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GFEBs ARTICLE

GFEBs: A New Era for Army Business Management

By Cherie Smith

In response to a Congressional mandate and in concert with the Department of Defense's (DoD's) Business Management Modernization Program (BMMP), the Army is moving rapidly to transform its business and financial management functions.

The General Fund Enterprise Business System – or GFEBs – is a Web-based system that will allow the Army to share financial and accounting data across the Service. By this time next year, the system, outfitted with commercial-off-the-shelf SAP software, will have completed its initial technology demonstration and be up and running on at least one Army base in South Carolina. Full Army-wide deployment is scheduled to be phased in incrementally by 2009.

With more than 79,000 end-users at nearly 200 Army financial centers around the world, GFEBs ultimately will be one of the world's largest enterprise financial systems. And as GFEBs – part of the U.S. Army's Program Executive Office Enterprise Information Systems (PEO EIS) portfolio – replaces scores of largely incompatible legacy accounting and financial management systems it will eventually manage \$100 billion in spending by the active Army, the Army National Guard and the Army Reserves.

More importantly, the system will also feed vital, up-to-the-minute information to senior civilian and Army leadership. GFEBs will put in place and maintain financial management systems that will not only give Congressional overseers the level of financial accountability they need from the Department, but also provide top-tier Army and DoD leadership with timely, accurate data that will enable them to make sound business decisions in support of America's Warfighters.

Significantly, GFEBS will meet a host of other requirements set forth by Capitol Hill and the Department by:

- Following standards set in the Chief Financial Officers Act of 1990 and in the Federal Financial Management Improvement Act of 1996
- Conforming to the federal financial-management systems requirements identified by the Joint Financial Management Improvement Program (JFMIP)
- Measuring up to all applicable accounting standards, including requirements of the U.S. Government Standard General Ledger (USGSGL) at the transaction level as set by Office of Management and Budget (OMB) Circular A-127; and
- Conforming to the Department's Business Enterprise Architecture to be in synch with the processes and systems of all DoD business domains.

The Army is wasting little time as it prepares for this dramatic break with past ways of doing business. The Assistant Secretary of the Army (Financial Management and Comptroller) (ASA (FM&C)), the Honorable Valerie Lynn Baldwin, put the ambitious GFEBS schedule in perspective during November 2004 Congressional testimony, when she compared financial management reforms undertaken by the Army and by the Oracle Corporation:

“Oracle has nearly 40,000 employees in 140 countries, a narrow business focus and revenues of just \$10.1 billion in 2004. They began their integration effort in 1999. Today, five years later, Oracle is in the final stages of its transition.

“In contrast, the Army employs nearly 1.3 million active, Guard, Reserve and civilian personnel, who are stationed in 120 countries. Our fiscal year 2004 revenue stream was nearly \$224 billion. Unlike Oracle, the Army has multiple businesses, which include buying and selling parts and developing and procuring weapon systems. On our fiscal year 2004 balance sheet, we reported \$246.7 billion total assets and \$64.3 billion in total liabilities. To say that implementing GFEBS by 2009 is aggressive is an understatement of the highest magnitude.”

Launching Financial Management Transformation

The Government Accountability Office (GAO), which has been on the financial accountability bandwagon for more than a decade, had frequently singled out DoD's financial management processes for criticism. Specific to the Army, GAO has asserted that the Service has "pervasive weaknesses in internal control, processes, and fundamentally flawed business systems."¹ It's no surprise then that Congress mandated DoD have the capability of preparing reliable financial statements by fiscal 2009.

Subsequently, the Office of Secretary of Defense (OSD) directed the Services – which had, over a span of 30 years, independently created their own stovepiped systems – to get their financial houses under control.

In short order, the broad outlines of a state-of-the-art system that would meet both immediate requirements and the ever-shifting demands of the 21st Century – GFEBS – began to emerge. To govern the Army's developmental effort, the service created a high-level steering committee. The Principal Deputy ASA (FM&C) is the committee's executive sponsor and chair, and the Deputy Assistant Secretary of the Army (Financial Operations) is executive secretary.

