



*Working Draft*

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# **CFO Strategic Plan**

*June 14, 2000*



Strategic Planning Approach

CFO Business Scope

Challenges & Opportunities

Strategic Intent

Program Management Approach

Key Initiatives

Action Plans

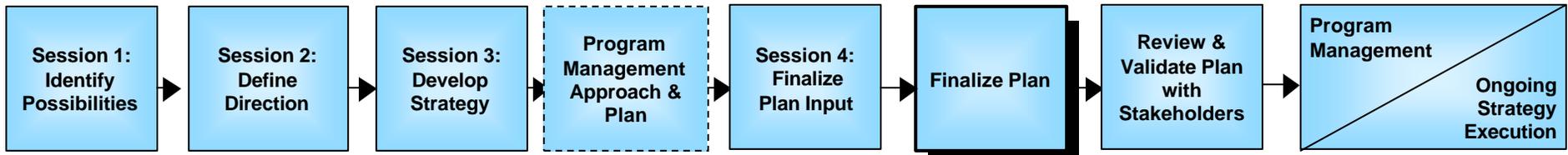
1. Develop Skills & Capabilities
2. Establish & Execute SFA Planning & Budgeting Process
3. Facilitate SFA Business Process & Activity Based Costing Analysis
4. Obtain Unqualified Audit Opinion
5. Implement FMS
6. Develop Future Vision & Operating Principles

Requirements

Sequencing & Timeline



## The CFO plan was developed through a systematic process which involved the entire CFO leadership team



### Roles:

AC: Lead  
SFA: Input

AC: Facilitation  
SFA: Input

AC: Facilitation  
SFA: Decision-making

AC: Support  
SFA: Lead

AC: Support  
SFA: Lead

AC: Support  
SFA: Lead  
(Jim, Linda, Paul)

AC: Support  
SFA: Lead

AC: Support  
SFA: Lead

### Objectives:

- Identify capabilities found in successful customer-driven/PBOs
- Identify the requirements of the gaps on the CFO processes, organization, & stakeholders
- Develop strategy to achieve initiatives
- Develop overall program management approach
- Prioritize initiatives
- Finalize plan
  - Confirm and prioritize activities/milestones
  - Assign accountability
  - Identify resource requirements
- Confirm plan with CFO and with key SFA stakeholders
- Implement program management approach
- Determine SFA capability priorities & gaps
- Identify the key initiatives necessary to address high priority gaps
- Identify success measures, key milestones, & responsibilities
- Agree on operating principles
- Ongoing evolution & execution of strategy & plan



**The CFO strategy will require an increased focus on customer processes and products / services**

Customers
<p><u>Ultimate</u></p> <ul style="list-style-type: none"> <li>• Students</li> </ul> <p><u>Internal</u></p> <ul style="list-style-type: none"> <li>• SFA Channels (i.e., Students, Schools, and Financial Partners)</li> <li>• SFA Enterprise Areas (i.e., COO, CIO, CFO, SFA U, Contracting and Acquisitions, Communications, Analysis, etc.)</li> </ul> <p><u>External</u></p> <ul style="list-style-type: none"> <li>• Department of Education</li> <li>• Office of Management and Budget</li> <li>• Other External Departments / Agencies</li> <li>• Partners (i.e., Contractors, Financial Institutions, Schools)</li> <li>• Congress</li> <li>• Budget Services (i.e., Ed CFO)</li> </ul>

Products / Services
<p><u>Core Products / Services</u></p> <ul style="list-style-type: none"> <li>• Financial Accounting Policies and Standards</li> <li>• Financial Reports - Monthly, Quarterly, Annual</li> <li>• Management Reports</li> <li>• Financial Statements</li> <li>• Annual Budget</li> <li>• Activity-Based-Costing Data / Information</li> <li>• Advisory Support</li> <li>• Loan Portfolio Management Services</li> <li>• Core Accounting Services</li> <li>• Audit Responses &amp; Corrective Actions</li> <li>• Internal Controls Coordination &amp; Management</li> <li>• Financial Management System Management</li> <li>• Infrastructure Support (i.e., inventory, travel, space)</li> <li>• Customer Service Hotline</li> </ul> <p><u>Support / Indirect</u></p> <ul style="list-style-type: none"> <li>• Annual Performance Plan</li> <li>• Five Year Performance Plan</li> <li>• Modernization Blueprint</li> </ul>

Processes
<p><u>Business Planning</u></p> <ul style="list-style-type: none"> <li>• Integrated Planning and Budgeting Process</li> <li>• Forecasting</li> <li>• Trend Analysis</li> </ul> <p><u>Policies and Standards</u></p> <ul style="list-style-type: none"> <li>• Maintain / Monitor Financial Management Accounting Policies and Standards</li> </ul> <p><u>Information Summarization, Integration and Delivery</u></p> <ul style="list-style-type: none"> <li>• Update Financial Accounting Records</li> <li>• Prepare and Deliver Financial Information</li> </ul> <p><u>FMS Infrastructure, Rules and Hierarchy</u></p> <ul style="list-style-type: none"> <li>• Manage Core Common Information Structure</li> <li>• Monitor Security, Controls and Adherence</li> </ul> <p><u>Financial Accounting</u></p> <ul style="list-style-type: none"> <li>• Transaction Processing</li> <li>• Core Accounting Processing</li> <li>• Reconciliations</li> <li>• Analyze Business Unit Financial Information</li> <li>• Analyze Cash Flow and Liquidity</li> </ul> <p><u>Financial and Performance Management Support</u></p> <ul style="list-style-type: none"> <li>• Open and Close Accounting Periods</li> <li>• Manage Business Process Framework</li> <li>• Activity Based Costing/Management</li> <li>• Consolidate and Eliminate</li> <li>• Quality Assurance</li> <li>• Compliance Management</li> <li>• Infrastructure Support Processes</li> <li>• Audit Management</li> <li>• Revenue Assurance</li> </ul>



**The key challenges and opportunities that must be addressed in the CFO strategy are as follows**

- CFO will need to define and develop new business capabilities, many of which are outside the present comfort zone and level of responsibility
  - CFO will need to continually “feel-out” its level of autonomy
  - Service delivery capability will need to be expanded beyond basic financial management support (e.g., closing the books, budget support)
  
- The role and responsibility of each Channel within SFA in developing business capabilities is unclear, creating an distinct opportunity for CFO to take on a key leadership and strategic role
  - Collaboration, negotiation and “business partner” behaviors will be critical success factors
  - CFO will need to better leverage its broad knowledge of SFA and the permeating nature of financial management activities into a more strategic role
  
- CFO’s position as a “start-up” organization will require significant investment in personnel development and systems infrastructure
  - Additional training and skill and knowledge development opportunities will need to be provided to successfully support the expanded role and service delivery capability of CFO
  - Business processes will need to be engineered around the customer
  - Robust technologies will be required to enable the expanded service delivery scope and business capabilities



## Key strengths will need to be expanded and existing capabilities leveraged to support the CFO strategy

### Evidence

- CFO visioning sessions; focus on best practices; contractor support
- Requests from community for staff to participate at seminars, in meetings, etc.
- # of staff with professional certifications, i.e., CPA, CGFM, etc.
- Participation in visioning sessions and Integrated Product Teams
- CFO current budget covers initial phases of all visioning projects

