

# TRANSFORMING INFORMATION TECHNOLOGY SYSTEMS FUNDING PROCESSES THROUGH BUDGETARY CONTROLS AND CULTURE CHANGE

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## ABSTRACT

*This article provides analysis of transformational action taken by the leadership of a Unified Combatant Command in the Department of Defense (DOD) to change their budget processes and controls, and the way they fund their Information Technology systems. Senior leadership in the United States Transportation Command (USTRANSCOM) took deliberate action to counter the traditional manner in which business systems in the DOD and USTRANSCOM have been funded. Given the ongoing and costly war on terrorism, leaders and managers can no longer afford the luxury of having component, division, or even Service-unique business systems (also meaning information technology and financial systems) that are unable to effectively integrate with operational systems. The savings, or cost avoidance, potential is dramatic and in some cases could be applied directly to requirements of our warfighting forces, or at the very least could help offset the growing national deficit.*

*Actions taken by leaders at USTRANSCOM resulted in transformational changes in the way they fund their business systems, which may ultimately lead to more lasting cultural change in their command and perhaps even throughout the DOD. Thus far, it has every indication of being a success story that is worth analysis and that suggests fundamental processes and budgetary controls that may be applied throughout the department and to other government agencies as a way to effect transformational change in their budget processes.*

Throughout the United States government, and the Department of Defense (DOD) specifically, leaders and managers are experiencing 'growing pains' typical of any organization determined to navigate the seas of large-scale change. Culture change is an especially difficult challenge in organizations that have long-standing, strong organizational cultures as is the case in most military commands and many government agencies. This paper addresses the actions taken at a world-wide DOD command that is in the throws of cultural change as a result of budgetary process and policy changes. Further, it provides a recent example of how a major mission change can serve as a catalyst for transformational change in other areas within the organization. It also chronicles how resistance to change was managed and the impact of organizational politics.

Jones provided background on what is currently driving the need for transformation within the DOD, and summarized current initiatives to modernize and improve its business systems. In any significant transformation one may expect some degree of culture change to be required if the transformation is to ultimately prove successful. Jones also discussed the impact that strong leadership plays in transforming organizations. This case of an organization undergoing transformation of its Information Technology (IT)

funding processes and policies serves as testament to the thesis that strong leadership is an important requisite to any successful, large-scale change initiatives. The specific case presented in this paper documents how the leadership in the United States Transportation Command (USTRANSCOM)<sup>1</sup> leveraged an environment, or atmosphere, of change generated by a new and significant designation as the Distribution Process Owner (DPO)<sup>2</sup> for the DOD to make significant changes to their TRANSCOM Component Commands.

Prior to Defense Secretary Donald Rumsfeld designating the Commander, USTRANSCOM as the Distribution Process Owner for the DOD, there was no single leader, or organization, responsible for distribution<sup>3</sup> of materiel for the Department. This lack of single-point accountability and authority created an impediment for senior leaders whose objective was to optimize the system-of-systems needed to support the deployment, sustainment and redeployment of U.S. military forces. Although the DPO designation allowed the USTRANSCOM Commander the ability to directly influence policy, it did not involve transfer of additional budget authority which some might argue is necessary to effect change at the institutional level.

It is not uncommon to hear members of the government say, “change requires budget authority.” I would add that having an inspirational and visionary leader with a successful record for transformation doesn’t hurt the effort. This case of budgetary process change at USTRANSCOM may be considered for application as a model for other government agencies and military commands to apply to achieve similar success.

## CULTURE CHANGE

To establish an understanding of what culture change ‘is’ and, equally important, what it ‘is not,’ one must first define organizational culture. There are two generally accepted, or at least acknowledged, views of organizational culture. The first theory views culture as a *root metaphor* for understanding organizations (Smircich 1983). This perspective is based on the naturalistic or interpretive world-view. Those adhering to this perspective view organizational culture as an ongoing construction of members’ social reality. Smircich supports this perspective and considers culture as something an organization ‘is.’ She views culture as “an epistemological device to frame the study of organizations as social phenomenon.” Naturalistic proponents do not view culture as something that may necessarily be changed or shaped to achieve organizational goals and objectives.

