Military and Civilian Pay Services

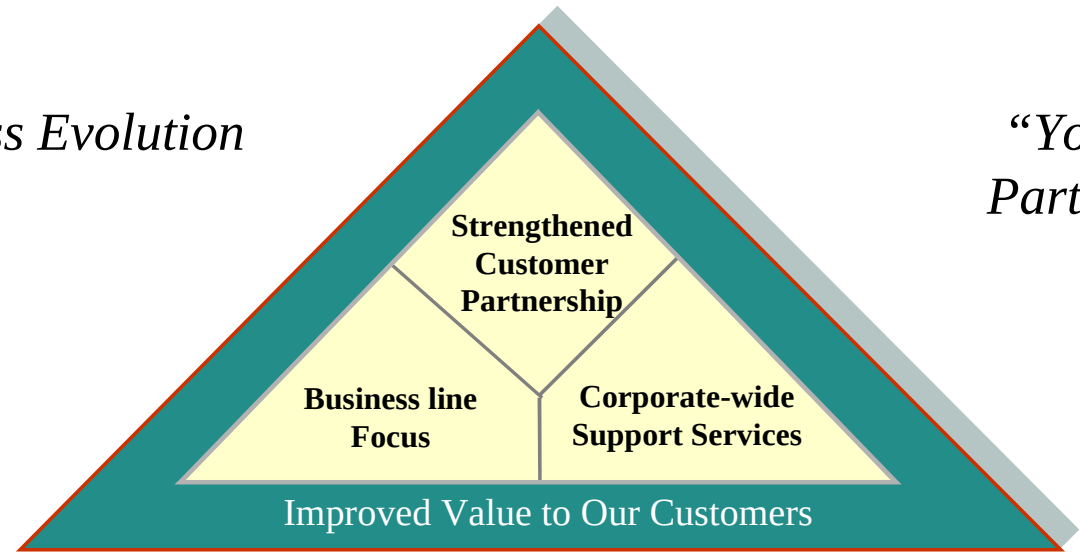
“In Us You Can Trust - - On Time Every Time”

NAVY MIL PAY CONFERENCE
April 11, 2001

DFAS
Business Evolution (DBE)

DFAS Business Evolution

"Your Financial Partner @ Work"



DFAS Business Evolution

Current Geographical Focus

- **"Improve Quality, Lower Cost"**
- **Geographical Organization (Centers/OPLOCs)**
- **Site Reductions**
- **Systems Reductions**