### Key Strengths

- Leadership team committed to transforming CFO into the best CFO organization in the DC area
- Knowledge of SFA business functions and operations
- CFO resources skilled in foundation financial management activities
- Staff is dedicated, innovative, willing to change, and committed to change
- Sufficiently funded

### Supporting Capabilities

- Developing CFO strategy; web site; Modernization Blueprint
- Professional and timely coordination among SFA Channels
- Individual Development Plans mandated for all CFO staff; establishment of MOU with PTO University and future creation of SFA University degree programs
- PBO Frontline training
- CFO funding availability



## Challenges must be addressed appropriately and with vigor

### Evidence

- Some projects reassigned to other areas due to lack of available or appropriate technical support
- IPTs created to coordinate among various Channels and Enterprises
- Assumption of administrative functions, new financial management system, etc.
- Absence of operating procedures
- Implementation of EAI standards and impact on FMS, etc.
- Lack of understanding of CFO's roles and responsibilities
- Focus has been limited to financial transaction impact
- Inability to complete various assignments
- Limited resources trying to focus on both
- FY1998 and FY 1999 audit opinions and future assumption of various responsibilities

### Key Challenges

- Capabilities identified are significantly beyond the scope of CFO today
- Many of the capabilities identified involve collaboration and urgency within SFA Channels and Enterprise Units
- Develop new skills and knowledge
- Creating new/revised CFO processes
- Implementation and integration of new technology infrastructure and tools
- Position CFO as a strategic partner and worthy of trust with SFA leadership
- Limited knowledge of SFA business partners (i.e, Schools, 3rd Party Servicers & software vendors, and Financial Partners)
- Acquire new staff with appropriate skills
- Execute improvement initiatives while maintaining current operations
- Interfacing outside of SFA with Department of Education CFO/OUS

### Root Causes

- Establishment of PBO and realignment of responsibilities
- Operational knowledge transferred to the SFA Channels
- New responsibilities under CFO umbrella, i.e., budget, administration, etc.
- Development of Modernization Blueprint and enterprise architecture infrastructure
- CFO's revised/expended responsibilities
- Operational knowledge transferred to the SFA Channels
- New CFO responsibilities require additional skill sets
- Limited resources for current operations and new initiatives
- SFA/CFO will be assuming major responsibilities currently performed by ED-CFO



**Intent:** *To create a financial management organization which leads, enables and supports SFA's goal of becoming a performance based organization*

**Strategy:**

**Develop Skills & Capabilities** - Continue to hire and train employees in both the CFO organization and channels to develop the financial and performance management skills and competencies to support operating as a performance based organization

**Establish & Execute SFA Planning & Budgeting Process** - Lead the development of an integrated forecasting, planning, and budgeting process which involves the right people, provides and communicates clear and consistent goals and strategies, allocates resources to SFA's business priorities, and inventories and evaluates SFA initiatives for their consistency with the CFO strategy, Modernization Blueprint and with one another

**Facilitate SFA Business Process & Activity Based Costing Analysis** - Promote & ensure the development of a comprehensive business process/activity cost view of SFA which will enable SFA to understand its end to end business processes, identify it's business drivers, establish business process measures, implement best practices, and establish accountability for business process and cost performance

**Obtain Improved Audit Opinion** -Eliminate all existing weaknesses and attain an improved audit opinion on an on-going basis. Utilize the financial management system and its tools to provide full SFA financial statements and MIS reporting capabilities and improve reconciliations

**Implement FMS** - Design and implement a best-in-business financial management and information system to improve the efficiency and effectiveness of SFA processes

**Develop Future CFO Vision & Operating Principles** - Develop a common view of the desired future state through an examination, prioritization and adoption of CFO best practice processes and operating principles found in customer driven organizations

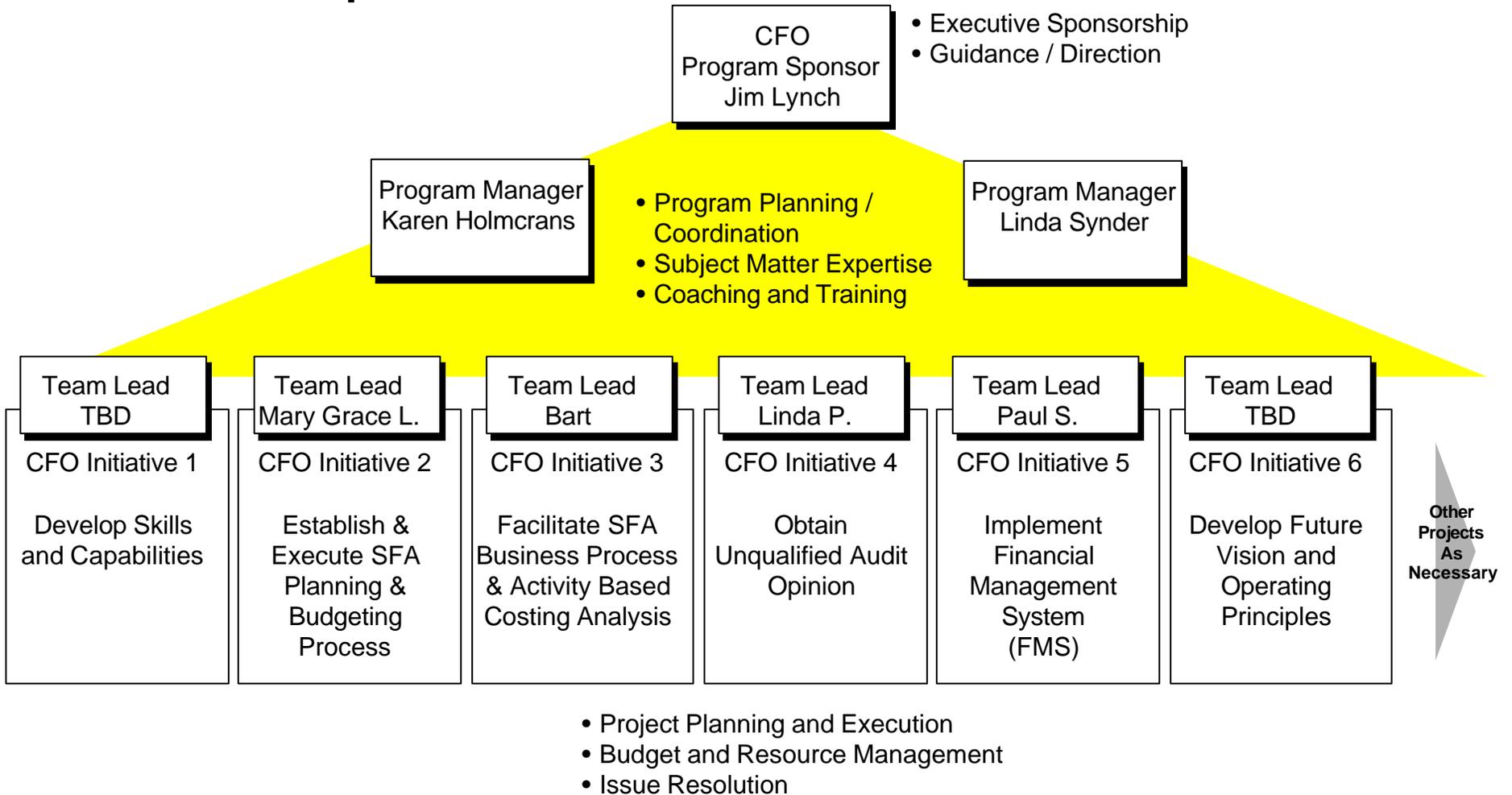
**Promote Accountability and Program Integrity** – Address identified system and process limitations by working with appropriate areas and conduct risk assessments f SFA operations