The other leading theory views culture as a form of variable that may be manipulated and is based largely in the ‘rational,’ positivistic perspective. This view presents culture as something that may be molded or shaped that will be consistent with managers’ objectives and strategic vision for their organizations. Organizational culture, as a variable, has its roots in Organizational Development literature (Harrison 1972). This perspective holds that, although difficult, culture may be shaped to achieve objectives of managers and other stakeholders. If one accepts the position that culture may be changed to impact certain performance characteristics of organizations, then the following definition offered by Edgar Schein (Schein 1985) may help to enhance understanding:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has

worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

This case supports the thesis that culture is something that may be changed, and in many instances is something that may be required to change, to achieve certain transformational objectives within organizations. It is also an example that suggests that even the most well-entrenched organizations may be changed if the right levers are pulled by a strong or effective-enough leader, and if proper incentives and controls are established and maintained.

### **DEFENSE BUSINESS SYSTEMS CHANGE**

As introduced by L.R. Jones, and reinforced by many senior leaders within the DOD, there are compelling reasons to change both the way government and DOD organizations manage their business systems and how such systems are approved and funded. Secretary of Defense, Donald Rumsfeld stated his concern clearly in the following: "While our troops operate in a fast-paced world of high-tech weaponry and precision-guided munitions, the men and women who support them here at home still slog through red tape and regulations that are, in some cases, decades old...we must be as agile, flexible, and adaptable as the forces we field in battle."<sup>4</sup> The former Under Secretary of Defense, Comptroller, (USD(C)), Dov Zakheim, stated "...that is the challenge we have had with financial management (in DOD), to change the culture." Gregory Kutz of GAO stated, "despite DOD's acknowledgement that many of its systems are...duplicative and stove-piped, DOD continues to allow its component organizations to make their own investments independently." Kutz, who is the GAO's director of financial management and assurance, further stated "financial system problems with DOD could be contributed to cultural resistance and parochialism."

The General Accounting Office found that the DOD requested approximately \$19 billion for fiscal year 2004 to operate, maintain and modernize its reported 2,274 business systems. GAO investigators went on to state; "this stove-piped and duplicative systems environment evolved over time as DOD components--developed narrowly focused, parochial solutions to their business problems." To address these serious challenges, the USD(C) signed a memorandum in May of 2004 that renamed the Financial Management Modernization Program (FMMP) the Business Management Modernization Program (BMMP). The BMMP required incorporating accounting requirements and stronger internal controls in the Business Enterprise Architecture (BEA). The Business Modernization and Systems Integration (BMSI) Office was established as the program management office providing strategic planning, oversight and guidance for the Department's BMMP transformation efforts. The mission of BMSI is to transform and modernize DOD's business and financial processes and systems in which relevant, reliable, and timely business information is available on a routine basis to support informed decision-making at all levels throughout the Department of Defense.<sup>5</sup>

This paper presents a case study of similar business system budgeting and funding challenges that developed at USTRANSCOM, as in the rest of DOD and the government.

This case is an example of proactive, transformational action resulting in significant budgetary process change and culture change. Analysis and deeper understanding of what promises to be a success story for this organization is worth presenting in hope that it may be applied with equal success in other DOD and government organizations.

## **DEPARTMENT OF DEFENSE CASE**

USTRANSCOM is a joint, unified combatant command responsible for worldwide deployment, distribution and sustainment of forces and equipment for the DOD.<sup>6</sup> As a joint command, it is comprised of military personnel and civilian employees from all U.S. military services and from many different warfare areas and various partnering government agencies. This, in itself, creates at least some degree of challenge managing a culture comprised of individuals with different perspectives and backgrounds. Research has shown (Dawe 2000) that in organizations that appear to share common values and beliefs, there may in fact be significant cultural ‘disconnects’ or challenges that must be identified and effectively managed as leaders and managers navigate the endless sea of change initiatives. This is the case at USTRANSCOM and throughout the DOD and other government agencies.