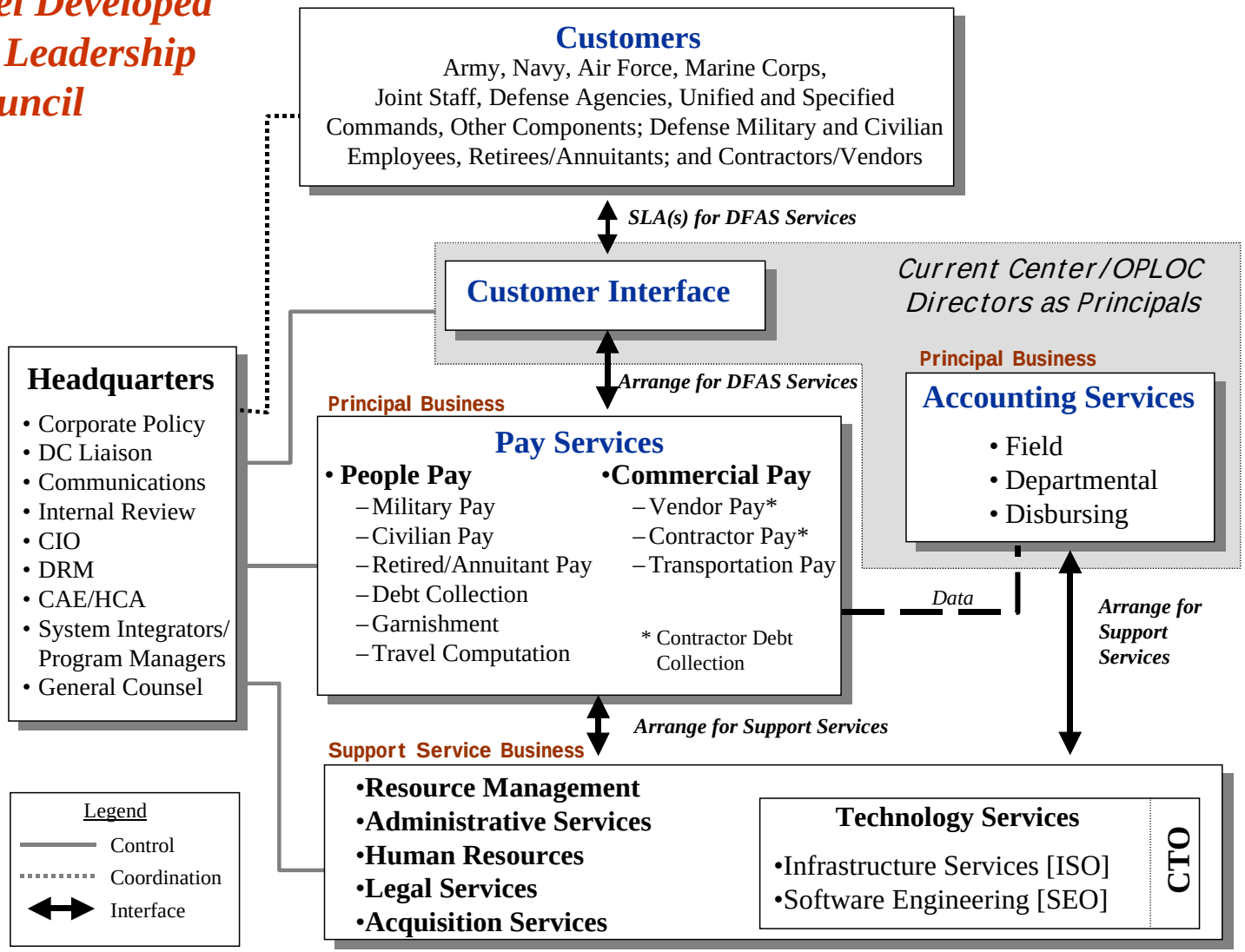
Future Business-line Focus

- **"Improved Value"**
- **Strengthened Customer Partnerships**
- **Business-line Organization**
- **Corporate-wide Support Services**

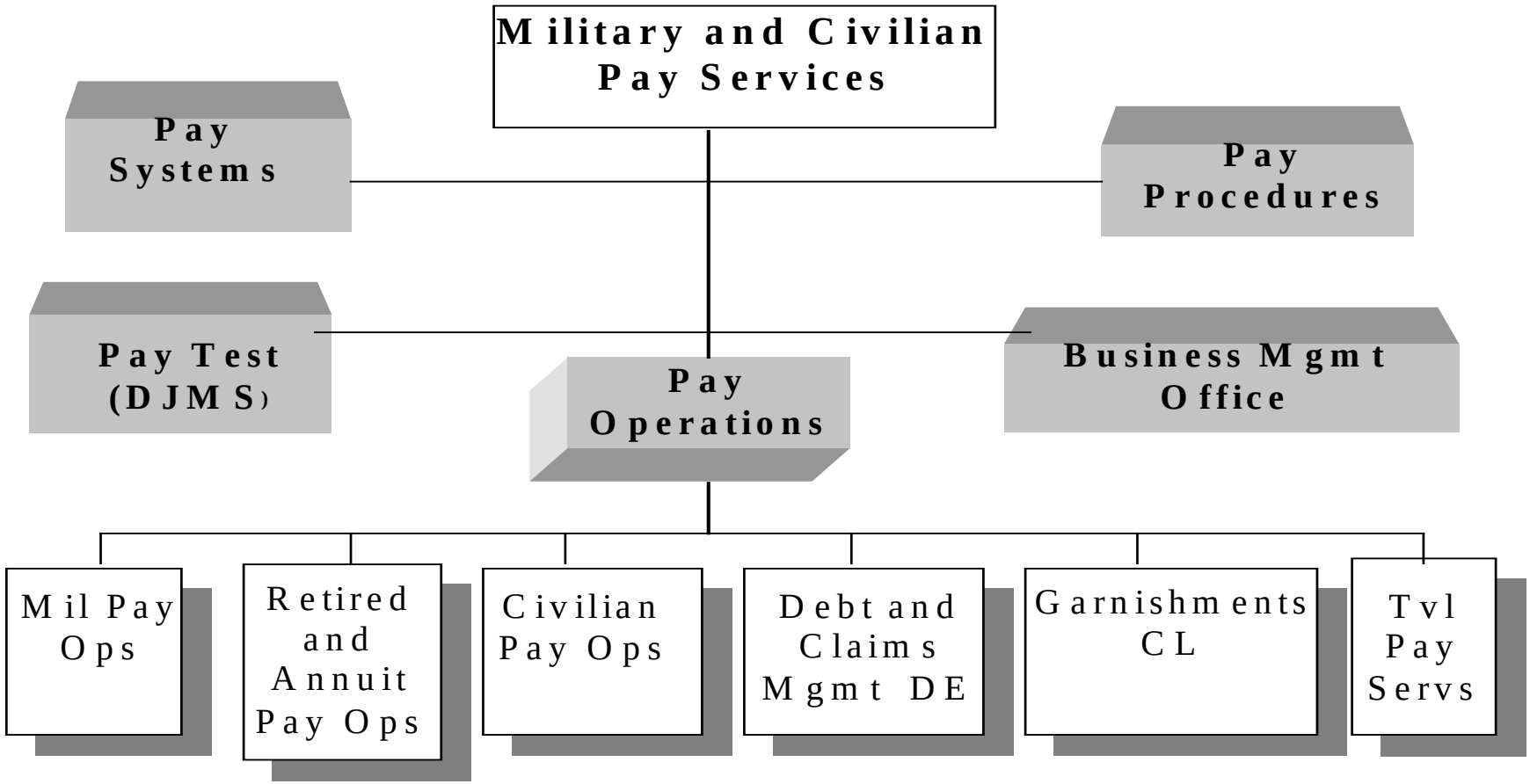
"Your Financial Partner @ Work"