**Measure of Success:**

- All key positions filled with qualified and adequately trained personnel
- SFA goals and strategies clarified and communicated
- Current initiatives identified, rationalized and prioritized
- New SFA planning/budgeting process implemented and documents, including performance reports, address all major SFA initiatives
- High level cross-SFA business process map completed
- Unqualified Audit opinion obtained
- FMS implemented successfully incorporating all changes to legacy financial systems and/or connecting to legacy systems
- No less than 5 best practices reviewed and implemented with positive client feedback
- CFO strategy & plan completed and approved by Greg Woods
- New CFO operating principles in place



# A Program Management approach will support the management of initiatives as a portfolio....





Initiative	<b>Develop Skills &amp; Capabilities</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Obtain &amp; Develop CFO Skills</b>					
Assess and provide training and development opportunities to CFO employees to support expanded scope	Define skill requirements and competency needs for employees and provide training and / or development opportunities	Linda Snyder Dave Hammond Beth Abrogast (SFA U)	5/17 5/17 6/5	<ul style="list-style-type: none"> <li>• Quick Assessment of Training Needs</li> <li>• Available Training Solutions defined</li> <li>• Commence Training</li> </ul>	<ul style="list-style-type: none"> <li>• Competent Employee in each position, GPAS Agreements signed.</li> </ul>
Recruit & hire CFO staff to support CFO expanding role	Define skill requirements and competency development approach. Hire employees as required. Ensure diversity goals are met.	All CFO	3/27/00 4/20/00 4/28/00 6/30/00	<ul style="list-style-type: none"> <li>• PD's done</li> <li>• PMI Job Fair</li> <li>• Announcements done</li> <li>• New hires report to work</li> </ul>	<ul style="list-style-type: none"> <li>• Competent Employee in each position, GPAS Agreements signed, ED diversity visible in work force</li> </ul>
Orient & train new employees	Provide orientation to SFA/CFO and its role in PBO. Provide training in program operations, policies, regulations, & procedures.	Jackie King, Dave Hammond, Various CFO Managers, Channel Leaders	7/10/00 7/15/00 7/31/00 9/30/00	<ul style="list-style-type: none"> <li>• Welcome by CFO/Deputy CFO</li> <li>• Skills inventory complete</li> <li>• Complete Training Schedule &amp; IDP</li> <li>• Training monitoring system tool established</li> </ul>	<ul style="list-style-type: none"> <li>• New hires able to perform with minimal supervision. Training monitoring system tool in use by supervisors. IDP plan on file.</li> </ul>
<b>Support Channel Skill Development</b>					
Establish CFO liaison to Channels	Define and develop CFO organizational role and competencies to assist channels in planning and business process management	CFO Managers, Training Coordinator, Pell/ Campus Based People, contractor	01/17/01 03/15/01 12/31/01	<ul style="list-style-type: none"> <li>• OJT in each channel?</li> <li>• Familiarization with program, laws, regulations, policies</li> <li>• Written policies &amp; procedures, documented processes</li> </ul>	<ul style="list-style-type: none"> <li>• Organization chart; inter-channel electronic communication links established, procedures library online</li> </ul>



Initiative	<b>Develop Skills &amp; Capabilities [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Support Channel Skill Development</b>					
Assist channels in developing and obtaining required foundation competencies	Advise channels on required planning/budgeting/business process management skills and competencies. Also provide support with hiring employees with key skill sets.	CFO Managers & Supervisors	07/15/00 08/15/00	<ul style="list-style-type: none"> <li>Publish budget cycle/calendar &amp; procedures</li> <li>Provide training to channel managers on procedures</li> </ul>	<ul style="list-style-type: none"> <li>Timely, accurate, complete plans/budgets via intranet</li> </ul>
Assist inter-channel financial and performance measurement data access capability	Assist & provide guidance to channels in developing intranet financial/budget performance reports to facilitate management decision making.	CFO Managers & Supervisors CIO	6/30/00 7/15/00	<ul style="list-style-type: none"> <li>Arrange report development meetings</li> <li>Channels approve financial report formats</li> </ul>	<ul style="list-style-type: none"> <li>Channel managers can easily access period financial/budget performance data on line in standard format for their own channels</li> </ul>
Train SFA managers in use of performance tools and processes (for example ABC as decision-making tool)	Develop and deliver training/tutorial on key CFO functions, operations and processes in the channels. For example – provide training on the cost management methodology & steps that need to be followed and on how ABC investment will enhance their capabilities. Also include general financial management, PBO reporting requirements, etc.	CFO Channel Management (as sponsors)		<ul style="list-style-type: none"> <li>Define &amp; Develop training module on ABC</li> <li>Schedule &amp; deliver training to all SFA organizations</li> <li>Schedule &amp; deliver regular training sessions on ABC</li> </ul>	<ul style="list-style-type: none"> <li>Managers are trained in use of ABC and able to talk at conferences about role ABC plays in improving SFA products &amp; services to customers</li> </ul>



Initiative	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Help Clarify SFA Strategy &amp; Goals</b>					
Support SFA-Wide Effort to Identify all SFA initiatives	Review existing planning documents (e.g. Modernization Blueprint, 5-year/Annual Performance Plans, Management Council's Products & Services Plan, Budget, etc.) to inventory current SFA initiatives	COO Mod Partner	6/15/00	<ul style="list-style-type: none"> <li>List/summary of existing planning docs &amp; initiatives completed</li> </ul>	<ul style="list-style-type: none"> <li>Inventory of SFA initiatives documented</li> </ul>
Continued validation of vision, mission, goals & objectives	CFO works with Greg Woods to confirm understanding of his vision and then to publicly disseminate SFA goals, objectives, timeframes	COO Mod Partner Jim Lynch	6/15/00	<ul style="list-style-type: none"> <li>Senior Leadership discusses</li> <li>Vision, mission are crystallized</li> <li>COO to communicate to SFA employees</li> </ul>	<ul style="list-style-type: none"> <li>Discussion takes place</li> <li>Clear vision is articulated</li> </ul>
Create integrated goals and objectives document	Integrate SFA mission, goals, and objectives as enunciated in 5 Year Plan, Modernization Blueprint, Products and Services, etc. into a single, useful document for customers, stakeholders, and employees	CFO with Analysis and Channels			
Communicate vision, mission, goals & objectives to employees	Ensure that every employee is aware of what the new vision is, why it is needed, and how it affects them	Anne Teresa, Karen Freeman		<ul style="list-style-type: none"> <li>PBO on the Frontlines training is held</li> <li>Disseminate information to SFA staff describing vision, why it is needed, and how it affects them</li> <li>Encourage SFA staff to use intranet and SFA websites to keep aware of all developments</li> </ul>	<ul style="list-style-type: none"> <li>Employees attend required meetings</li> <li>Information is disseminated</li> </ul>
Provide for employee understanding, feedback, and clarification	Ensure that every employee has opportunity to clarify understanding of vision, mission, goals, and objectives, and the integrated plan for accomplishing these	Karen Freeman		<ul style="list-style-type: none"> <li>SFA managers hold staff meetings on regular basis (Senior Leadership promise in April)</li> <li>Include material on intranet site (under development)</li> <li>Feedback mechanism provided (employee comment box, comprehensive or random survey, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Staff meetings are held</li> <li>Intranet includes material</li> <li>Responses to questions and issues are prepared and sent to all SFA employees</li> <li>Employees provide input</li> </ul>