## **INFORMATION TECHNOLOGY FUNDING PROCESS**

USTRANSCOM maintains an annual Information Technology (IT) budget of approximately \$350 million. In 1998 the command established a Chief Information Officer (CIO) Program Review Process (CPRP). This provided for a Council, Board and Panel structure and subordinate processes for operational, resource and technical assessments. This structure, and associated processes, complied with the Clinger-Cohen Act of 1996,<sup>7</sup> which required DOD to establish a CIO to oversee and improve management of the Department’s IT systems and the significant associated capital investment.

The CPRP enabled USTRANSCOM leadership to better manage their architecture of information systems required to support their vital worldwide mission. It resulted in significant improvement to their processes and has been used in other organizations as an effective example of IT systems process improvement. Successful as this initiative proved to be, there were eventually problems that arose which presented serious challenges for their leadership. The challenges at USTRANSCOM are not unlike those faced by leadership through the DOD, as described by Kris Frieswick (Frieswick 2004), “The chief goal of all the financial-management initiatives has been not just a clean audit, but some transparency at this huge bureaucracy. Prior reforms all died on the vine because they couldn’t dent the impregnable walls the military services and agencies have built up around their processes, procedures, and chains of command.” Similar ‘walls’ were established over the years at USTRANSCOM as the components established and continued to develop their unique Service-specific systems. Frieswick goes on to state; “DOD spent \$19 billion just to maintain and upgrade all the parts of these systems - \$5 billion on modernization alone. Only a handful of these are interoperable, and many of them still rely on manual reentry of data between systems rather than electronic

integration.” This is exactly the problem that the USTRANSCOM leadership intended to correct.

As the responsibilities and mission of USTRANSCOM increased, largely as a result of the designation as DPO, it became apparent to their senior leaders that many of their information systems used by headquarters and the three component commands were duplicative and outdated (legacy systems). Further analyses identified systems in each component that had their genesis in their parent services<sup>8</sup> but were basically serving similar or the same function as systems in one or more of the other component commands. This resulted in unnecessary expenditures and in inefficiency in exchanging information between systems or for the headquarters retrieving information from multiple systems into a common database for analysis. Relevant operational data must be fed into financial, operational and business systems in order for leaders and managers to have access to timely, accurate and relevant information. Without such coordinated systems, financial data will not be adequate to make the most efficient and effective, informed decisions.

Driven partly by the attention that has been established by the DOD in the past several years concerning the ever-increasing cost of IT systems and the lack of centralized or ‘corporate’ management, USTRANSCOM leadership, through the CPRP, looked carefully for ways to improve their systems while at the same time attempting to be good stewards of taxpayer dollars and maintain the IT capital top-line threshold on investment costs, systems maintenance, and sustainment funding. Emergent IT system demands presented by the DPO mission were generating additional, critical unfunded requirements for USTRANSCOM. CPRP members presented a proposal to the CPRP Council<sup>9</sup> that would essentially ‘tax’ existing programs and systems so that new requirements could be funded without raising the investment funding ‘top-line.’ The CPRP chose to first examine those programs and systems that appeared duplicative, were viewed to have excessive funding for sustainment and maintenance, and that were most costly. As is almost always the case in budgeting, it is easier for program advocates to suggest simply raising funding levels rather than taking a cut in one or more of the organization’s existing programs. It is also typically less painful, and controversial, for financial managers to apply an across-the-board ‘tax’ but this is almost always the least prudent course of action.

Complicating this problem even more was the fact that the component commands tended to view the legacy systems as ‘theirs’ and to some degree as Service systems, i.e.; Army, Navy, Air Force. Investigators at the GAO stated the following regarding DOD business systems; “The duplicative and stove-piped nature of DOD’s systems environment is illustrated by the numerous systems it has in the same functional areas.” This is precisely the perspective that those charged with guiding the CPRP at USTRANSCOM had come to hold. Although some of the past findings and recommendations of GAO were accepted and acted upon by DOD, not all were embraced or even seen as valid. Interestingly, USTRANSCOM had identified similar concerns and already taken action to change their course and better control their destiny, and seemingly inevitable budget growth, before the GAO conducted their study.

