



GFEBs Brings Cost Management Capabilities to the Army

THE FOLLOWING REPRESENTS A HYPOTHETICAL BUT POSSIBLE INQUIRY BY A SENATOR TO AN ARMY WITNESS.

Senator: "General, how do you determine the cost for your new brigade?"

This question from a Senator to an Army General sounds relatively simple, but it is actually very complex and difficult for the Army to answer today. This highlights one of the many reasons why the new cost management capability in the General Fund Enterprise Business System (GFEBs) is very important to the

Army and can answer questions about how the estimates were calculated. First, I want to talk about one-time fielding costs and then annual recurring costs to operate and sustain the new brigade. I also want to compare the operation and sustainment costs of the new brigade with the current brigade that it replaces."

The GFEBs solution provides a strong cost management capability to the Army. Cost management is a relatively new term to most of the Army - it is the practice of considering the total costs, across all appropriations, for an action or decision.

PRESENT

Measurement

- Business areas supported by standalone software
- Crude links with financial systems
- No cost management structure; cost roll-ups difficult
- Time and attendance without work indications

Management

- Budget management culture focused on spending and reporting
- Skills and staff imbalance in favor of budget over cost

FUTURE with GFEBs

Measurement

- Cost management functionality in GFEBs directly linked with financial data
- Common cost management structure enables cost roll-ups
- Tracks labor by work performed and output

Management

- Cost management culture focused on analysis for decision making
- Skills and staff balance between budget and cost

Army. GFEBs will allow the Army to answer to this complex question.

General: "Yes Senator, I am pleased to tell you that we have made great strides with cost management. With our new financial system, we have accurate esti-

mates and can answer questions about how the estimates were calculated. First, I want to talk about one-time fielding costs and then annual recurring costs to operate and sustain the new brigade. I also want to compare the operation and sustainment costs of the new brigade with the current brigade that it replaces."

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Year-End Closing Relief in Sight

September is just around the corner – and so is year-end closing for Army commands, the Defense Finance and Accounting Service (DFAS), and other organizations. Year-end close is often a challenging process. GFEBs dramatically improves the process, as illustrated below:

AS THE END OF THE FISCAL YEAR APPROACHES, A SUPERVISORY ACCOUNTANT AT DFAS INDIANAPOLIS CALLS CHRIS, A STAFF ACCOUNTANT, INTO THE OFFICE TO DISCUSS CLOSING PROCEDURES.

Supervisor: The end of the fiscal year is coming soon, and we need to get started on the closing activities. In the old system, I know it took many hours and significant coordination to reconcile the account and calculate our asset depreciation. Since you are very familiar with our new system—GFEBs—help me understand how it will improve the process.

Chris: First, the entire year-end process will be more centralized with GFEBs, increasing our efficiency and making the process easier to manage. I can use the SAP Schedule Manager in GFEBs to automate the start of the year-end closing procedures. The Schedule Manager makes it easier to coordinate and follow up with other stakeholders on year-end processes. In addition, GFEBs allows us to run reports on reconciliation and depreciation.

Supervisor: That sounds great, but *Continued on page 2*

GFEBs Governance To Baseline Global Design

Multiple governance bodies guide GFEBs to ensure cross-organizational input to the enterprise-wide system development process. As part of the governance structure, Army leadership is closely involved in the GFEBs Global Design effort to guide the development of the GFEBs' blueprint. The primary governance bodies for GFEBs include the Functional Configuration Control Board (FCCB) and the Executive Steering Com-

mittee (ESC). The FCCB is comprised of Army representatives at the level of Colonel/GS-15 who meet on a monthly basis to review program issues as appropriate and provide recommended actions to the ESC. The ESC includes a select group of senior level (GO/SES) Resource Managers and functional process owners from across the Army and DFAS whose areas of responsibility will be impacted by the changes associated with the implemen-

tation of GFEBs. The FCCB convenes monthly and the ESC convenes quarterly to review GFEBs progress and to provide direction for program level decisions and issues.

GFEBs hosted three FCCB meetings in June, July and August, led by Ms. Krystal Ange, GFEBs Functional Program Director. An ESC meeting was held on 12 June led by Chairperson

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ON THE ROAD WITH GFEBs

Representatives from GFEBs will be attending several roadshows and conferences to provide overview briefings of the program and offer technology demonstrations:

**17-20
Sep**

Defense Finance Conference
Washington, DC

**8-10
Oct**

AUSA Annual Meeting
Washington, DC



QUESTIONS FROM THE FIELD

What are the user requirements for accessing GFEBs?