DFAS Business Evolution Operational Concept

DBE Model Developed by DFAS Leadership Council



DFAS Business Evolution



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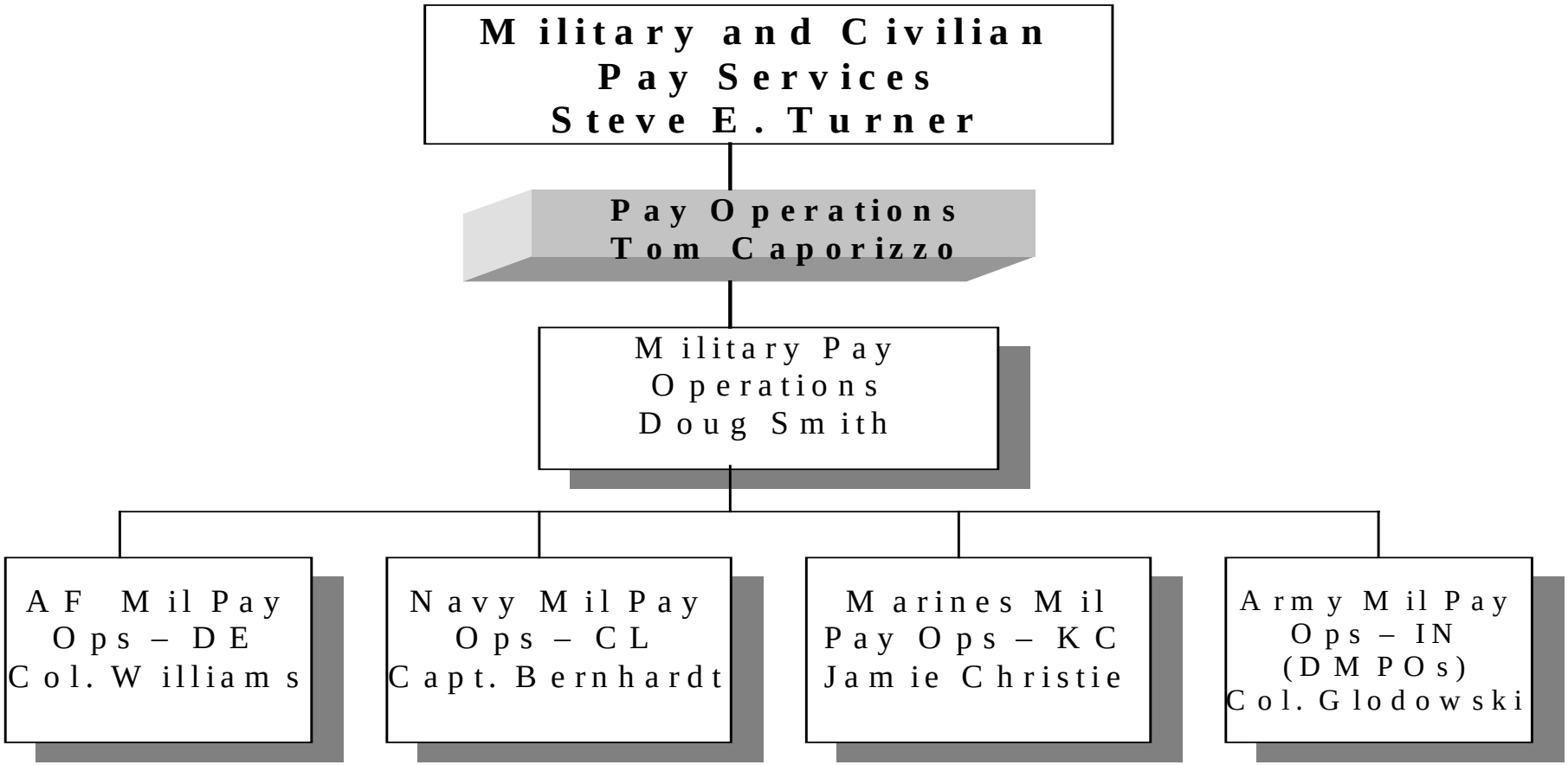