## THE ‘MESSY’ PART OF CHANGE

When it was announced to the components that there would be a new priority on reviewing existing programs that appeared too costly, redundant, or ineffective, there developed a significant amount of anxiety and dissenting opinion among the components and senior CPRP members in headquarters advocating change. As previously introduced, of the 50-plus IT systems maintained and operated by USTRANSCOM and the components, the CPRP decided to first review those programs that had the greatest costs and that appeared to be duplicative with other systems. Some of the dissention centered on why the CPRP would only look at certain systems vice a comprehensive review of all USTRANSCOM systems. This approach was adopted because it was felt that this was an effective way to quickly and aggressively get the most 'bang-for-the-buck' in identifying, and ultimately eliminating, outdated and ineffective legacy systems. This is the type of action that the GAO has continued to advocate over the past several years. In a cover letter to the Honorable Christopher H. Haynes, Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, GAO's Gregory Kutz stated; "...the Department's (DOD) stove-piped, duplicative systems contribute to its vulnerability to fraud, waste, and abuse." (GAO-04-615). This process would also serve as a means to 'harvest' funds for the commander's highest priority DPO unfunded requirements. Other CPRP members claimed that USTRANSCOM unilaterally decided on this process change without fully coordinating with the component commanders and their staffs, and as such, committed a 'process foul.' It is worth noting at this point that the component registering the most ardent complaint had a track record for circumventing the established process for new system starts by going directly to the Commander, USTRANSCOM with 'critical' or 'must-fund' requests. Although, as previously stated, the CPRP brought a more effective and compliant process to IT systems management at USTRANSCOM, it had not done enough to prevent systems that were unique to specific component commands, from being developed resulting in redundant functionality. There continued to be a proliferation of systems that component commanders felt were absolutely critical to their operations but that were far from optimal when viewed from a corporate, or macro, systems portfolio perspective.

In their initial review of IT systems, USTRANSCOM staff identified approximately \$10 million, or 3 percent of the IT budget to be rescinded or 'harvested' for reinvestment in emergent DPO unfunded priorities. It was a deliberate decision made by USTRANSCOM senior leaders not to apply a less controversial, pro-rated or 'fair share' cut across each component but rather to make more effective vertical or targeted cuts to redundant systems that were specific to a certain components. This approach will almost always garner more controversy and disagreement, but is more effective and efficient if done properly. Across the board, 'fair share' cutting is a dated approach that stewards of government funds no longer have the luxury of applying simply because it's easier to sell to stakeholders and to those that stand to lose with more precise vertical cuts.

USTRANSCOM leaders were adamant that a corporate approach to systems portfolio management was crucial if they were to mature beyond the status quo of stove-piped, IT systems as described by the GAO regarding DOD systems management. Gregory D. Kutz and Randolph C. Hite, of the GAO, voiced their concern in a March 2004 report; "Despite DOD's acknowledgement that many of its systems are error prone, duplicative, and stove-piped, DOD continues to allow its component organizations to make their own

investments independently of one another and implement different system solutions to solve the same business problems. (GAO-04-626T, page 12). Under the new concept, headquarters would now serve as an 'honest broker' and approval authority for costs associated with system new-starts and development. This was initially perceived as transferring authority of component commanders to the headquarters, and not surprisingly, they were not in favor of the change. GAO states, "Each military service and defense agency receives its own funding and is largely autonomous in deciding how to spend these funds, thereby enabling multiple system approaches to common problems. This funding structure has contributed to the duplicative, nonintegrated, error-prone systems environment that exists today." (GAO-04-626T, page 62). The point must not be lost that component General and Flag officers work for the USTRANSCOM commander who is ultimately accountable for the \$350M IT budget. As a point of reference, the USTRANSCOM budget is typically approximately \$4.5B, and upwards of \$9.4B during major contingency operations or war; most of which falls under the Transportation Working Capital Fund (TWCF) vice directly funded appropriated dollars.

As one might imagine, there were significant organizational politics involved with this initiative to change the budgetary/funding process. One commander's programs would not be significantly impacted by the suggested cuts and, as such, stated the following at a CPRP executive council meeting; "We don't have a dog in this fight." The other two component commanders were clearly aligned in opposition to this process change as they both had systems they felt were critical that were identified to be cut. One was insistent that this was premature and that it was a "process foul" to look only at a few of the 50-plus systems across the command. This approach was viewed by several CPRP members at USTRANSCOM as a delaying tactic.

