



# DEFENSE FINANCE AND ACCOUNTING SERVICE

# FY17 – 21 STRATEGIC PLAN



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## MESSAGE FROM THE DIRECTOR

*I am excited about our accomplishments to date in the FY17-21 DFAS Strategic Plan. We have successfully institutionalized strategy as part of our culture, including using metrics to drive decision-making and tracking savings as part of our budget process. The work we are doing every day continues to drive excellence in our finance and accounting services, and I am proud of our direction and focus in serving America's heroes.*

*The strategy and its outcomes align with the National Defense Strategy and the DoD priorities. They also support the Department's reform efforts by, among other things, enhancing our ability to provide the most accurate and timely financial information so our customers can make timely, informed decisions.*

*We have taken a methodical approach for this strategy, to include partnerships with our customers, assessment of our current and future state, and progression of strategic priorities and outcomes in support of our vision. We have achieved clarity around our FY17-21 Strategic Priorities: **People**, **Audit Steadiness**, **Business Environment Modernization**, and **Agency Operational Health**.*

*Through use of the right tools and monitored progress, we are able to achieve intentional, purposeful results. We continue to apply individual and organizational commitment and accountability as we execute the latter half of our multi-year strategy.*

*This strategic plan guides us toward breakthrough performance to increase value and achieve results. It emphasizes DFAS's commitment to take our business to the next level in support of the men and women who defend this Nation. By understanding our intended FY21 outcomes, we are capable of crafting quality Annual Business Plans that continue to move us smartly forward in achieving our mission.*

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**Teresa McKay**  
**Director**



## DFAS AT-A-GLANCE

Since our founding in 1991, the Defense Finance and Accounting Service (DFAS) has provided quality finance and accounting services for the Department of Defense (DoD) and its various components. Every day we contribute to the national defense through timely fulfillment of the important fiscal responsibilities entrusted to us. We ensure accurate, timely, and reliable financial transactions and information are delivered to decision makers in support of our customers. It is our privilege to provide high quality support to the warfighter today, but it is also our responsibility to play a collaborative leadership role to anticipate and be ready for tomorrow.

In FY18, DFAS made over \$558 billion in disbursements to pay recipients, processed 135.6 million pay transactions for 6.5 million customers, made 6.2 million travel payments, and paid 13.7 million commercial invoices. During the past year, we maintained 110.5 million General Ledger accounts, managed \$1.08 trillion in military retirement and health benefits, managed \$542 billion in foreign military sales, and accounted for 1,347 active DoD appropriations.

## FY17-21 DFAS STRATEGIC PLAN

This strategic plan incorporates our mission and vision, core values, and four strategic priorities. It will be through the foundation of our **People** that DFAS will achieve **Audit Steadiness**, **Business Environment Modernization (BEM)**, and **Agency Operational Health (AOH)** to improve customer service and be a competitive shared service provider. Our strategic priorities position us to play a collaborative leadership role in achieving important DoD priorities [see Figure 1].



Figure 1: Strategy Visual

## DFAS MISSION, VISION, AND VALUES

As one of the world's largest finance and accounting operations, DFAS supports military and civilian customers. Our **mission** emphasizes the importance of DFAS' role as a primary contributor in standardizing and improving finance and accounting activities across the DoD. Our strategy supports our efforts to meet and exceed customer expectations now and in the future.

*Lead our customers in finance and accounting by ensuring the delivery of efficient, exceptional quality pay and financial information.*

Our **vision** captures what we must be in the future to meet our customers' needs. Our customers continue to adapt to rapid changes in their mission requirements. At the same time, the Department is focused on business efficiency to be able to invest in the operational readiness of our military in a resource-constrained environment. To best serve our customers, we must partner to provide leadership in all aspects of financial management. We will help our customers make cost-effective decisions, implement technology solutions, and achieve audit steadiness.

*To be a recognized leader in financial management by consistently delivering first-class service and products.*

Our FY17-21 mission and vision acknowledges the non-DoD customers we serve today and reflects the Agency's desire to pursue additional federal shared service opportunities in the future, as we continue to provide first-class service and products to our DoD partners.

Our **values** represent who we are and what we do. They are our guiding principles, which help us accomplish our mission, pursue our vision, and drive the DFAS culture in support of the Department, the Services, and the warfighter.

### ***Integrity: Doing what is right***

We strive to maintain integrity in everything we do. This means providing dependable support to our customers and interacting with character and honesty. We emphasize doing what is right in all circumstances, whether seen or unseen.

### ***Service: Remain a trusted financial partner***

We are constantly aware of and dedicated to our role in serving our Nation and the warfighter. We must understand our customers and have an unflinching commitment to their needs.

### ***Innovation: Creating better ways to do business***

We cannot rely on current practices to provide the highest quality service and products in the future. We recognize we must encourage creative approaches and solutions as a part of our culture.

## FY17-21 STRATEGIC PRIORITIES AND OUTCOMES

To move toward the vision, DFAS identified four priorities as the strategic focus based on leadership assessments, customer inputs, Comptroller priorities, and mandates from the President and Secretary of Defense. The priorities and corresponding outcomes define the FY21 future state and intended strategic results. **By defining what success looks like**, they provide areas to be improved or gaps to be filled and serve as the foundation for the development, alignment, and execution of annual business plans and Agency priorities. To provide visibility and sponsorship, senior executives across DFAS act as priority champions and priority outcome leaders.