Initiative	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Validate and Communicate CFO Strategy &amp; Goals</b>					
Identify all CFO , ED CFO, Department of Treasury initiatives	Create comprehensive inventory of CFO, initiatives planned and currently underway. Review Wave 2 reconciliation reports/ gap analysis as input.	Jim Lynch with CFO Division Directors CFO Program Management	6/15/00  6/30/00	<ul style="list-style-type: none"> <li>Each division director reviews gap analysis, identifies and inventories initiatives in their area</li> <li>Comprehensive list/summary of all initiatives created, distributed, and reviewed</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive inventory of CFO, ED CFO, Dept. of Treasury, initiatives documented and reviewed</li> </ul>
Evaluate CFO initiatives for relevance to other initiatives	Evaluate CFO initiatives for consistency with other initiatives. Identify linkages, dependencies, overlaps, priorities, and resource requirements to ensure they are integrated with one another	Jim Lynch with CFO Division Directors CFO Program Management	7/15/00  7/30/00	<ul style="list-style-type: none"> <li>Summary of linkages, dependencies, priorities, overlaps, requirements documented</li> <li>Recommendations issued on integration points, overlaps, gaps, etc.</li> </ul>	<ul style="list-style-type: none"> <li>CFO initiatives integrated with current initiatives and planning documents</li> </ul>



Initiative	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
Communicate SFA and CFO vision, mission, goals & objectives to employees and the relationship to SFA/CFO work to all SFA/CFO employees	Ensure that every SFA/CFO employee is aware of what the new vision is, and how it relates to their job within CFO	Jim Lynch, SFA/CFO Div. Directors, CFO Communication Team		<ul style="list-style-type: none"> <li>• Jim holds all SFA/CFO meeting to articulate how SFA/CFO work supports vision, etc.</li> <li>• Division directors discuss how work of division fits into vision, etc.</li> <li>• Jim holds quarterly meetings with SFA/CFO staff</li> <li>• Jim holds CFO Div. Director meetings twice a week</li> <li>• CFO website is used to convey info about SFA/CFO goals, etc.</li> <li>• CFO Communications team provides updated info to SFA/CFO staff periodically</li> </ul>	<ul style="list-style-type: none"> <li>• SFA/CFO all hands meeting held and minutes of meeting distributed</li> <li>• Division director discussion takes place</li> <li>• Meetings are held</li> <li>• CFO website is kept current</li> <li>• Updates are provided</li> </ul>
<b>Establish SFA Planning &amp; Budgeting Process</b>					
Align all planning processes with goals	Senior Leadership & staff work with all parts of organization to ensure all types of high-level planning process (5-year/annual performance measures; Mod Blueprint; budget; products & services; IPTs, etc.) are aligned; create single, useful documents for customers, stakeholders and employees	Jim Lynch to coordinate with COO and Analysis office		<ul style="list-style-type: none"> <li>• Identify all planning docs and processes</li> <li>• Create comprehensive document</li> <li>• Disseminate comprehensive plan to Senior Leadership</li> <li>• Senior Leadership validates comprehensive plan</li> <li>• Proposed final plan is created and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>• All planned and ongoing activities support at least one goal</li> <li>• Comprehensive plan is disseminated</li> </ul>
Establish information exchange process	Establish process for regular exchange of information and progress between CFO and other SFA organizational units on initiatives				<ul style="list-style-type: none"> <li>• Information is handed off to SFA communications and disseminated as appropriate</li> </ul>



Initiative	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Establish SFA Planning &amp; Budgeting Process</b>					
Tie vision to execution	Ensure that all SFA/CFO division activities are mapped to the vision via comprehensive plan	SFA/CFO Division Directors, SFA/CFO staff		<ul style="list-style-type: none"> <li>• Division directors meet with their staff to discuss division functions and responsibilities and how each work product/process fits into comprehensive plan for carrying out vision, etc.</li> <li>• Draft alignment document produced</li> <li>• Staff reviews and comments on document</li> <li>• Final document produced</li> <li>• Tie individual performance agreements to division document</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions held at staff meetings</li> <li>• Document aligning division products &amp; services to comprehensive plan produced</li> <li>• Performance agreements linked to plan</li> </ul>
Support establishment of planning timeline	Support the development of a timeline for the sequence of activities and events required as part of the planning process	CFO		<ul style="list-style-type: none"> <li>• Annual updates and adjustments</li> </ul>	<ul style="list-style-type: none"> <li>• Timeline is distributed</li> </ul>
Define planning process	Establish templates, standards, policies, & procedures for the planning process and roll-out to business units	CFO, Analysis, and COO with concurrence of other SFA entities		<ul style="list-style-type: none"> <li>• Draft documents</li> <li>• Review &amp; acceptance phase</li> <li>• Planning process manual</li> </ul>	<ul style="list-style-type: none"> <li>• Process is defined and manuals are in place</li> </ul>
Review input from goal clarification process	Review findings from the efforts to clarify SFA's goals and strategies and design on-going process steps as required	COO, Analysis, and CFO			
Identify planning requirements	Identify and document planning requirements and measures of success	COO, Analysis and CFO			
Create integrated goals and objectives document	Integrate SFA mission, goals, and objectives as enunciated in 5 Year Plan, Modernization Blueprint, Products and Services, into single, useful document for customers, stake holders, and employees	COO, Analysis and CFO			<ul style="list-style-type: none"> <li>• Integrated document used to define plans and budgets for 2001-2002</li> </ul>



