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Achieve Agency Mission Performance Goals in the Face of Significant Budget Reductions

Learn how DOD Agencies and Commands can emerge from the “20% budget reduction” with minimal impact to future mission performance.

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Who should read this white paper?

- Leaders facing significant resourcing and alignment challenges in a period of sustained budget constraints and rising costs.
- Leaders who are dissatisfied with the results and timeliness of traditional approaches to improving workforce utilization.
- Leaders who need dynamic insight into their organization's work including the alignment of resources.

Summary

As budgetary pressures increase, DOD organizations are being forced to change the way they operate. The challenge is to maintain performance with fewer resources, while continuing to deliver on their mission goals and objectives. It is critical that DOD adopts a strategic approach to determine the workforce required to perform the functions that are critical to achieve its missions.

Since 2007, WBB has conducted more than 35 studies and resource requirement assessments in order to rapidly diagnose an organization's alignment of resources, thus enabling DOD organizations to:

- Navigate emerging or anticipated budget reductions
- Improve mission performance
- Maximize organizational efficiencies
- Plan reorganizations, mergers, or the creation of a startup

Our approach enables our clients to make proactive resource decisions in a rapidly changing environment. We integrate in-depth customer knowledge, subject matter expertise, and robust analysis capability customized for the environment and delivered rapidly. We continue to provide decision makers:

- Structured resource alignment tailored to the organization's strategy and priorities
- Predictive capacity: Adapt to a rapidly changing and unpredictable environment
- Rapid intelligence: Insight into the wealth of information available from multiple sources
- Enduring capability that allows for rapid diagnosis of organizational health

DOD Faces Challenges to Achieve Optimal Mission Performance

Current political, economic, and budgetary conditions are forcing defence agencies to make difficult staffing and resource decisions. At the same time, leaders are expected to meet ambitious stakeholder performance objectives, take on new missions, or even transform their organization to meet current mission and policy demands. These decisions are infused with ambiguity, uncertainty, and complexity, which have resulted in future risk to readiness. Historically, department wide budget reduction initiatives have been executed rapidly, leaving decision makers little time to assess their priority requirements and determine long-term risk to mission performance. Without access to complete, reliable, and integrated information, decision makers are forced to use their best judgment and roll the dice (Figure 1). These deep cuts leave organizations in turmoil as they seek to balance daily work requirements with remaining personnel. We have repeatedly found that organizations lack integrated data, standard processes, internal objectivity, and defensible models required to properly allocate resources to competing demands.

The confluence of these challenges and limitations can result in severe organizational risks including chronic inefficiency, performance degradation, and failure to meet customer and stakeholder expectations.



Figure 1: Without complete and reliable data decision makers are forced to use intuition and “roll the dice.”

Lessons Learned from the 2010 Defense Headquarters Resource Reduction

In 2010, the Secretary of Defense undertook an initiative to reduce overhead costs in headquarters and support organizations. This initiative was a result of significant growth since 2001 in spending, staff, number of senior personnel, and a proliferation of layers of management. The resulting DOD recommendations amounted to only \$2.9 billion in savings through fiscal year 2016 which was less than 2% of the \$178 billion projected. The Government Accountability Office (GAO) evaluated the extent to which DOD had thoroughly examined its headquarters resources for efficiencies using reliable headquarters data to guide their efficiency decisions.

The GAO report determined: *“Without systematic efforts to reexamine its headquarters resources on a more comprehensive basis, DOD may miss opportunities to shift resources away from overhead”*. The GAO also concluded that, *“An underlying challenge facing DOD is that it does not have complete and reliable headquarters information available for use in making efficiency assessments and decisions”*¹.

2013 - 20% Headquarters Reductions - Did we learn from 2010?

On 31 July 2013, the Deputy Secretary of Defense released a memo directing a 20% reduction in headquarters' spending. He stated that, *“in this period of additional downward pressure on defense spending, we must continue to reduce our headquarters budgets and staffing”*. The Deputy has directed senior leaders in the department to ensure that cuts are 1) aggressive and 2) taken as soon as possible.