The tactic was initially successful as it raised enough concern with the USTRANSCOM commander that he gave guidance to his staff to go back and work it with the components to achieve a more acceptable (collaborative) solution and to ensure it was more thoroughly vetted. During this initial decision period one component commander suggested that they were the ones that should be making decisions about where to find savings and which, if any, programs should be cut. I maintain that this is exactly the behavior that must be modified first and most directly by leadership if one hopes to change the culture to one that provides a 'corporate' perspective and more effective and efficient approach to systems portfolio budgeting and management. Allowing component commands (subordinate organizations) to make unilateral, stove-piped decisions does not improve the corporate architecture it instead, further degrades the ability of leadership to receive timely, decision-quality information that cuts across all divisions of an organization.

Following the initial CPRP executive session with USTRANSCOM leaders and the component commanders, the decision was made to allow components to identify 'execution-year' or near-term cuts offered as offsets to fund the immediate, highest priority requirements of the command. As was previously suggested, this is typically not the best approach but in this case it would serve to put component leadership and all budget and IT systems players on notice that significant systemic budgetary process changes were forthcoming and it would further help solve the immediate budget shortfall generated by important DPO requirements. At that time, DPO unfunded requirements were in the range of \$60-80M for the following fiscal year. It was deemed appropriate to

'harvest' approximately \$10M as partial support for this important and emergent mission. The CPRP leadership at USTRANSCOM seriously considered the option of accepting their proposed cuts while still taking those identified in the previous analysis. This would validate the concept that the initial marks (identified reductions and/or elimination of programs) were valid, and rational, and if components felt they could offer additional offsets, then so much the better for funding top command priorities. Although seriously considered, the decision was made not to pursue this course of action as it would likely worsen an already volatile issue. The approach of eliminating outdated and duplicative legacy systems is one that the GAO has advocated ardently for many years. GAO recently report to Congress in a November, 2004 report: "Transforming DOD's business operations and making them more efficient through the elimination of nonintegrated and noncompliant legacy systems would free up resources that could be used to support the department's core mission, enhance readiness, and improve the quality of life for our troops and their families." (GAO-05-140T). It is worth noting that the USTRANSCOM commander made it quite clear that although he believed a corporate perspective and portfolio management was critically important, the greater priority had to be ensuring, during these changes, that there were no mission failures of systems required to support the warfighter. The USTRANSCOM staff then went back to the 'conference room' for a month in an attempt to conduct more complete due-diligence with the component staffs.

The dynamics that occurred at the next round of meetings were interesting. The first of the three component commanders offered fairly aggressive offsets from systems that the CPRP previously agreed were appropriate. The proposal was perceived by USTRANSCOM CPRP members as supportive of the corporate approach and acknowledged as an attempt to 'do the right thing.' The second component commander maintained his support of the originally proposed marks per their previously stated position of "not having a dog in the fight." The third commander not only refused to offer any significant offsets but also presented additional requirements to the CPRP. This was viewed simply as more of the status quo. Again, one can make the argument, that this is an example of exactly the behavior requiring change that, if successful, would lead to a more lasting culture change that GAO and others advocate as critical if we are to achieve the improvement so desperately needed in DOD business systems.<sup>10</sup> The result was some degree of compromise with their request and an acknowledgement that this was a preliminary action in what would be a significantly changed process and a truly corporate approach the following year.

## **OBSERVATIONS AND LESSONS LEARNED**

The events observed at USTRANSCOM are not unique to DOD and are in fact endemic to the way business systems in general are budgeted for, and funded, throughout the government. The important question in this case is: What was done in this command that may be replicated in other organizations to achieve similar results? In an attempt to answer this important question, one must first look at a few of the context-specific events.