Initiative	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Establish SFA Planning and Budgeting Process</b>					
Improve channel knowledge on planning and budgeting	Provide training to channels on budgeting and teambuilding	CFO		<ul style="list-style-type: none"> <li>• Training sessions</li> <li>• Develop budget cycle calendar</li> </ul>	<ul style="list-style-type: none"> <li>• A realistic budget, approved and appropriated by Congress</li> </ul>
Create project management infrastructure	Create common methodology, support mechanisms, and tools for program and project management and planning, status monitoring and reporting, and communications across all CFO initiatives	CFO Senior Leadership	5/30/00 6/15/00 6/30/00	<ul style="list-style-type: none"> <li>• Project management tools and standards identified</li> <li>• Project team leads and members trained on tools &amp; standards</li> <li>• Tools &amp; standards rolled-out</li> </ul>	<ul style="list-style-type: none"> <li>• Project teams trained on tools &amp; standards</li> <li>• Tools &amp; standards rolled-out to all project teams</li> </ul>
<b>Execute SFA Planning &amp; Budgeting Process</b>					
Manage CFO Strategy initiatives as portfolio	Utilize project management infrastructure to implement CFO Strategy & create greater integration and holistic view of initiatives	CFO Senior Leadership		<ul style="list-style-type: none"> <li>• Project management tools are used (ie. Status reports completed, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Initiatives are executed smoothly</li> </ul>
Develop and distribute current environmental scan	Develop and communicate projections on relevant business factors such as the economy, tuition, student enrollment, etc.	CFO		<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Data development</li> <li>• Data analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Information disseminated</li> <li>• Predictions accurate over long term</li> </ul>
Provide Business Driver information	Coordinate the collection and dissemination of business driver information from/to channels	CFO, Channels, CIO, Enterprise areas		<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Data development</li> <li>• Data analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Document of business drivers to inform the planning process</li> </ul>



<b>Initiative</b>	<b>Establish &amp; Execute SFA Planning &amp; Budgeting Process [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Support the Execution of the SFA Planning &amp; Budgeting Process</b>					
Facilitate & coordinate planning process	Support the scheduling and facilitating of planning meetings with channels. Ensure that HR, CIO, CFO, Analysis, etc. are adequately involved in the planning process	CFO		<ul style="list-style-type: none"> <li>Sessions</li> </ul>	<ul style="list-style-type: none"> <li>Consensus budget integrated with overall SFA planning</li> </ul>
Support channels in business plan development and defining & prioritizing their needs	Assist channels in translation of SFA's business priorities to actions required by their organizations & in quantifying the impact of these actions on their operations, plans, & budgeting	CFO facilitates, other areas responsible for work		<ul style="list-style-type: none"> <li>Assemble prioritized action list</li> <li>Cost/benefit analysis</li> </ul>	<ul style="list-style-type: none"> <li>Final prioritized business plan and action list tied to budget</li> </ul>
Review Planning Process Results	Support the evaluation of the effectiveness of the planning process by comparing actual results/cost data with planning estimates	COO / Analysis with assistance from CFO and other areas		<ul style="list-style-type: none"> <li>Lessons learned sessions</li> <li>Analysis of results</li> </ul>	<ul style="list-style-type: none"> <li>Useful information for next planning session</li> </ul>
Publish integrated SFA Plan and Budget	Publish integrated (operational plan, annual budget, performance measures) SFA Plan for 2001-2002 against which all activities are ranked, funded, and reported.	COO Analysis			
Provide SFA Plan and Budget Support	Provide support by publishing and distributing SFA Plan and Budget as well as responding to inquires. Further – perform analysis to identify area needing attention.	CFO Analysis			
Publish integrated end-of-year report	Publish integrated end-of-year report to customers integrating annual performance report and financial statements.	COO Analysis			



Initiative	<b>Facilitate SFA Business Process &amp; Activity Based Costing Analysis</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Define and Develop Business Process &amp; Activity Based Costing Framework</b>					
Define Commitment and Approach to ABC	Develop and communicate strategic approach ABC and obtain support from COO, Channels and Enterprise Units.	CFO	6/00	<ul style="list-style-type: none"> <li>Strategic Approach for ABC documented</li> <li>Strategic Approach for ABC communicated</li> <li>Strategic Approach for ABC supported across SFA</li> </ul>	<ul style="list-style-type: none"> <li>ABC approach, impact, and benefits understood and supported by members of management team and next-level of SFA management</li> </ul>
Create common, SFA wide business process dictionary and process map	Create and document a set of common definitions and business rules relating to SFA's end to end business processes	CFO		<ul style="list-style-type: none"> <li>Identify &amp; define the roles &amp; responsibilities for each SFA organizational unit (inclusive of all business processes)</li> <li>Identify the interfaces between SFA organizational units</li> <li>Define the roles &amp; responsibilities for each of the interfaces</li> </ul>	<ul style="list-style-type: none"> <li>Documented and distributed business process dictionary for all SFA organizational units with roles &amp; responsibilities defined</li> </ul>
Learn about existing business process definition efforts and communicate across SFA	Determine what documentation currently exists and what efforts are underway to document business processes across the organization and communicate these results	CFO		<ul style="list-style-type: none"> <li>Contact Mod Partner liasion (H. Freely &amp; C. Seifert) to determine status of efforts</li> <li>Communicate existing status of efforts to all SFA</li> </ul>	<ul style="list-style-type: none"> <li>Comments from all SFA obtained and incorporated into completed document</li> </ul>
Review & refine current Activity Based Costing (ABC) data	Assess ABC data for ability to derive business process view	CFO facilitates; Channels support & develop	5/00 5/00	<ul style="list-style-type: none"> <li>1998 and 1999 business product cost finalized</li> <li>Contractor on board to facilitate organizational-wide review and refinement and preparation of overall business plan</li> </ul>	



Initiative	<b>Facilitate SFA Business Process &amp; Activity Based Costing Analysis [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Implement Activity Based Management</b>					
Perform analytical review of business processes with channels	Define, develop business process analysis approach and work channels to consistently define, analyze and documenting SFA's business processes	CFO		<ul style="list-style-type: none"> <li>Define methodology to perform analytical review of business processes within each organizational unit with SFA</li> <li>Develop schedule &amp; perform process analysis on regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Periodical analytical reviews performed and reported for SFA channels monthly</li> </ul>
Develop and implement SFA-wide ABC roll-out		CFO facilitates; Channels support & develop	9/00  9/00 9/01  9/02	<ul style="list-style-type: none"> <li>Process in place to report to managers &amp; users the cost in the 2000 model; agree to contract reporting/activity identification processes by year end</li> <li>Complete Student Channel cost model for each business line</li> <li>Complete ABC cost model for each business line and support office</li> <li>Complete integration of new SFA-FMS into model</li> </ul>	<ul style="list-style-type: none"> <li>ABC process &amp; reports used by all for budgeting, managing, and reporting to others</li> </ul>
Use ABC model to track unit costs	Use ABC model to track costs for every unit of output produced by a process	CFO		<ul style="list-style-type: none"> <li>Expand attribute use feature</li> <li>Collect data at the personnel level</li> </ul>	<ul style="list-style-type: none"> <li>ABC process &amp; reports used to drive strategic business decisions</li> <li>ABC reports used to inform policy legislative decisions</li> </ul>
Implement Activity-Based Performance to track PBO progress	Develop and post service standards and measure performance against these, including bench marking & determining internal & external measures to enhance performance implementation	CFO		<ul style="list-style-type: none"> <li>Performance measures implemented</li> <li>Performance tracked against measures</li> </ul>	<ul style="list-style-type: none"> <li>ABC reports used for benchmarking business processes with best in the business</li> </ul>
Provide insight and guidance to COO & channels	Utilize knowledge of all funding requests to serve as unifying factor in the organization and advise Greg accordingly	CFO			<ul style="list-style-type: none"> <li>Request for funds to OMB consistent with PBO objectives</li> </ul>



