

A New Approach to Financial Management

Financial Management Quality Service
Management Office (FM QSMO)

September 2019



The CFO of the Future

CFO Survey: Current Responsibilities

Moving Forward

TO DO:

- | | |
|-----------------------|-----|
| ✓ Financial Reporting | 87% |
| ✓ Accounting | 82% |
| ✓ Financial Systems | 75% |
| ✓ Budget Formulation | 75% |
| ✓ Budget Execution | 74% |



More CFO Time Spent On:

- Thought leadership
- Data analytics
- Performance monitoring and management



Less CFO Time On:

- Financial transactions
- Financial systems/IT
- Compliance
- Low-value reporting

Refocus from Transaction Processing to Analysis and Performance

Today's CFO Pain Points

- Maintaining Secure Systems
- Upgrading Software and Technology
- Managing Non-standard Data
- Implementing New Reporting Requirements

77% of FM Systems need to be upgraded



30 of 39 agency FM Systems in production will reach "End of Life" with no vendor support within 5 years

Guiding Principles and Shared Goals for the Future

Guiding Principles

- Focus on customer experience
- Maximize the strategic value of data
- Deliver progress using agile processes

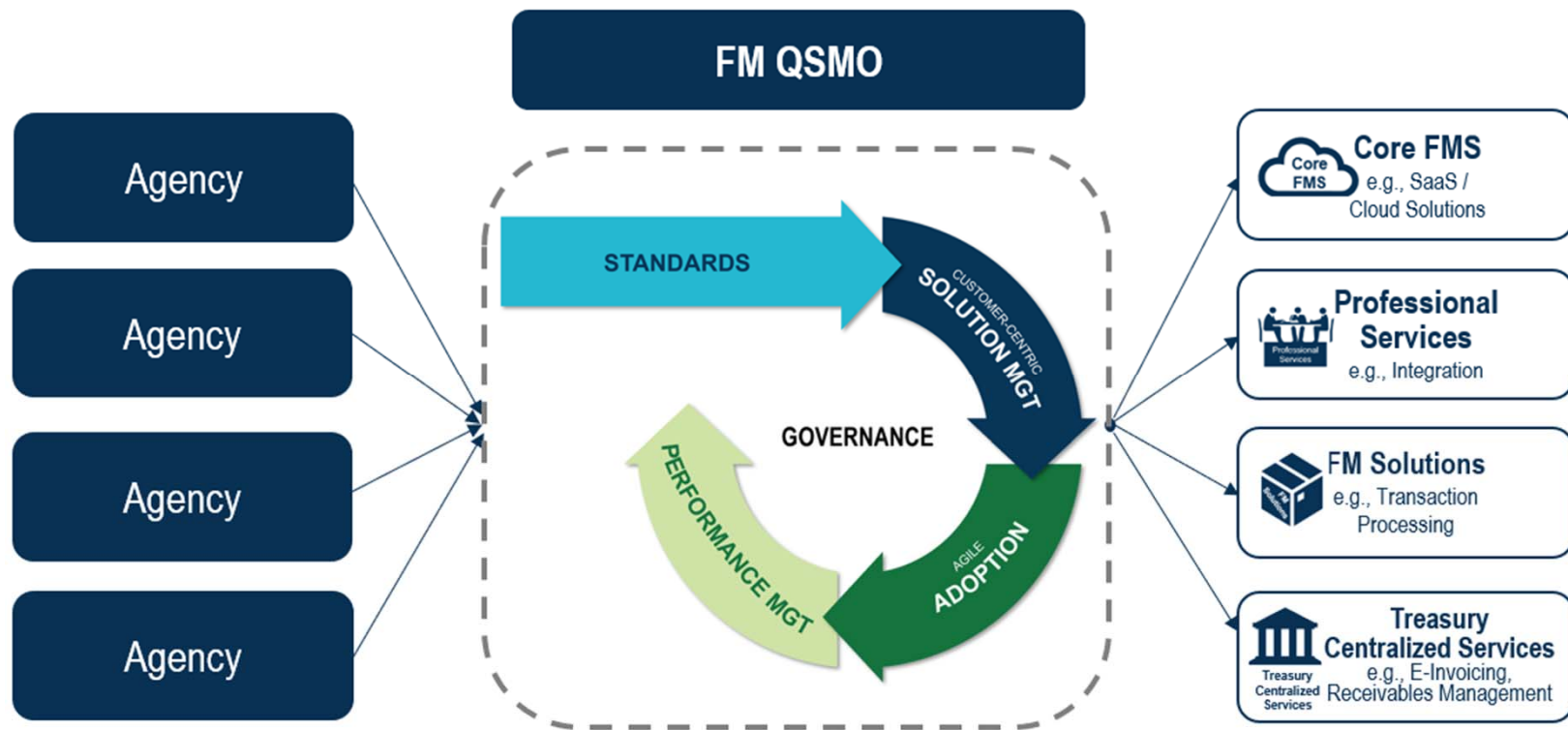
Shared Goals

- Standardize processes and data
- Reduce operation and maintenance costs
- Modernize and automate processes
- Improve customer satisfaction



President's Management
Agenda

A New Approach to Financial Management



In the Future State, the FM QSMO acts as the broker between agencies and commercial and federal solutions. Solutions are centrally administered, standards are embedded in solutions, and there is a unified effort to achieve goals.



