins</td>
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<tr>
<td>Focus on achieving long term dream/vision</td>
<td>Make win highly visible</td>
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<tr>
<td>Employees burnt out from a constant change environment</td>
<td>No debate whether it’s a win or not</td>
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<td>Relate win to the change/transformation</td>
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CREATE ENTHUSIASM FOR CHANGE IN YOUR ORGANIZATION
Integration receives tasker from SAF

Interprets guidance (taxes, guidance, program specifics, etc)

Integration brainstorms w/Strat Team RE: program specific guidance, timelines, bogey. Finalizes AFIMSC guidance.

Integration issues official task, AFIMSC guidance, and timelines to installations and PSUs

Integration consolidates requirements (Funded/Unfunded)

Integration ensures D-22s are signed/processed and sent back to Tac/Strat teams

Tact/Strat teams receive Installation/PSU D-22s & forward to Integration

Tac/Strat teams review/validate requirements & propose bogey allocations (w/Functionals): Submits to Integration

Integration incorporates results for FWG / UFR Strategy

Integrations incorporates FWG results for AFIMSC corporate process approval

Integration submits approved ExPlan to SAF in required systems and formats

Integration maintains ExPlan Repository

Generate Wins Plan in Action
### Pre-transformation
- Resistance never fully dissipates
- Interdependence of the organization

### Ideal State
- Real change takes time
- Celebrate short term wins don’t allow complacency to creep back in
- Add in new change projects
  - Be open to identifying other areas in need of change
  - Identify interdependence and plan for systemic change
  - Empower managers/staff to take action

**DON’T GET COMFORTABLE WITH EARLY SUCCESSES**
Produce More Change
Plan in Action

- Revisit your strategy…did we have the right focus
- Identify new gaps that weren’t identified initially

Where we are or think we are?

IOC

- Manning shortfalls
- New employees
- RM Staffing/Mgmt
- FM Systems
- FARM
- Quality Control
- COR
- Awards Prgm
- Training Prgm
- Developmental Prgm
- Facilities

How do we get there?

Training

Capability Reviews

Workload Alignment

Systems & Tools

** FOCUS AREA **

Where we should end up?

FOC

- Employee integration
- Integrated Decision Support
- Optimal Organization
- Superior Customer Interactions/support
- Streamlined personnel mgmt
- Top-notch employee recognition and Development
- New Tools and System Ideas and support
Pre-transformation

- Norms and Shared Values are not aligned with change
- Rely to heavily on change leaders
- Positive results are NOT visible and communicated

Ideal State

- Shared stories
- Comes last not first
- Plan for Succession and Personnel Turnover
- Show results
- Communicate
  - Value in previous system
  - Benefits of change

MAKE SUCCESSFUL CHANGE EFFORTS PART OF YOUR ORG CULTURE
- Change can be tiresome without proper vision and planning
- Find time to have fun and build your new shared culture
Conclusion

- Get involved at the beginning
- Be a **change agent**, don’t wait for change to be implemented, be part of the solution…change will happen, will you be on the front or back end
- **Expectation management**
  - Change is a never ending cycle
  - Maintain data and lessons learned for future change activities
  - Continuously evaluate and innovate to optimize support for customers and mission
- **No right or wrong answer**
Questions?