

UNITED STATES AIR FORCE

**AIR FORCE
FINANCIAL MANAGEMENT
TRANSFORMATION**

Vision Statement

16 April 2002



U.S. AIR FORCE



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR ALL FINANCIAL MANAGERS

SUBJECT: A Vision for Financial Management Leadership and Strength

Our Air Force is in the midst of a profound, exciting, and critical transformation. Warfighters, acquirers, maintainers, trainers, and testers are coming together in new and unprecedented ways to ensure that when our people go in harm's way—5, 10, 15, 20+ years from now—they will have the training, equipment, and support they need to assure decisive victory.

Sound financial management is at the core of this transformation and in all successful organizations. My visits to bases worldwide convince me that you understand the need to improve financial management capabilities and services to keep pace with this dynamic change and that the time to take action is now. So during the term of my appointment, we will implement and institutionalize a vision for Financial Management that will make us the leadership's strategic partner for decision-making and make us the example others follow for delivering high quality, customer-focused services.

My goal in this memo is to lay out for you the general direction for change, motivate you to take action, and help coordinate the actions of many people (so you can figure out what to do without constantly checking with others). I challenge all of us to work together to make this vision a reality.

Our Shared Vision: Strategic Partnership and High Quality, Customer-Focused Financial Services

“This is an era of unlimited potential. What if today we were fully integrated with all of our space, manned, and unmanned platforms? What if they conversed? What if we didn't have to go through stovepipes and tribal representatives to get the information from one tribe to another? What if the machines had the opportunity to do this for us? We should be there today. We should be doing that today...”

General John Jumper,
CSAF, March 16, 2002

Imagine an Air Force wing operating at peak effectiveness and efficiency...one where every dollar strikes the correct balance between supporting the mission, maintaining the infrastructure, and taking care of our people. Imagine a wing where the key leadership knows the true costs of its major processes and can make the proper trade-offs when confronted with unforeseen requirements. Imagine a wing where Air Force people can take care of all their pay requirements from their phone or computer without a trip to Finance, where status of vendor payments is transparent, and where connections with DFAS are seamless. In this wing, the comptroller is a key member of the senior staff and financial managers spend time analyzing options instead of working on complaints. Imagine an Air Force where all wings achieve this level of performance and where our consolidated financial statements are both auditable and meaningful. This is what the world will be like for the comptroller of the future and it is not a fantasy...in fact, it is right around the corner. With new focus on people, processes and technology, we can bring about the necessary transition.

“If strategic planning is the brain of any successful organization, and a talented workforce the heart, then superb financial management is the lifeblood of a dynamic, world-class enterprise. Whether our financial professionals are conducting essential accounting and budgeting tasks or broader, value-added management innovations, their efforts will enable the Air Force to achieve its transformational goals and remain the best managed entity in government.”
Dr. James Roche
SECAF, April, 2002

This vision is simple. We want our financial managers to be strategists—business partners, top advisors—to our Commanders with the single-minded purpose of serving the warfighter’s needs. Air Force financial managers will be integral members of the Commander’s team to *help leadership make the right strategic choices while making existing operations more effective and efficient*. Success in the first part will be measured by the accuracy and timeliness of financial information; success in the second part by quality of service, timeliness, and cost. The benefits will be seen in terms of improved Air Force management and decision-making processes, quality and timely information, quality of service, and less manual intensity in service delivery.

Becoming the Commander’s strategic partner means going far beyond our traditional budget, accounting, and processing functions and calls us to “re-vector” the role of the comptroller or financial manager toward decision support and greater involvement in developing strategy. To do that we must:

- Further develop our skills in finance and sound business practices and create an environment that attracts, retains, and rewards high-caliber individuals.
- Be more efficient and effective in our fundamental tasks—better services at less cost.
- Improve and expand our ability to provide innovative, insightful, and actionable financial analysis and decision support (in the early stages of the decision cycle) that will inform and speed Air Force transformation.
- Reengineer or redesign our processes and “fix” our systems.