<b>Initiative</b>	<b>Implement FMS</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Implement FMS</b>					
Resolution of "Parking Lot" issues	Determine SFA responsibility for accounting functions (Disbursing Funds Authority, procurement, etc.) formerly performed by Ed CFO	Executive Sponsor	5/15/00	• MOU reached between SFA & Ed CFO governing functions to be performed by each organization	
Clarify FMS system ownership	CIO and CFO responsibilities for maintaining FMS in the future	FMS IPT Team	10/1/00	• Users trained and ready to operate	<ul style="list-style-type: none"> <li>• Roles/responsibilities clarified &amp; documented</li> <li>• Agreement reached between channels</li> <li>• Staff responsible for FMS understand &amp; articulate roles/responsibilities</li> </ul>
Clarify FMS-related process responsibilities	Clarify the responsibilities of CFO and Channels for FMS-related processes	FMS IPT Team	10/1/00	• Users trained and ready to operate	<ul style="list-style-type: none"> <li>• Roles/responsibilities clarified &amp; documented</li> <li>• Agreement reached between channels</li> <li>• Staff responsible for FMS understand &amp; articulate roles/responsibilities</li> </ul>
Create Implementation Plan	Develop SFA FMS implementation for all phases of FMS through Implementation of the full integrated FMS	FMS IPT Team	4/15/00 7/15/00	<ul style="list-style-type: none"> <li>• Implementation &amp; work plan for phase 2</li> <li>• Implementation &amp; workplan for phase 3</li> </ul>	<ul style="list-style-type: none"> <li>• Document finalized and issued on schedule</li> <li>• Each successive milestone is attained on schedule or ahead of schedule</li> </ul>
Approve Concept of Operations	Develop, publish, and secure COO and Management Council approval for Concept of Operations	Executive Sponsor			
Implement Pilots	Quick hits composed of LEAPP, FFEL/GA, Fixed Assets & MIS reporting tools	FMS IPT Team	5/20/00 6/30/00 8/31/00	<ul style="list-style-type: none"> <li>• GA &amp; LEAPP Sol'n Demo</li> <li>• Fixed assets Sol'n Demo</li> <li>• MIS reporting training and demo</li> </ul>	<ul style="list-style-type: none"> <li>• Sol'n demo presented with 75% of processes covered successfully</li> <li>• Gaps identified for inclusion in 10/01 implementation</li> </ul>



Initiative	<b>Implement FMS [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Implement FMS</b>					
Implement full load FMS	FMS with full program functionality via a stand-alone SFA G/L	FMS IPT Team	10/1/01	<ul style="list-style-type: none"> <li>• Full audibility</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to provide auditors with all request for financial statements support</li> <li>• Unqualified audit opinion</li> </ul>
Fully Implemented FMS Model	One integrated FMS; one source of data; final process control across SFA FMS subsystems; continuing upgrades; & optimal reporting capabilities for SFA & its Partners	FMS IPT Team	On-going	<ul style="list-style-type: none"> <li>• Audit trails established; fully integrated with full &amp; complete automated reconciliation; Clean audit</li> </ul>	<ul style="list-style-type: none"> <li>• All bridges eliminated</li> <li>• System balancing &amp; reconciliations being done with minimal (or no) discrepancies</li> <li>• All reporting needs met or query availability provides access to all required data as needed by financial managers, program managers, analysts, budget, etc.</li> </ul>
Evaluate FMS Effectiveness	Continually evaluate against previously published measures of success				



Initiative	<b>Obtain Favorable Audit Opinion</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Obtain Favorable Audit Opinion</b>					
Create a project plan to lay out detailed steps needed to prepare the financial statements and receive a favorable audit opinion within the required timeframe	Prepare a detailed project plan which includes coordination with Education's OFCO and Budget Service on preparing the financial statements and having them audited	SFA and Department	5/15/00	<ul style="list-style-type: none"> <li>Accounting calendar completed</li> </ul>	<ul style="list-style-type: none"> <li>Corrective Action Plan action items are all completed on or ahead of schedule</li> </ul>
Strengthen financial reporting	Develop an implementation plan for modification of functionality and current operations. The Department should ensure that the new general ledger software package will meet its financial reporting needs, including an automated closing process, thereby facilitating the preparation of financial statements by reporting group and at the consolidated level.	SFA and Department	4/15/00  12/31/00  12/1/00  7/15/00  8/31/00	<ul style="list-style-type: none"> <li>Implementation plan for the new general ledger system developed &amp; all financial reporting needs mapped</li> <li>Ensure that a comprehensive review of all financial statements for conformance to OMB Bulletin 97-01 is performed</li> <li>Further define and document the process used to generate post-close trial balances and financial statements, including reconciliations performed to support the financial statements</li> <li>Update policies and procedures for the preparation and review of adjustments and provide training</li> <li>Determine the appropriate timing for processing finds payable to Treasury and ensure compliance with credit reform act and FASAB standards</li> </ul>	<ul style="list-style-type: none"> <li>Any gaps in implementation plan identified and documented</li> <li>Draft financial reporting layouts provided to users for comment &amp; additional requirements identified</li> <li>Elimination of non-conformance from FY2000 audit findings.</li> <li>Procedures updated to include Statement of Financing, and majority of reconciliations completed timely prior to year end</li> <li>Updated policies and procedures issued and distributed to all staff and approving officials. Training on adjustments and necessary support provided to all relevant staff</li> <li>Decision made and documented to support the financial statements</li> </ul>



Initiative	<b>Obtain Favorable Audit Opinion [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Obtain Favorable Audit Opinion</b>					
Improve Reconciliations	Update current policies and procedures surrounding reconciliations of all significant accounts and programs, including budgetary accounts	SFA and Department	7/15/00	<ul style="list-style-type: none"> <li>Establish force to follow audit trail; perform reconciliations of all significant proprietary and budgetary accounts on monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>Do sample test and flow transactions through to analysis and resolution for all transactions greater than \$100K</li> <li>All reconciliations completed, and approved by supervisor, within 30 days of month end</li> </ul>
Review and update current policies and procedures surrounding the processing of grant and loan disbursements	Ensure these policies and procedures are specific in order to provide sufficient guidance to the Department's personnel	SFA and Department	6/30/00 6/30/00 10/15/00	<ul style="list-style-type: none"> <li>Conduct staff training on grant and loan disbursement policies and procedures</li> <li>Require an independent quality assurance team to test compliance</li> <li>Resolve unreconciled grantback differences and reclassify to the appropriate suspense account</li> </ul>	<ul style="list-style-type: none"> <li>Training conducted and staff owns procedures</li> <li>IVV or ICR performed to test agreed upon % of transactions</li> <li>Grantback account only houses related transactions; remaining transactions moved to suspense or appropriate appropriation</li> </ul>