In 2013, a senior client expressed concern that the process to determine workforce requirements across a DOD Service lacked standardization and had not kept pace with operational concepts. They asked us to deliver a flexible and transparent process based on best practices. What we found during the course of the study was similar to what the GAO reported. Specifically: *“Most alarmingly, there is no established approach for measuring and understanding the risk associated with unfunded requirements”*. We also found little integration of information across functional areas to prioritize resource requirements based on their direct contribution to the mission. The missions and required capabilities (or what they are intended to produce) are not prioritized according to importance, which results in very little trade space for risk based decision-making. The GAO also reported in 2013, *“DOD’s efforts to obtain better information on workforce capacity continue to face challenges”*².

As it did in 2010, the inability to access reliable decision quality data across functional areas in an integrated environment persists today. As a result, the 20% reduction will put DOD headquarters and support organizations at risk of not achieving their directed mission performance goals.

There just aren't many organizations within DOD that have the tools, processes, and culture in place that can physically link resource contribution, tasking, mission priority, and necessity of services provided to support sustainment, and operational readiness.

¹ GAO, Further Efforts to Examine Resource Needs and Improve Data Could Provide Additional Opportunities for Cost Savings, GAO- 12- 345 (Washington, D.C., December 2012).

² GAO, Report to Congress HUMAN CAPITAL - Additional Steps Needed to Help Determine the Right Size and Composition of DOD’s Total Workforce, GAO- 13- 470 (Washington, D.C., May 2012).

This causes information fragmentation and without the tools and technologies that provide the ability to rapidly access and visualize the interdependencies of information, the department will be unable to accurately assess future impact beyond just intuition. It will also put the department in the awkward position of having to “buy back” the critical capability lost through unknowingly cutting too deep in key areas or the failure to realize expected projected savings in the first place.

Most Common Methods of Reducing Resources

Our experience has revealed five basic methods that organizations generally apply to cut resources. They are Fair- Share, Efficiency, Consolidation, Centralization, and Elimination (Figure 2). Each of these methods requires various amounts of complete and reliable data and supporting analytics to ensure rational and confident decisions. They also introduce different levels of ambiguity, uncertainty, and risk to future organizational performance.



Figure 2: Most common methods for cutting resources

The most common, and the simplest to execute, is the fair- share approach. Organizations attempt to make drastic cuts distributed across departments and all stakeholders equally share the pain. In reality, sharing the pain equally can dramatically impact mission performance by degrading the entire organization’s ability to perform essential work.

In a recent study, we observed an organization that had taken a series of fair-share cuts over two decades. They had lost critical mass in key functional areas and were unable to support all of their mission requirements effectively.