Once GFEBS reached the contracting stage a few months later, four experienced enterprise resource planning (ERP) software integrators entered the competition. On June 27, Reston, Va.-based Accenture was awarded a \$437 million, 10-year contract to create the system. Accenture, which conducted a very effective demonstration during the evaluation process, has manifested its commitment to the success of GFEBS with a strong quality assurance surveillance plan.

The initial fielding of GFEBS will be to the Army's Installation Management Agency at Ft. Jackson, located in South Carolina and home to the Army's Finance School. There, GFEBS will first focus on a Real Property inventory. Why Real Property? Over time, as Army Commands separately established methods and automated systems to track their inventories, the Army – as a Service – did not have a system in place to merge the Commands' inventories into an accurate database capable of multiple query sources and angles. GFEBS tackles this issue head-on and will eliminate confusion about the Army's Real Property inventory and its value.

After GFEBS demonstrates successful Real Property accountability at Ft. Jackson, we will expand operations to other financial processes at the Post. This important step will allow GFEBS to feed the Army's Standard Financial System, which supports day-to-day operations of Army and National Guard installations worldwide as well as the Defense Commissary Agency. Once GFEBS has proven its mettle at Ft. Jackson, we will begin deployment Army-wide.

Before Deployment, Careful Preparations

Given the urgency of our mission, extensive pre-deployment preparations are now underway. At the Defense Finance and Accounting Service (DFAS) – Indianapolis, subject matter experts (SMEs) – specialists drawn from a number of Army Commands – are mastering the ins and outs of SAP and attending process-design workshops. To make their know-how an integral part of the system, the SMEs will be involved in planning, designing, analyzing and testing business processes connected with the Ft. Jackson demonstration.

From the start, GFEBS leaders have also been consulting with other Services about their financial transformation experiences. The Navy, which has conducted demonstrations of its new financial management system, has been especially helpful, sharing valuable lessons learned with us. These consultations have helped us set the course for GFEBS: from acquisition strategy to requirements planning and testing controls.

Separately, in Northern Virginia, project staff members have conducted extensive “lessons learned” research, exploring the reasons why, on other DoD projects, ERP systems – which have the capabilities to integrate entire organizations – have succeeded or failed.

But, we're also facing some serious challenges, including users' natural resistance to change and a time crunch that's formidable to say the least.

To help win over doubters and skeptics, GFEBS will put into play a comprehensive change-management communications plan designed to, among other things, give users an early and honest heads-up on the capabilities – and limitations – of the new system. An extensive training program is also in the works.

I'm absolutely confident that that our aggressive development and testing schedule will address satisfactorily concerns about the Army meeting its deadline. I intend to deploy GFEBS with the same forthright, honest and inclusive strategy with which we've undertaken development and testing. It's the only way GFEBS will win user confidence and meet the Army's goals of sound financial management. In addition to creating reliable financial statements, when integrated with non-financial business systems, GFEBS will provide the Army's (and DoD's) senior leaders and decision-makers with accurate, up-to-date information upon which they can base sound business and strategic decisions.

I encourage you to watch closely as GFEBS makes history and emerges as one of the world's largest and most successful enterprise financial systems. We're open to receiving – and I'm encouraging – your comments and suggestions. Please send us an e-mail at gfebsoutreach@corpcomm-inc.com.

About the Author:

Ms. Cherie Smith is the Army's Project Officer for the General Fund Enterprise Business System (GFEBS), under the U.S. Army's Program Executive Office Enterprise Information Systems. Smith has 25 years of government experience in all levels of information technology management and development. A member of the U.S. Army Reserve (USAR) from 1977 – 1979, she served on active duty from 1979 – 1984.

End notes:

¹ GAO-04-910R DOD Fiscal Year 2007 Audit Opinion