Over time, we will make significant improvements in decision-making that will maximize warfighting capability and positively alter the internal and external perception of financial managers. In this exciting future, financial managers will help shape the future of our Air Force. But make no mistake. We must earn our seat at this table. We will do that by providing agile and insightful analysis at every opportunity. We must be bold. We must be the people who tell leadership “how we can,” not “why we can’t.”

How We Will Do It: People First

Our people are the key to success. I have no doubt that you are up to the challenge and eager to get on with it.

The demographics of our work force, however, present us with a challenge and an opportunity. Our civilian workforce is aging. Over the next five years nearly half of that workforce becomes eligible to retire. The collective experience and wisdom of that huge group of professionals is invaluable and we must act now to capture it. (In other ways, we face comparable and formidable challenges in our uniformed ranks.)

As difficult as losing all this talent will be, it presents an opportunity we must not miss to refresh and rejuvenate ourselves. We must act now to create a work environment—including compensation, quality of life and work, diversity, rewards, incentives, and training—that will

attract the best financial people in the country, uniformed and civilian, to come work for us. I am convinced that the sense of satisfaction and accomplishment that come from meaningful, mission-oriented public service is one of our greatest recruiting assets. We must find a way to convey that powerful message.

Once we recruit the best, we must offer them a world-class work environment in which their ideas are valued, they are constantly trained, and their performance is rewarded not only with bonuses (as applicable) and other incentives, but also with increasing responsibility and authority. Training must be meaningful and go beyond teaching “our processes.” We must train our managers to innovate, think, and lead. Individually, we must all become more informed, customer-focused leaders, managers, and analysts, by understanding the strategic and operational issues of the Air Force and the most difficult problems facing our warfighters and commanders. Finally, those of us with experience must become mentors.

How We Will Do It: Challenge Everything We Do

The need to expand the financial management role beyond the traditional bounds in no way minimizes the importance of what we do now. The Air Force spends more than \$80 billion in public funds each year. We must never lose sight that it is our responsibility to ensure the funds are accounted for. However, we can—indeed we must—meet that goal while expanding our capabilities and performing our more traditional work with improved quality, responsiveness, and efficiency.

Real change means making our processes more efficient. Any step in the process that does not add value must be eliminated. We will focus on our financial processes, but also serve as change agents in evaluating other processes within our commands. We must put aside parochial thinking (and encourage others to do the same), and accept real changes to “the way things were done before.” We must leverage technology, particularly the Web, to improve the timeliness and accuracy of information to our customers and reduce the cost of doing what we must do.

Change also requires being open to new ideas and approaches to doing our business. I believe effective organizations value diversity and the power of new ideas. I will lead the way by seeking inputs from all levels of our organization and from industry. My goal is to create a process whereby creative ideas are encouraged, advanced, evaluated, and implemented.

“Just as we must transform America’s military capability to meet changing threats, we must transform the way the Department of Defense works and what it works on. We must build a Department where each of the dedicated people can apply their immense talents to defend America—where they have the resources, information and freedom to perform. Our challenge is to transform not just the way we deter and defend, but the way we conduct our daily business.”

Secretary Donald Rumsfeld
SECDEF, Sep 10, 2001

Finally, we must be willing to take risks. I want an environment in which we can experiment and leaders have the authority to make informed decisions, confident that their seniors will provide support for their choices. Not everything we try will work. That’s okay. We’ll learn from the failures, too.

Why We Must Do This: Maintaining Relevance in the 21st Century

Some may question the need to change; why we need to raise the urgency level. The short answer is that if we don’t, we will become irrelevant. The challenge the Air Force faces over the coming years (e.g., to leverage advanced technologies, focus on capabilities-based Concepts of Operation, and harness innovative organizational changes) will require much more

sophisticated financial analysis and breadth of expertise than we are universally asked to provide or are capable of delivering even if asked. Indeed, (although exceptions exist) for a host of reasons (some institutional, cultural, and organizational), today we focus our energies on and consequently are increasingly defined by and limited to execution year and processing activities. If allowed to persist, I fear this will spiral and diminish or marginalize the strategic resource management capability we can bring to bear to help our Air Force develop and implement sound strategic choices to increase combat power.