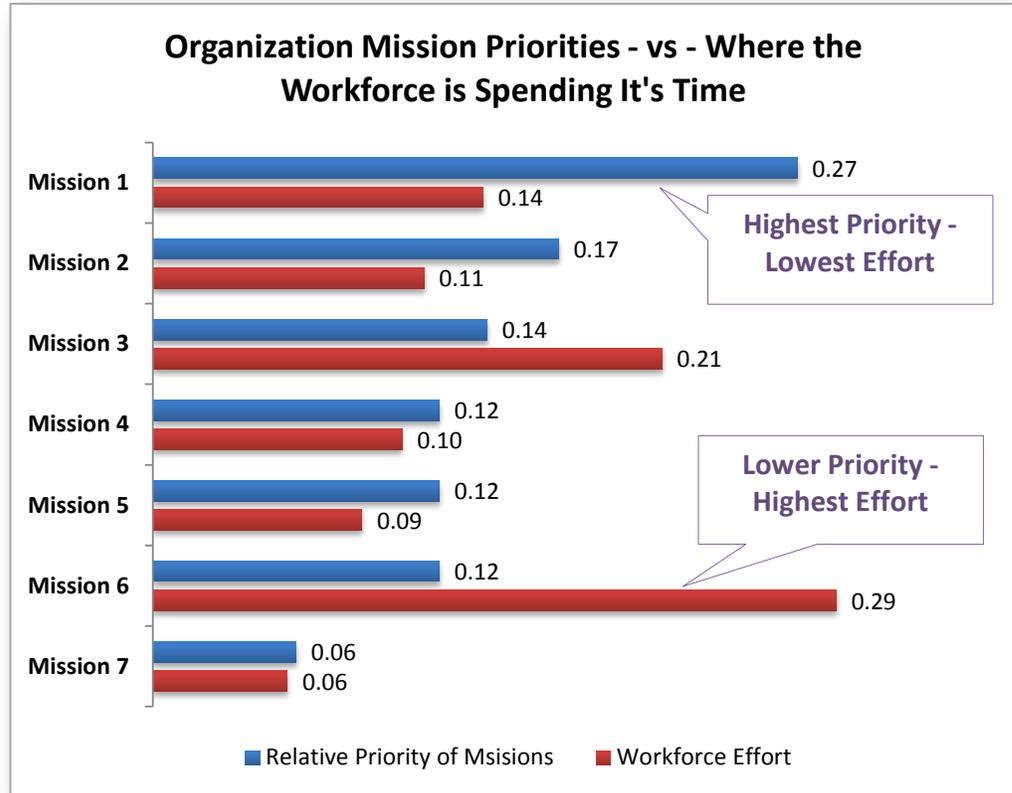


Figure 3: Impact of Organizational Misalignment – Real Example

This degradation in performance was caused by several key factors

- Lack of clearly communicated and measurable mission priorities
- No effort to reduce the workload requirement through efficiency, elimination, consolidation, or centralization of functions
- Legacy policies, processes, and procedures were driving inefficient and non- value added workload
- Fractured information stove- piped across functional lines had overwhelmed the organization causing analysis paralysis

The result was an alarming misalignment of effort across to the priorities of the organization. This led to employee burnout, significant re- work, and degradation in mission performance. In Figure 3, the bars in blue represent the relative priorities of the organization. The bars in red show the percentage that the workforce’s effort is actually expended against each of these priorities. This command now faces mandates to reduce staff while eliminating inefficiencies. Through our work, command leaders now have the tools and decision quality data to eliminate low- value added work and rebalance the workload of the staff to command priorities. As a result of our alternative approach, we were able to reduce complexity, uncertainty and

ambiguity to provide them the tools to emerge from the mandated 20% budget cut with minimal impact to future mission performance.

Clarity of Action to Achieve Mission Performance Goals - Speed and Accuracy

Over the last six years, WBB has assisted more than 35 DOD organizations navigate emerging budget reductions, maximize mission performance, and plan for transformation. We have developed, and continued to refine, a rigorous, repeatable, but highly configurable staffing analysis and decision support capability incorporated into our Organizational Design and Resource Planning and Management (RPM) solution (Figure 4).