Initiative	<b>Obtain Favorable Audit Opinion [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Obtain Favorable Audit Opinion</b>					
Improve Credit Reform Reporting	Implement policies and procedures to ensure that the Department is in improved compliance with the requirements of the Federal Credit Reform Act of 1990. Ensure that management adequately analyzes the proprietary and related budgetary accounts for the financing and liquidating accounts.	SFA and Department	5/31/00	<ul style="list-style-type: none"> <li>Review relevant guidance to determine proper accounting treatment for liquidating and financing funds</li> <li>Review the DOC/SAEs to determine if they are properly designed to comply with the above criteria</li> <li>Recommend changes to the DOC/SAEs as needed</li> <li>Determine the cause of improprieties in the data or accounting structure</li> <li>Recommend and post accounting adjustments to correct the improprieties</li> </ul>	<ul style="list-style-type: none"> <li>Documented procedure for handling liquidating and financing accounts. All identified funds returned to Treasury by year end.</li> <li>Team established to review DOC/SAEs and review completed by 5/15</li> <li>Any changes incorporated into system and any necessary adjusting entries, all made with supervisory approval, made as appropriate for historical data</li> <li>Documented and indexed workpapers prepared and available for audit review</li> </ul>
			5/31/00		
			6/15/00		
			6/30/00		
			7/31/00		
Enhance controls surrounding information systems	Need to ensure compliance with Clinger-Cohen Act	SFA and ED/OCFO		<ul style="list-style-type: none"> <li>Finalize development of a disaster recovery plan</li> <li>Develop and implement policies and procedures for system configuration and security violation monitoring for all critical computing platforms</li> <li>Implement formal approach and methodology for designing and maintaining IT architecture</li> <li>Update security procedures to reflect the current system security needs</li> </ul>	<ul style="list-style-type: none"> <li>Disaster recovery plan created and tested</li> <li>Policies and procedures for CM and security developed, issued and being followed.</li> <li>Methodology documented and being followed for IT architecture</li> <li>Security procedures reviewed and issued annually, as appropriate</li> </ul>



Initiative	<b>Obtain Favorable Audit Opinion [continued]</b>
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Action	Description	Responsible	Date	Milestone	Measure of Success
<b>Obtain Favorable Audit Opinion</b>					
Prepare Interim financial statements as of 3/31/00	Interim financial statements prepared by SFA in conjunction with Education's OCFO and Budget Service. These statements need to be reviewed by the auditors to help identify issues that can be resolved before year end statement process.	SFA and ED/OCFO	3/31/00 6/15/00	<ul style="list-style-type: none"> <li>• Statements prepared for March quarter and reviewed for auditors.</li> <li>• Any questions resolved prior to June 15 to ensure correction of data for year end statements</li> </ul>	<ul style="list-style-type: none"> <li>• Statements prepared and reviewed</li> <li>• Issues identified and resolved</li> </ul>



## **The CFO strategy requires a new set of operating principles which guide the way we interact with our clients and with each other ...**

### **Customer Focus**

- Ensure that employees feel free to do whatever is necessary to meet our customers needs
- Assess the value we provide to our clients and measure their satisfaction with our products and services

### **Leadership**

- Encourage cross-organizational leadership
- Train and mentor to develop necessary management and leadership skills and behaviors
- Empower employees and let them have input into critical decisions

### **Communication**

- Ensure communications and actions are consistent with the achievement of our goals and strategy
- Make sure that information is shared freely at all levels and between organizations without fear of reprisal
- Create processes for two way communication and acknowledging feedback

### **Rewards**

- Define and clearly communicate performance expectations and measure results
- Encourage and reward innovation and accountability

### **Opportunity**

- Provide access to professional development opportunities and resources
- Create opportunities for upward and lateral career growth

### **TeamWork**

- Create an environment which encourages people to constructively work together to achieve shared goals
- Get to know one another and have fun



## **Customer Focus**

### ***Definition***

- Understanding what customers' value
- Understanding customer requirements
- Employee freedom to do what's necessary
- Measuring customer satisfaction
- Understanding/managing customer facing business processes
- Policies and procedures

### ***Recent Examples - Good Customer Focus***

### ***Recent Examples - Poor Customer Focus***

### ***Barriers to Good Customer Focus***

### ***Possible Actions to Improve Customer Focus***



## **Leadership**

### ***Definition***

- Leadership responsibilities
- Leadership training
- Coaching & mentoring
- Decision making processes
- Policies and procedures
- Organization
- Risks & rewards

### ***Recent Examples - Good Shared Leadership***

### ***Recent Examples - Poor Shared Leadership***

### ***Barriers to Shared Leadership***

### ***Possible Actions to Improve Shared Leadership***



## **Communication**

### ***Definition***

- Communication vehicles
- Communication style
- Communication consistency (with goals and strategy)
- Communication scope and targeting
- Information sharing
- Two way communication
- Acknowledgement & feedback

### ***Recent Examples - Good Communication***

### ***Recent Examples - Poor Communication***

### ***Barriers to Good Communication***

### ***Possible Actions to Improve Communication***



## **Rewards**

### ***Definition***

- Clear goals and expectations
- Teaming
- Incentives
- Measurement of results
- Feedback & counseling
- Innovation
- Accountability model

### ***Recent Examples - Recognition and Reward***

### ***Recent Examples - Poor Recognition and Reward***

### ***Barriers to Recognition and Reward***

### ***Possible Actions to Improve Recognition and Reward***



## **Opportunity**

### ***Definition***

- On-the-job learning opportunities (vertical and horizontal growth)
- Support for professional development
- Opportunity for career advancement within CFO and more broadly SFA

### ***Recent Examples - Good Opportunity***

### ***Recent Examples - Poor Opportunity***

### ***Barriers to Opportunities***

### ***Possible Actions to Improve Opportunities***



## **Teamwork**

### ***Definition***

- Working together towards a common goal
- Providing support to others outside of your immediate area of responsibility
- Working well with others - having mutual respect
- Coaching and counseling
- Open communication

### ***Recent Examples - Good Teamwork***

### ***Recent Examples - Poor Teamwork***

### ***Barriers to Teamwork***

### ***Possible Actions to Improve Teamwork***



## Action Plan Requirements

**In order to move forward with these initiatives, CFO will need to consider certain requirements.**

### Develop Skills and Capabilities

Initiative	Requirements
Obtain and Develop CFO Skills	<ul style="list-style-type: none"><li>• 1 FTE working p/t for 4-6 months as part of committee to ensure that CFO's interests are represented in SFA competency model</li><li>• 1 FTE 4-6 months to partner with HR and SFA University to determine, prioritize, and develop solutions for building skills and capabilities - including CFO specific competency model</li><li>• Union should be intimately involved</li><li>• Utilize common software platform across SFA</li><li>• Review merits of existing IDP and GPAS process</li></ul>
Support Channel Skill Development	<ul style="list-style-type: none"><li>• 1-2 FTEs for 6-8 months</li><li>• Partner with SFA University or contractor to assess training needs and develop training solutions for members of the channel</li><li>• Tie closely to FMS implementation and roll-out and other strategic initiatives</li></ul>