DFAS Business Evolution OPPORTUNITIES

- Transition current geographical-based structure to business-aligned structure
  - Strengthen customer partnerships
  - Align to enable future business process improvement
- Each support service is managed as a business
  - Represents a core competency needed across the board
  - Costs must be allocated across principal businesses
- Better Postures Agency to Compete:
  - Establish Clear Customer Advocacy and Relationship Management Responsibility
  - Clear Business Areas/Product Lines
  - Clear Accountability/Ownership for each Product Line and Support Service [Better use of Executive Talent]
  - Parallels Private Sector Best Practices
  - Promotes Professional DFAS Corporate Image
- Customer Perception [Focus, Interface, and Service Delivery Differences]

DFAS Business Evolution
Customer Interface Definitions

- **Client Executive (CE)** - is accountable for the client relationship within a single business line and across all business lines and product lines. Typically a client will receive services from several DFAS business lines. The CE for that client will address any issues the client raises that are not addressed within the delivery mechanism of the business line/product line. A CE is responsible for client satisfaction, new business initiatives, client loyalty, and for achieving the performance requirements specified within a service level agreement with the client. A single CE may have more than one client. Every DFAS client will have a CE.

- **Client Service Executive (CSE)** - is accountable to the client and the client's respective CE for delivery of the service to the client for a single business line/product line and for collaborating on client relationship expansion and service excellence. The CSE receives resources from a business line executive that are employed by the CSE to deliver the service to the client and customers.

- **Client Development Executive (CDE) -**is accountable for collaborating with CEs to win new business, identify and develop new business opportunities, growing business in existing clients and taking the lead in new client situations.

- **Business Line Executive (BLE) -** is responsible for the overall business line (Military and Civilian Pay, Commercial Pay, and Accounting Services).

- **Product Line Executive (PLE) -** is responsible for a product line (e.g., Military Pay, Civilian Pay, and Retired and Annuitant Pay) within a business line.

Military Pay Operations Current and Future Issues

- Refine Key Indicators and Performance Measures
- Identify Best Business Practices and Process Improvements
- Determine feasibility of standard organization
- Enhance Virtual Team Process
- Roll out Strategic Plan/Balanced Scorecard at Product Line Level
- DIMHRS Gap Analysis

The DFAS Strategic Plan
Vision

- Be a world class provider of finance and accounting services
- Be a trusted and innovative financial advisor for our customers
- Provide the best value for our customers
- Be an employer of choice

DFAS Strategic Themes

- Senior leadership analysis identified four strategic themes
  - Customer
  - Quality
  - Systems & Processes
  - People

DFAS Strategic Themes

- Customers
  - Be the trusted agent and best value for our customers
  - Provide innovative solutions in our delivery of products and services
- Quality
  - Focus our workforce into building quality into all our products and services

DFAS Strategic Themes

- Systems and Processes
  - Deliver the right business solutions on time and within budget
- People
  - Transition the Agency to a team-based, multi-skilled workforce

Implementing The Strategic Plan

- Use the vision and strategic themes as the core drivers of our strategic plan
- Use the Balanced Scorecard (BSC) as the tool for implementation
  - Framework to communicate the strategic plan throughout DFAS
  - Sets a structure to continuously evaluate our strategy
  - Establishes the capability to manage change

Balanced Scorecard Concepts

- Views strategy execution from 4 perspectives
  - Customer
  - Financial
  - Internal Business Process
  - Establishes the capability to manage change
- Establishes and documents strategic linkages
- Establishes means to manage cause and effect relationships
- Provides a means to measure progress

Balanced Scorecard

Vision

As our customers' innovative financial advisor, we shall be a world-class provider of finance and accounting services, providing the best value to our customers. We shall be an employer of choice.

Strategy

-- **Customers**

Be the trusted agent and best value for our customers in providing innovative solutions and in our delivery of products and services.

-- **Quality**

Focus our workforce on building quality into all our products and services.

-- **Systems & Processes**

Deliver the right business solutions on time and within budget.

-- **People**

Transition the Agency to a team-based, multi-skilled workforce

Customer Perspective

- Meet or exceed customer expectations
- Improve customer satisfaction
- Improve customer billing methodology

Financial Perspective

- Reduce cost to the customer
- Expand the use of competitive sourcing

Internal Perspective

- Encourage innovation
- Improve and leverage quality
- Deliver system solutions
- Eliminate rework

Growth and Learning Perspective

- Increase employee competence
- Increase employee satisfaction
- Enhance corporate capability and intellectual capital
- Develop a climate for action
- Expand the use of employee development assignments

Summary

- The DFAS Strategic Plan is built from our vision and strategic themes
- The Balanced Scorecard (BSC) will be used to implement our Strategic Plan throughout the Agency
- Rollout and execution of the strategy and BSC is everyone's job
- DFAS is changing to become a strategy focused organization

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