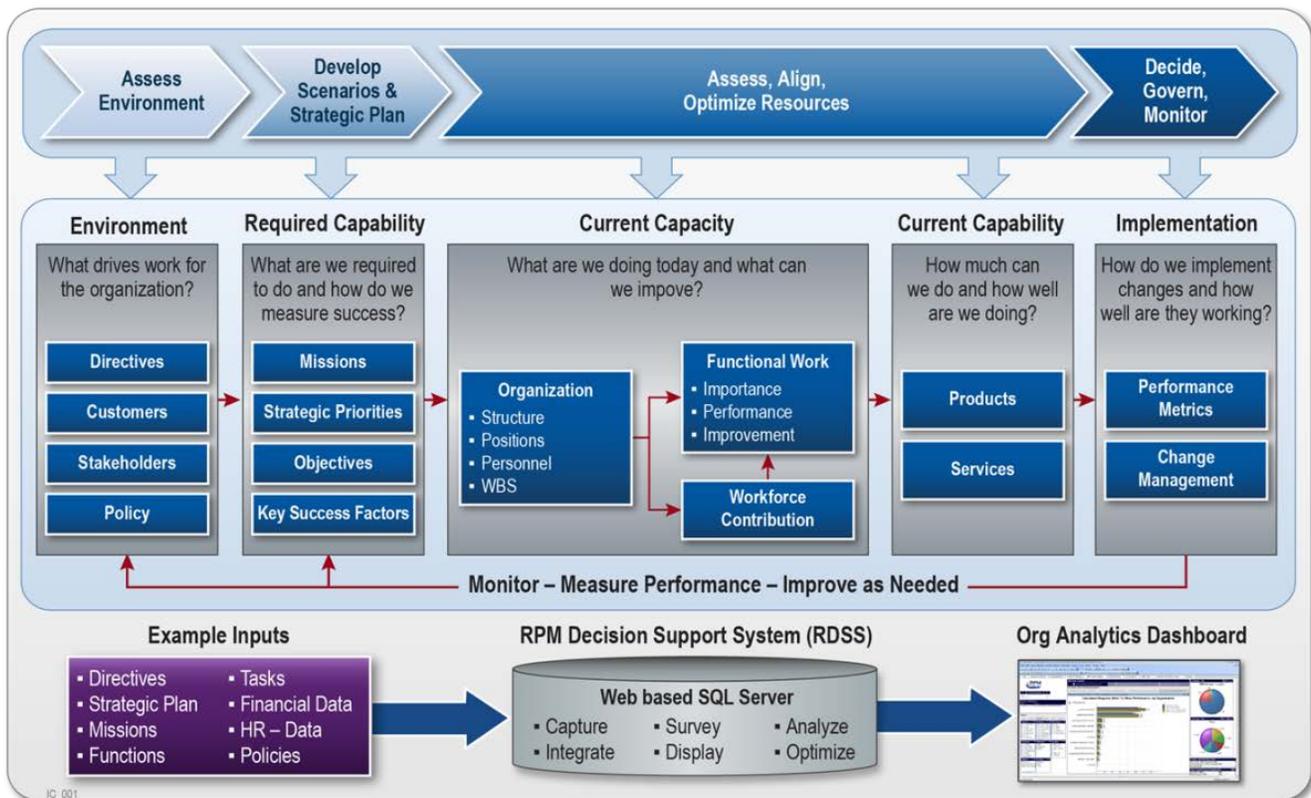


Figure 4: Holistic systems approach aligns resources directly to mission

We have bundled the best of breed methodologies, decision support techniques, web based technology, and a leading business discovery platform to deliver a holistic approach to improving organizational performance and efficiency. To determine the resources required, our approach focuses on the importance and performance of the work. Continuing to “do more with less” without either eliminating work or improving the efficiency of the organization results in significant risk to readiness and employee burnout. The RPM aligns missions and strategic objectives to processes (work) and then measures the contribution of current resources available to perform the work. The difference between the required capability and current output identifies a performance gap that allows decision makers to better understand

how changes to organizational structure, work performance, resource mix (skills, labor type), and levels (e.g., staff, IT) impact the overall performance of their organizations.

RPM is supported by a robust organizational discovery and visualization dashboard powered by QlikView™. The resulting capability pushes past traditional static measures to more strategic predictive analysis that allow leaders to rapidly respond to anticipated or emergent changes (e.g., increase or change in mission, reduction or increase in labor budget). Thus allowing leaders to create what GAO calls a “Line of Sight”³ between individual performance and organizational success.