Tomorrow's Benefits to CFOs

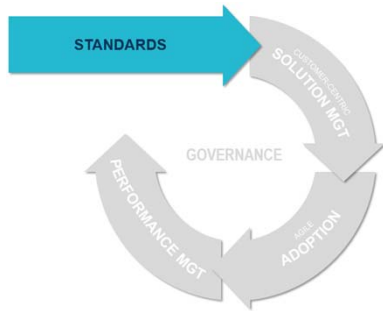
- Cost reductions in the longer term, due to:
 - Fewer agency-specific solutions
 - Maximizing the government's buying power
- Financial and Personnel resources freed up for other purposes, due to:
 - New reporting requirements built-in to solutions
 - Providers maintain modern and secure systems
 - Simplified procurement processes to leverage solutions
- Ability to spend more time on analysis, due to:
 - Better access to standardized data
 - Better integration of core FM and mixed systems

As a result, CFOs are able to provide better service to their customers.



Standards Enable Sharing

Reach agreement on an initial baseline configuration using existing financial management standards



Work with agencies and existing bodies to define initial baseline requirements and testing methodologies



Pre-configured, modern and secure solutions ready for agency adoption



Benefits:

- Ease of adoption
- Lower cost of entry
- Standardized data
- Up-to-date system

Solutions Offer Choice

Offer a comprehensive suite of services available from Treasury, commercial vendors and other providers to fulfill an agency's financial management needs.



Marketplace with "Best in Class" services available to all agencies



Benefits:

- Ease of entry through pre-established contracts
- Quick and timely access to innovations
- Embedded with standards
- Lower cost of offerings



Solutions in Marketplace



Core Financial
Management
Systems (FMS)



Financial management software suites that will be offered as Core FMS in a FedRAMP environment.

- Example: Software-as-a-Service, Cloud Solutions

Professional
Services



Services to assist agencies adopt FM QSMO solutions. They include Integration, engineering, architecture, project management, and strategic consulting services.

- Example: Core FMS Integration Support

Financial
Management
Solutions



Applications, modules, and services that are complementary to Core FMS services.

- Example: Other Software Modules, Transaction Processing

Treasury
Centralized
Services



Solutions offered by the Fiscal Service to meet a range of financial management needs.

- Example: Payment Services, Receivables Management



Adoption through Collaboration

Provide technical guidance and expertise on financial management, standards, compliance, and acquisition and implementation solutions.



- Advice and Consulting
- FSSPs Joint Business Cases
- Agency Financial Management Plans
- Providers as partners in supporting adoption



Specific solutions that meet agency FM needs

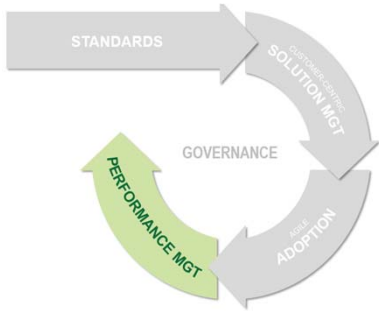


Benefits:

- Reduces implementation risk
- Builds upon lessons learned from other implementations
- Leverages shared and proven solutions

Performance for Results

Establish performance measures and feedback mechanisms and use the resulting data for changes and improvements.



Feedback

Measure customer Satisfaction with the Marketplace and performance



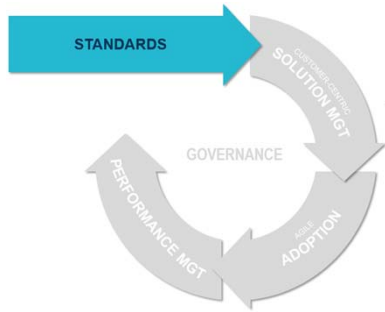
Framework for accountability to ensure providers meet customer needs



Benefits:

- Adaptive and agile Marketplace
- Responds to needs of customers

Standards: Key Activities & Deliverables



Baseline Configuration Requirements

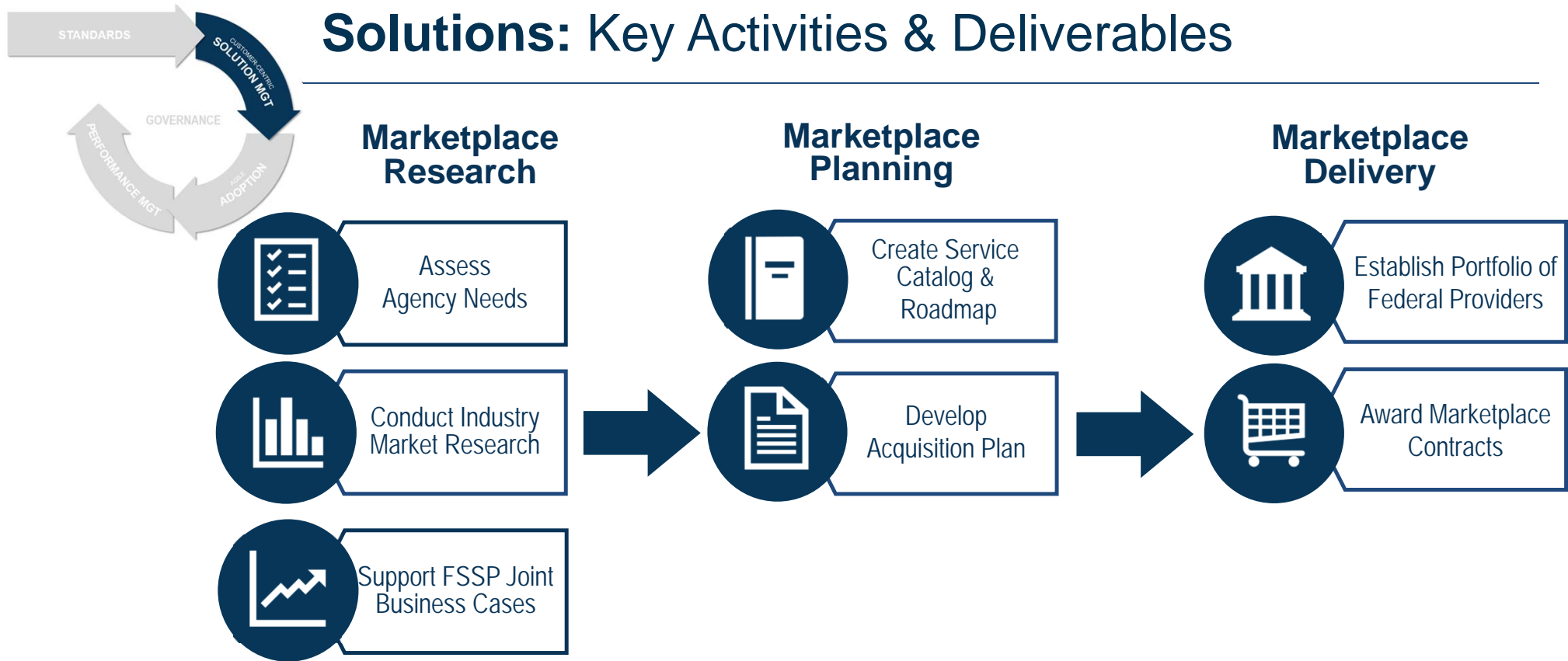


Investment in Baseline Configuration



An agreed upon baseline configuration that is defined in FY20, built, tested and validated in Core FMS in FY21, and ready for production use in FY22.

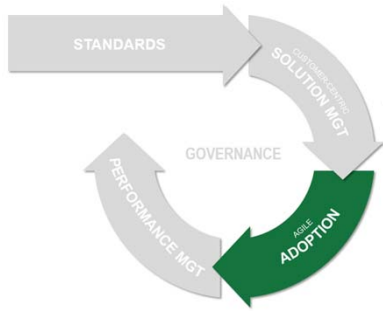
Solutions: Key Activities & Deliverables



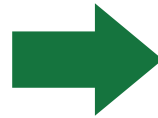
Delivery of a robust government-wide Marketplace, with multiple offerings, in FY21 for agencies to begin leveraging.



Adoption: Key Activities & Deliverables



Planning



Analysis



Adoption



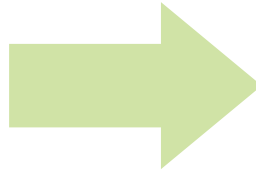
A prioritized pipeline of agencies ready to pilot and use shared solutions available in the Marketplace beginning in FY21.



Performance: Key Activities & Deliverables



Establish & Refine



Monitor



A performance management framework is established in FY20, refined in FY21, and regularly monitored beginning in FY22 to assess FM QSMO and provider performance, customer satisfaction, and progress in meeting shared goals.

Keys to Sustained Success

- **Clear authority**
 - To engage with agencies and industry on financial management initiatives
 - To establish a government-wide contract vehicle
- **Willing partners and providers**
 - To reach agreement with agencies on requirements for a baseline configuration
 - To identify early adopter agencies of Marketplace solutions
 - To engage industry and federal providers in developing and promoting Marketplace solutions
- **Funding and resources**
 - To build the baseline configuration, establish the Marketplace, and make strategic investments to incent adoption
- **Integration with other QSMO Marketplaces**
 - To provide a seamless suite of solutions to the CFO customer, interfaces with other services need to be understood
 - To ensure needed data standards across lines of business