GFEBs is a web-based solution which can be accessed through an internet browser. Use of Internet Explorer 6.0 or a later version is recommended. To access GFEBs, all users must have a National Agency Check (NAC) or equivalent security clearance on file, a Common Access Card (CAC) to use a CAC-enabled workstation, and be a registered AKO/DKO user. End users will access GFEBs through the AKO/DKO portal.

GFEBs Outreach at AFCEA LandWarNet

On August 21- 23, GFEBs participated in the AFCEA LandWarNet Conference in Fort Lauderdale, Florida as part of the US Army Program Executive Office Enterprise Information Systems (PEO EIS) exhibit.



The booth's key location attracted a large number of visitors, and GFEBs representatives spoke with attendees from a variety of US Army commands and directorates around the world.

Several Army leaders visited the GFEBs booth, including Mr. Kevin Carroll, the Army's Program Executive Officer for PEO EIS. Mr. Carroll stated, "...GFEBs [is] a critical future business transformation effort that will change all aspects of the Army."

New Cost Management Capabilities in GFEBs

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curately and efficiently, and integrating essential non-financial data from other systems.

GFEBs also provides reporting capabilities for reviewing costs and 'drilling-down' into the details. For the first time, the Army will have a system that will accurately account for full costs and that will enable the Army to perform cost benchmarking and comparisons.

More Information:

For more about GFEBs and the latest news, visit the program's website at www.gfeps.army.mil.

Year-End Closing Relief

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won't we need to spend a significant amount of time making corrections in generic journal entries?

Chris: No, with GFEBs the automated processes will greatly reduce the number of corrections we need to make at the end of the year. GFEBs has reconciliation tools that were never available with our old systems. Now, I can regularly perform an automated review of both the General Ledger and fund balances and create reports using these tools.

Supervisor: Does GFEBs verify that budgeting accounts are equal to proprietary accounts, to ensure that our accounts are balanced?

Chris: That's correct, Sir. It will also produce a document trail for audits, because the report summary is linked to the line item details.

Supervisor: Excellent. With the reconciliation process so much easier, we can focus our time and attention on the asset depreciation process. Sounds like we have a lot of data to gather before the end of the month.

Chris: Sir, GFEBs also has new asset depreciation tools so I can run a monthly depreciation report for all of our assets across the Army.

Supervisor: Has the report already been run?

Chris: Yes, Sir. The report is automatically run every month, after the first of the month. I used the SAP Schedule Manager to verify the automated monthly depreciation was run this month. In the process I

found a cost center error, which means the expense did not post to the proper cost account in the system. I followed up with the Asset Manager to correct the error, and I can now complete the processing.

Supervisor: How are the planned values of the assets determined in the GFEBs asset depreciation reports?

Chris: It is determined by the depreciation method and the useful life of the asset.

Supervisor: This automation will make the year-end closing procedures much smoother. What else needs to be done?

Chris: I will monitor the other year-end closing activities in the Schedule Manager. In addition to the reconciliation tool and the automated asset depreciation process, GFEBs

also has automatic processing of expired and cancelled funds and automatic settlement of in-progress construction projects. Once all the year-end closing activities have been completed without errors, I will execute the pre-closing/closing account transaction and use a test run to ensure that no errors occur. Then, I will execute an "update run" of the closing to update the General Ledger balances. Finally, I will execute a trial balance to validate the General Ledger balances.

Supervisor: I can see that GFEBs will provide valuable reporting and management tools for our year-end closing processes and reduce the labor-intensive activities previously required. Thanks for giving me the status on the year-end closing activities, Chris. Good job!

Baseline Global Design

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LTG David F. Melcher. Each meeting was attended by over 40 Army organizations.

Topics highlighted in the recent FCCB and ESC meetings included:

- Funds Management Hard Stops for Reimbursable Orders
- Fit/Gap Analysis Results
- Real Property Consolidation Study Results
- Standardization of Debt Management
- Disbursements
- Depreciation Methods for Military

Equipment

- Conference Room Pilot/Prototyping
- Critical Design Review Pre-View



The successful completion of these recent GFEBs governance meetings is a critical step in GFEBs' advancement through the Global Design Phase and the progression toward a Critical Design Review (CDR). The FCCB and ESC, as governance bodies, ensure the global design is ready to be baselined at the CDR. As described by LTG David F. Melcher, "The GFEBs product will only be measured by what the ESC organizations put into it." Following the completion of the CDR in early Fall 2007, GFEBs will baseline the Release 1.2 global design and proceed into the Build Phase.

FEEDBACK: For questions, comments, or suggestions about articles, email us at gfeps.info@us.army.mil.