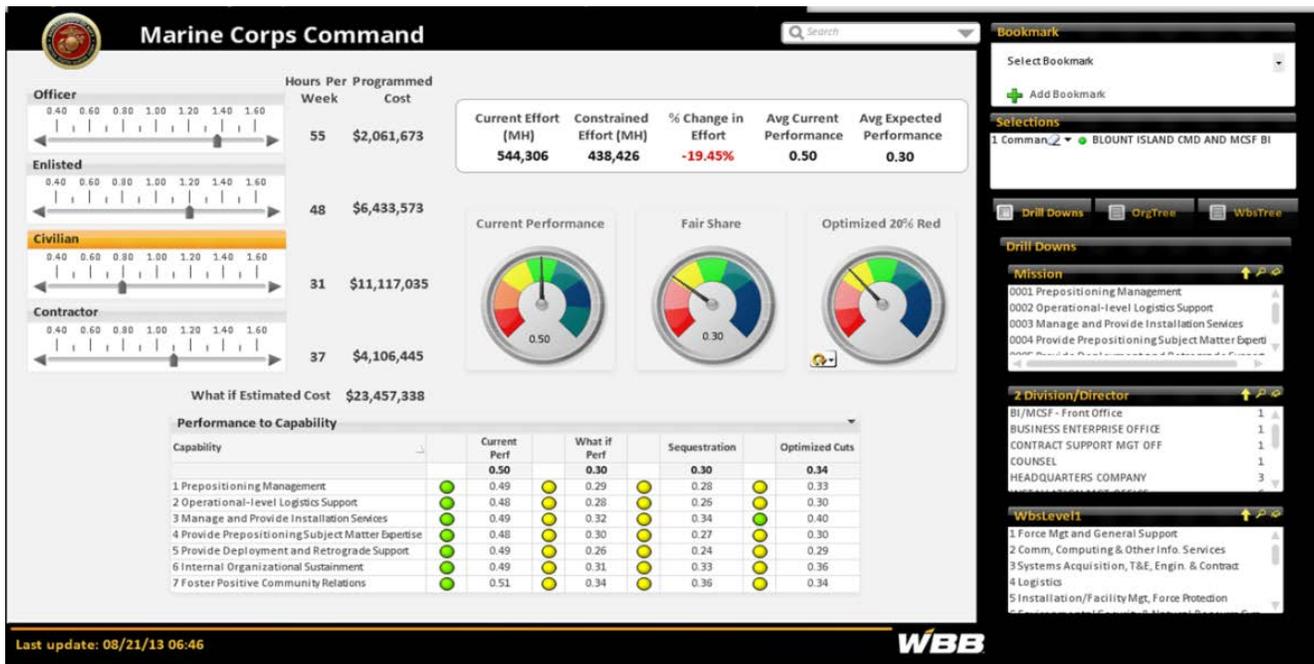


Figure 5: Decision Quality Data Supported by Powerful User-Driven Analytics

The combination of a common framework to assess organizational performance, leveraging technology that integrates federated sources of data, and WBB experience provides organizational leaders with options to weather the current round of budget cuts without unnecessarily crippling their organizational performance.

³ GAO, Federal Workforce Challenges in the 21st Century, GAO- 00- 556 (Washington, D.C., March 2007).

WBB works closely with the organization to capture relevant available data from multiple sources leveraging previous and ongoing work. Traditional models require users to spend the majority of their time collecting, collating, and fighting to integrate and display the data. Our use of web- based technology minimizes imposition upon your staff, and reduces time to delivery thus accelerating “data informed” senior- level decision making. We have consistently enabled our clients too rapidly and accurately:

- Assess organizational strategic priorities, gaps, and inefficiencies in work performance
- Determine gaps between current capacity and resourcing levels needed for success
- Identify opportunities to divest low value work and make investments in process, policy, structure, and technology to increase efficiency
- Map resources to work requirements to determine valid, defensible resource requirements
- Identify low- risk offsets to fully fund mission priorities
- Plan for change and perform “what- if” optimal staffing excursions based on emerging or anticipated changes to the environment (mission, budget, political) and the resulting impact

WBB Produces Demonstrated Results – Case Study

In the GAO report referenced above (GAO- 12- 345), they observed that the approach and resulting level of detail provided during the 2010 headquarters reduction varied widely. They specifically recognized the Navy for providing position level detail and cost savings as compared to other services, which gave little information on how projected savings would be achieved. WBB performed the study (described below) that produced the GAO recognized results using our RPM approach.

POM 12 Staffing Study – Fleet Forces Command/Commander Second Fleet

Challenge

Deputy Chief of Naval Operations (Manpower & Personnel) OPNAV N1 required a rapid organization and workforce study of U.S. Fleet Forces Command (USFFC) and Commander, Second Fleet (C2F) headquarters. They needed an independent assessment to determine the requirements and risks in preparation for anticipated cuts in POM 12. Additionally N1 needed a method to quantify risk to mission and recommendation of specific billets.