Meanwhile, in industry, CFO organizations are meeting comparable challenges by leveraging technology and reengineering processes to drive change and provide more timely information directly to decision-makers—thus increasing their stock and relevancy within their companies. We will do the same.

To be sure, adopting relevant industry practices parallels the warfighting and business transformation initiatives of the Air Force and the Financial Management Modernization and Workforce Development initiatives of the Department of Defense. Specific change initiatives are coming into focus throughout the Air Force. Whether it is the warfighting community’s Global Strike Task Force concept, or the acquisition community’s Collaborative Spiral Development, or the personnel community’s efforts to attract and retain skilled people, we must step forward and offer our help, expertise, and guidance. We must be ready and eager to enable change.

“We have to admit that we are in ruts. We are in stovepipes. We have been taught to think one way. We have been taught to defend our prerogatives... We’ve got to break out of that We’ve got to be prepared to bust bureaucracies.”
General John Jumper
CSAF, March 16, 2002

“We must promote a more entrepreneurial approach to developing military capabilities -- one that encourages people to be proactive, not reactive, and to behave less like bureaucrats and more like venture capitalists...”
Secretary Donald Rumsfeld
SECDEF, January 2002

These trends are clear. They point to an increasing need by the Air Force for value-added activities that support decision-making and strategy. That is the future—full of possibilities and opportunities; but we must first increase our ability to pursue them. It requires our financial analysis and expertise and service delivery to be as advanced as the weapons systems and warfighting concepts we support. We need to become less like accountants of an industrial age and more like consultants (or even *e-accountants*) for an information/knowledge age.

Will this be easy? Absolutely not. Will we succeed? We have no choice.

What I Want Us To Do: We Must Work Together

This vision began as an initial set of ideas that I shared with a coalition of senior leaders and advisors, in and out of FM, and many of you during my visits. I incorporated the feedback with large doses of thinking and dreaming to produce a direction for the future that is *desirable* (appeals to “customers” and our workforce and captures the mind and heart); *feasible* (realistic and attainable); *focused* (clear); *flexible* (allows initiative); and *conveyable* in five minutes or less (easy to communicate).

I invite each of you to join me in this vision of making our financial management community a more effective and relevant partner in helping the Air Force shape its future. Very soon, I will outline my specific priorities and goals and metrics in greater detail. They will form the framework for focused initiatives regarding our people, processes, and technology systems.

Through it all, we will remain grounded in the core values that have served us so well: integrity, service, and excellence. These tenets are a reservoir of strength we can tap while charting our new course.

“The Air Force was born from a new technology that transformed the world’s concepts of warfare, and which resulted in sweeping organizational changes in the US Defense structure--most significantly in 1947. Our Air Force culture embraces constant change and transformation--airmen thrive on innovation and are proud that flexibility is a key arrow in our quiver.”

Dr. James Roche
SECAF, April 2002

Finally, know this. I have tremendous respect for your knowledge and experience. You are the ones who understand how things work on the ground; what works and what does not. In order to make this vision a reality, everyone in our community must work as a team. I will provide the vision, leadership, available resources, and topcover. You must provide your best, unvarnished advice on how to best accomplish parts of the vision. Then, when we decide on a course, you must follow through. Together we will develop a realistic plan, execute it, and then celebrate!

The Air Force, born of change, is relatively young. When we empower our people, they embrace change and exceed expectations. The overwhelming success of the Air Force is a testament to the dedication and talent of its people, including the financial management community. For more than 50 years, our financial managers have supported a growing, evolving Air Force and earned a reputation for professionalism, dedication, and experience. Now, another critical transformation is underway, with intense focus on agile, rapid response, analytical rigor, and strategic decision-making. The financial management community will be a full partner. Let’s get started.



MICHAEL MONTELONGO
Assistant Secretary of the Air Force
(Financial Management & Comptroller)

“Strategic partners recognized as the ultimate source for financial and management information; a world-class team providing high quality, customer-focused decision support and financial services”