USTRANSCOM is structured such that the commanding general is 'dual-hatted' serving also as the commander of one of the three components; Air Mobility Command (AMC). This likely played a role in that senior leadership in AMC came back to the



second round of CPRP discussions offering significant funding offsets to the CPRP. Although sharing concern for 'process fouls' during the initial CPRP meeting, in the end he came back to the table with what the CPRP council felt was a more acceptable position. The Military Sealift Command (MSC) commander chose not to engage in this somewhat heated issue without significant reason to do so. The third component commander, Surface Deployment and Distribution Command (SDDC) had a history of coming in with short notice (execution year) requirements that were always submitted as a high priority. As has been well documented by the GAO and others, this approach lends itself to stove-piped solutions that fail to meet the objectives of a 'corporate' vision. Few of us would doubt the intent of our dedicated and highly qualified leaders throughout the DOD and government, but unless leadership exists that will force divisions, or in this case component commands to work together to achieve such a shared vision, behavioral change and eventual culture change is not likely to occur.

As previously introduced, the easiest and most common solution is to increase the budget for information systems investment. Regardless of the type agency or organization, this is a common occurrence. Controlling unbridled growth in IT spending is one of the primary reasons that Defense Secretary Donald Rumsfeld established the Business Management Modernization Program (BMMP). Such control requires a disciplined comptroller and financial division to maintain support for controlling growth and, as suggested repeatedly by the GAO, "sustained and focused leadership." In fact, the GAO continues to recommend the DOD install a Chief Operating Officer (COO) or Chief Management Officer (CMO) to allow for sustained and focused leadership (GAO-05-140T). In this case at USTRANSCOM, such sustained leadership was the case due to an extension of the commanding general's tour of duty. This extension would not only serve to further the accomplishments of the DPO for the department but would also allow the new CPRP changes to be enforced and institutionalized in subsequent years. Further support for sustained leadership came through the promotion of the USTRANSCOM Operations Director, resulting in an extended tour as the next USTRANSCOM Deputy Commander.<sup>11</sup>

Leaders must insist that efficiencies are identified, and harvested, within existing systems whenever possible because savings are almost certainly there in terms of unreliable, outdated and duplicative legacy systems. The DOD alone has identified over 2,200 business systems and some suggest that number may actually be as high as 4,000. This is why Donald Rumsfeld, Dov Zakheim, and other senior DOD leaders have been such vocal and persistent advocates for change and identifying waste and inefficiencies in our systems.

To change an organization's culture one must first make significant changes in the behaviors of key personnel. Changing deeply engrained processes and policies that people value and believe to be important is tremendously challenging, if not volatile at times, but necessary to achieve institutional culture change. After all, such processes and policies are what those in the system have learned to be important and what has worked for them in the past. When attempting to make such changes it is helpful to consider the organizational change theory suggested by Kurt Lewin which states that to effect change one must first determine how to 'unfreeze' the organization to make it more receptive or prepared for change. One may then initiate the change followed by a process to 're-freeze' the organization, or institutionalize change. Although this idea may seem

simplistic or even obvious, it is a fundamental premise that one is well advised to consider when attempting something as difficult as changing deeply held behaviors, processes or policies.<sup>12</sup>

In this case at USTRANSCOM the institution was ‘unfrozen’ in part, by the strong advocacy of senior leaders in DOD championing change in processes and policies that led them down the path of duplicative and wasteful systems that continue to be developed from a ‘stove-piped’ perspective. One cannot be a DOD employee in the 21<sup>st</sup> century and be unaware of the urgency to fix this monumental problem. Given this context, the right leadership was in place at USTRANSCOM to apply a consistent and personal sense of urgency to those throughout the command who would play a supportive role in their process changes. There was little question where the commander and his senior staff stood and how strong their support was to aggressively take on and correct this outdated process and associated behaviors.

What began as a significant concern, or ‘process foul’, by components, was mitigated by clearly communicating how they would continue to have to have a voice in the process to determine ‘corporate’ priorities that would ultimately result in which systems were supported and which were not. It is also worth noting that the changes to the CPRP process included a new concept of ‘portfolio managers’ who would now manage systems that provide similar capabilities in support of all three components. Importantly, funding for programs they approved would now go directly to portfolio managers vice going to component commands as was the practice in the past. Many have suggested that this is part of the current problem in the DOD because appropriated dollars go to each Service or agency which allows them to continue developing and sustaining programs that may be exactly what they need but that do not integrate effectively with other systems and are not the best ‘corporate’ choice.