Solution

Leveraging our RPM approach, WBB was able to rapidly:

- Complete a rapid assessment of the “as- is” alignment of mission–task–workforce
- Determine the benefit/risk of all 1947 positions (Military, Civilian, and Contractor)
- Develop a workforce risk optimization model to quickly assess impact of future scenarios on mission performance
- Provide a range of options that traded workforce reductions for risk/benefit

Client Results

- Gained full visibility into importance, quality, and workload of the organizations
- Provided recommendations that eliminated 344 military positions based on efficiencies of scale by consolidating the organizations
- Provided range of options to OPNAV N1 to support POM- 12 budget decisions
- Provided recommendations on organizational alignment to improve performance to mission

Outcome

Because the missions of the USFFC and C2F staffs were found to have converged over time, merging the two organizations into one integrated staff could improve current performance, and provide better ability to adapt to changing missions, while eliminating redundant personnel. As a result, OPNAV was able to confidently make the decision to merge the organizations.

<i>Commands</i>	<i>Positions</i>	<i>Positions Reduced</i>	<i>FY13 Savings</i>	<i>FY13-FY16 Savings</i>
2	1947	344	\$10.5M	\$100.8M

**Source of savings – GAO-12-345*

Benefits to DOD

Our approach enables our clients to make proactive resource decisions in a rapidly changing environment. We integrate in- depth customer knowledge, subject matter expertise, and robust analysis capability customized for the environment and delivered rapidly. RPM provides an alternative, innovative cost- effective approach that will allow DOD organizations to complete their mission goals with limited resources (Figure 6).



Figure 6: Immediate and enduring value to DOD and Services

Become better prepared for the "20% reduction". Make data-informed decisions to maximize your agency's performance. To learn how WBB can help, contact the authors or visit the WBB website for more information at www.wbbinc.com.



About the Authors

Donald M. Styer

Mr. Don Styer is a recognized thought leader, results oriented industry expert, published author, and sought after speaker with demonstrated experience in the areas of Innovation, Organizational Design, Business Discovery, Strategic Planning, Resource Planning, Executive Coaching, Decision Support, and Logistics Supply Chain Management. Mr. Styer is retired United States Naval Supply Corps Officer who throughout his distinguished career served in a variety of sea and shore assignments directly resourcing operational requirements and improving service delivery to include; contracting supply chain management, financial management, acquisition, retail sales, and food service operations. He is the principle solution architect of WBB's Resource Planning and Management (RPM) solution who brings years of experience helping dozens of large global organizations navigate major transformations, realignments, and strategic resource staffing plans.

Albert G. Moseley

Mr. Al Moseley is an experienced project manager and recognized problem solver with a background in strategic planning, workforce analysis, leadership facilitation, and cost-benefit analysis. He is continuously sought out by clients for his ability to tackle the toughest challenges, and uncover true issues, while managing diverse stakeholder demands. Mr. Moseley is a retired United States Marine Corps Officer who served in numerous leadership positions in aviation, operations, planning, logistics, and administration. As a strategic planner at the Service headquarters, he was frequently given the "difficult" problems by senior leaders due to his ability to find reasoned, practical, and timely solutions. Mr. Moseley leads WBB's Resource Planning and Management Team and is responsible for conducting workforce analysis and resource planning to provide our customers with valuable insight on their organizational performance. He is a seasoned professional with over 27 years' experience in addressing government challenges. He holds an M.S. from the Naval Post Graduate School, and a B.S. in management from Park University.

About WBB

WBB is a leading government and public sector solutions provider, dedicated to the enduring success of our clients. We focus on value creation through customer collaboration, domain expertise, tailored methodologies, and innovative solutions. Our goal is simple: establish clients for life through passion, integrity, innovation and quality. We are honored to serve Defense, Intelligence, Homeland Security, Health, Commercial, and Civilian agencies.