From FY17-FY18, 1,274 employees were trained in Audit Command Language (ACL) to fill targeted skillset gaps; 112 of 125 ACL projects are completed with estimated cost savings of \$664K.

**People:** Employees are DFAS' most important asset and the foundation for achieving the other strategic priorities. In support of our people, we will work to find ways to help employees do their jobs smarter and more efficiently. We will work to keep up with changing technologies by providing access to improved tools and training while focusing on building a culture of collaboration. This will ensure we eliminate duplication of work and open communication channels across the organization.

**Description:** *Identified strategies for precise, timely alignment of talent pools with mission requirements*

**Outcomes:** By FY21, DFAS will have . . .

- A. *Demonstrated skillsets and competencies in targeted mission areas to deliver and adopt business enhancing technologies*
- B. *Established a collaborative process where employees will, at the onset, develop, share, and replicate best practices, reaching across organizational boundaries to implement enterprise-wide solutions*



From FY17-FY18, unsupported Journal Vouchers reduced by \$11 Trillion or 71.5% of the overall dollar value and 30.5% in volume.

**Audit Steadiness:** In support of the DoD's FY18 mandate to produce auditable financial statements, we will develop auditable, repeatable, sustainable business processes that assist our customers in achieving clean audit opinions. We will focus on tools and management reporting as well as internal controls for both processes and systems to ensure better oversight and improve data integrity.

**Description:** *Adopted audit strategies, accounting principles, and internal control toolsets into our daily business practices to achieve and sustain DoD audit goals*

**Outcomes:** By FY21, DFAS will have . . .

- A. *Improved tools and management reporting that enhances risk management activities*
- B. *Adopted effective internal controls to proactively detect and address significant risk in our business processes*
- C. *Adopted effective Information Technology (IT) controls to proactively detect and address significant risk in a simplified systems environment*
- D. *Effective enterprise transition from supporting audits to sustaining audits*





As of FY19,  
DFAS is meeting  
and/or exceeding  
systems retirement  
objectives and  
cost targets.

**Business Environment Modernization:** DFAS is focused on streamlining and standardizing systems and processes to modernize, drive cost savings, and continue to provide benchmark service levels to our customers. This focus will ensure valuable resources are dedicated to supporting a ready and capable force.

**Description:** *Modernized processes and technologies that achieve benchmark service levels and cost efficiencies*

**Outcomes:** By FY21, DFAS will have . . .

- A. Reduced DFAS system inventory to optimize the operating environment and achieve cost savings*
- B. Improved service delivery to achieve benchmark standards*
- C. Enterprise-wide standards for processing financial information for financial reporting*



From FY17-19,  
DFAS enhanced customer  
partnerships while  
implementing solutions  
that addressed key  
financial management  
challenges and reduced  
billing rates.

**Agency Operational Health:** By enhancing oversight and monitoring key cost, schedule, and performance metrics, DFAS will continuously improve productivity and customer service to remain a competitive shared service provider. Through customer collaboration, we will actively work to identify and resolve pain points to drive efficiencies and effectiveness, and support delivery of best value services for our customers.

**Description:** *Improved productivity and customer service to make DFAS a competitive shared service provider*

**Outcomes:** By FY21, DFAS will have . . .

- A. Developed targeted customer strategies to drive efficiencies*
- B. Achieved cost, schedule, and performance targets that support delivery of best value services*

## **ANNUAL BUSINESS PLANS**

The strategic priorities are supported by specific interim goals reflected in our Annual Business Plans (ABP). The ABPs define the roadmap to achievement of the priority outcomes by outlining goals and key milestones along the way, ensuring a clear path to success over time. The yearly goals help focus the Agency's efforts so DFAS has clear and actionable Agency-wide expectations.

To achieve the goals, a portfolio of initiatives (or project work) is developed, executed, and monitored by senior executives and reported to the DFAS Strategic Council, the oversight body for strategy execution. Each year, DFAS conducts a strategy refresh to review Agency direction and strategic priorities, validate ABP goals, and ensure initiatives are properly aligned and resourced in support of goal achievement.

## **SUPPORTING DoD PRIORITIES**

The DFAS Strategic Plan directly aligns with the DoD's strategic goals as described in the Department's Strategic Management Plan as well as the National Defense Strategy. The DFAS FY17-21 Strategic Plan incorporates significant insights from stakeholders and customers, which enables us to continue to address the Department and customer needs and ensures DFAS remains a competitive shared service provider. This plan allows us to stay consistent in our support to the DoD and other stakeholders as they adapt to rapidly changing resource and personnel requirements. As the DoD continues to ensure our Nation retains ready and relevant military capabilities, DFAS remains committed to providing first-class business operations with a focus on service excellence and customer support. Further, it embodies our commitment to customer collaboration, continuous improvement, and operational excellence in all that we do as a Defense service support agency.



Figure 2: DoD Strategic Plan Goals  
<https://cmo.defense.gov/Publications/DoD-ASP/>

Each of the four DFAS priorities align with the DoD goals outlined above [see Figure 2]. The **People** priority supports *Goal 3: Strengthen and Enhance the Health and Effectiveness of the Total Workforce*. DFAS is focused on ensuring its number one asset, people, have the right skills to be prepared for future mission support. **Audit Steadiness**, **Business Environment Modernization**, and **Agency Operational Health** align with *DoD Goal 4: Achieve Dominant Capabilities Through Innovation, Technical Excellence*. DFAS supports DoD goals through specific targeted improvements, ensuring business systems and processes streamline operations and reduce cost. This results in continuously enhanced DFAS services and products.