Jones suggests in his introductory paper “DOD prefers uniformity but this is not possible, and probably not desirable, given the highly differentiated resource management systems and processes used by the respective military departments and services.” The case provided in this paper, documenting the challenge and success at a world-wide command in the Department of Defense, may allow reason to be more hopeful that given the right leadership, impetus for change, and joint or ‘corporate’ vision, one can make significant advances with the objective to eliminate duplicative and wasteful systems that continue to operate in a ‘stove-piped’ environment. As is also the case with implementing any Commercial-Off-The-Shelf (COTS) solution, there will always be some degree of incompatibility between the old (legacy) ways of doing business and the COTS, or new solution. But as with most COTS solutions, some degree of compromise between organizations, and even on a larger scale between Services, will likely result in substantial savings that may be re-directed to immediate needs of the warfighter.

The challenge to achieve systemic efficiencies and process improvements similar to those described in this paper and the quest for enhanced effectiveness in operations supported by such systems, remains for all employees of the DOD and our government. One must take these and other lessons of successful change initiatives, and also of those that fail, and step forward to advocate and champion change. It is no longer acceptable to take the easier approach of simply suggesting an increase to an organization’s budget for systems that fail to effectively pass the necessary financial information to decision

makers in a timely manner. What one must insist on are policies that enable processes and structures supporting a more ‘corporate,’ or joint approach.

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## ACKNOWLEDGMENT

I would like to thank my colleague and mentor, L.R. Jones for his support in the process of preparing this paper for publication.

## NOTES

1. The United States Transportation Command, located at Scott AFB, Ill., was established in 1987 and is one of nine U.S. unified commands. As the single manager of America's global defense transportation system, USTRANSCOM is tasked with the coordination of people and transportation assets to allow our country to project and sustain forces, whenever, wherever, and for as long as they are needed (<http://www.transcom.mil/history/summary.htm>).
2. The Secretary of Defense designated the Commander, U.S. Transportation Command as the Distribution Process Owner (DPO) on Sept. 16, 2003. The DPO is to serve as the single entity to direct and supervise execution of the strategic distribution system.
3. Commands involved in important but previously separate processes that comprise ‘distribution’ include USTRANSCOM, Defense Logistics Agency, Army Materiel Command, and logistics and supply organizations of each of the Services, to name but a few.
4. <http://www.defenselink.mil/comptroller/bmmp/pages/index.html>.
5. [http://www.DOD.mil/comptroller/bmmp/pages/over\\_background.html](http://www.DOD.mil/comptroller/bmmp/pages/over_background.html).
6. <http://www.transcom.mil/annualrpt/2003acr.pdf>.
7. The Information Technology (IT) Management Reform Act of 1996 (i.e., ITMRA or the Clinger-Cohen Act), which took effect August 8, 1996, abolished the Brooks Act (it repealed Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759)). <http://www.oir.mil/itmra/background.html>.
8. Parent services in this context refers to the United States Air Force for Air Mobility Command; the United States Navy for Military Sealift Command; and the United States Army for the Surface Deployment and Distribution Command.
9. CPRP Council consists of USTRANSCOM Component Commanders and senior members of the USTRANSCOM staff.
10. GAO submits that there are four underlying causes that impede reform: (1) lack of clear and sustained leadership for overall business transformation efforts, (2) cultural resistance to change, (3) lack of meaningful metrics and ongoing monitoring, and (4) inadequate incentives and accountability mechanisms. (GAO-05-140T).
11. Major General Robert Dail, USA, was one of the leading champions of this significant process change for USTRANSCOM. In the process of this advocacy he was

submitted to criticism from the component commands. Fortunately his vision was supported by the most senior leaders at USTRANSCOM and through his promotion to Lieutenant General and the resulting extended tour.

12. Defense Secretary Rumsfeld, former OSD Comptroller, Dr. Dov Zakheim, GAO investigators and others, continue to assert that cultural resistance to change is one of the most challenging impediments to accomplishing the changes required to improve the DOD financial management and business systems.

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