# Action Plan Requirements

## Establish & Execute SFA Planning & Budgeting Process

Initiative	Requirements
Clarify SFA Strategy & Goals	<ul style="list-style-type: none"><li>• 2 FTEs 4 months</li><li>• Expanded CFO role in planning must be endorsed/communicated by COO</li><li>• Communications skills/expertise critical</li><li>• Cooperation/participation from channels/departments essential</li><li>• Prerequisite to executing SFA planning &amp; budgeting process</li></ul>
Establish SFA Planning & Budgeting Process	<ul style="list-style-type: none"><li>• 3 FTEs 6 - 9 months (contractor support recommended)</li><li>• New planning/budgeting tools &amp; software required</li><li>• New skills required</li><li>• New governance structure must be established</li><li>• Prerequisite to executing SFA planning &amp; budgeting process</li></ul>
Execute SFA Planning & Budgeting Process	<ul style="list-style-type: none"><li>• 5 - 7 FTEs on-going (contractor support recommended)</li><li>• New/different organizational structure/reporting relationships may be necessary to enable channel planning &amp; analysis support</li><li>• Best practice design dependent on implementing activity based management</li><li>• New skills required</li></ul>



# Action Plan Requirements

## Facilitate SFA Business Process/Activity Based Costing Analysis

Initiative	Requirements
Define & Develop Business Process & Activity Based Costing Framework	<ul style="list-style-type: none"><li>• 4 FTEs 3 months (contractor support recommended)</li><li>• Cooperation/participation from channels/departments essential</li><li>• Prerequisite to introducing ABM into planning/budgeting</li><li>• Need common business process definition methodology/approach</li><li>• Dependent on cross-organizational ABC/ABM buy-in/training</li><li>• COO must designate CFO as having lead role</li></ul>
Implement Activity Based Management	<ul style="list-style-type: none"><li>• 5 - 6 FTEs 9 - 12 months (contractor support recommended)</li><li>• Cooperation/participation from channels/departments essential</li><li>• Dependent on cross-organizational ABC/ABM buy-in/training</li><li>• New skills required to operate ABM</li><li>• New/different organizational structure/reporting relationships may be necessary to enable channel analytical support</li></ul>



# Action Plan Requirements

## Obtain Unqualified Audit Opinion

Initiative	Requirements
Obtain Unqualified Audit Opinion	<ul style="list-style-type: none"><li>• See existing documentation for Audit initiative already underway.</li></ul>

## Implement FMS

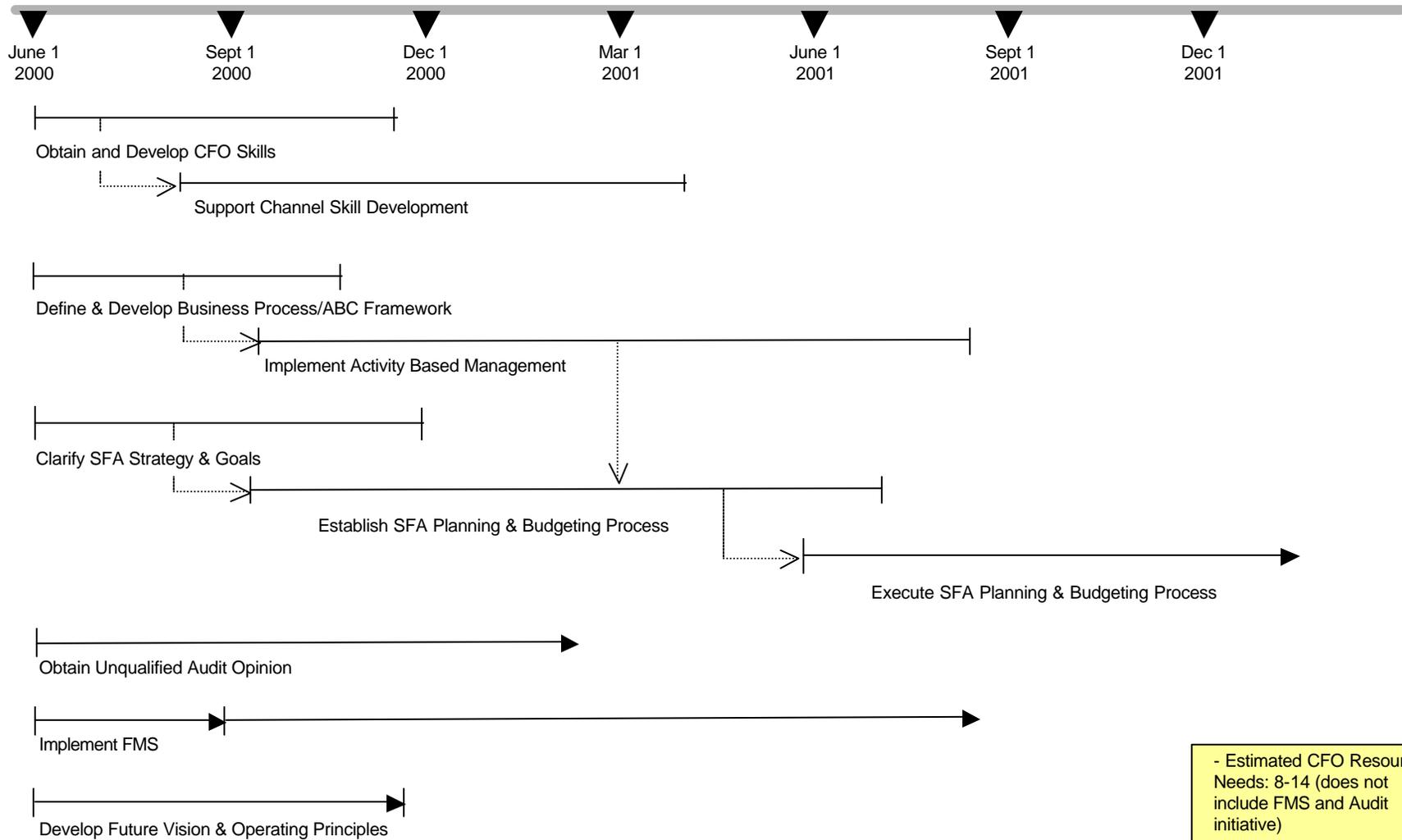
Initiative	Requirements
Implement FMS	<ul style="list-style-type: none"><li>• See existing documentation for FMS initiative already underway.</li></ul>



# Action Plan Requirements

## Develop Future Vision and Operating Principles

Initiative	Requirements
Develop Future Vision and Operating Principles	<ul style="list-style-type: none"><li>• CFO must personally and visibly lead</li><li>• 1 FTE until September 2000</li><li>• Continued support from Mod Partner Team (All part-time: Rick Yeager, John MacKinnon, Lori Clemmensen, and Francesca Keating)</li><li>• Work closely with Karen Holmcrans who is operating as CFO Transformation lead from Mod Partner</li><li>• Increased interaction required from stakeholders including: Ed. CFO, Union, Channels / Enterprise Units, and COO</li></ul>



- Estimated CFO Resource Needs: 8-14 (does not include FMS and Audit initiative)  
- Dependencies - - - - ->