

Findings and Recommendations for Funding Technology-Related Business Initiatives in the Department of the Air Force

The U.S. Air Force (USAF) is undertaking an effort to use information technology (IT) to transform human resource management (HRM). This effort will require sustained funding that can be challenging to secure in the Planning, Programming, Budgeting, and Execution (PPBE) process.

This brief summarizes one of three reports aimed at helping the USAF understand the elements necessary for a successful digital transformation.¹ The report related to this brief discusses strategies for securing sufficient resources for digital transformation.

Approach

For this project, a Project AIR FORCE researcher interviewed subject-matter experts in programming technology-enabled HRM and related initiatives in

¹ The other two reports, which examine best practices for implementation and different ways that the USAF could use data to improve its talent management functions, are *Implementing Technology-Enabled Human Resources Capabilities in the U.S. Air Force: Insight from the Private Sector and Military Services*, by Douglas Yeung, Elicia M. John, Jeannette Gaudry Haynie, James Ryseff, Bonnie L. Triezenberg, and Nelson Lim (www.rand.org/t/RRA1198-1), and *How the U.S. Air Force Can Incorporate New Data Technologies into Its Talent Management System: Framework and Use Cases for Technology-Enabled Talent Management*, by David Schulker, Matthew Walsh, Nelson Lim, and Ajay K. Kochhar (www.rand.org/t/RRA1198-2).

the Department of the Air Force and other services. The author also reviewed previous initiatives for lessons learned and examined what elements of the PPBE processes make it difficult for technology-enabled HRM initiatives to compete with operational programs that directly affect the warfighting mission. The aim was to identify effective practices that have led to successful funding for IT initiatives.

Key Findings

How the Funding Process Shapes Success

The research identified challenges with the PPBE process that make it harder for business initiatives to compete with more-operational initiatives, such as weapon systems.

Initiatives compete for funding at multiple levels and must first navigate the Panel and Group stages. A program element monitor (PEM) who is an expert in the specific area advocates the initiative at all stages of the PPBE process. New initiatives are generally required to help pay for themselves by identifying offsets, such as cost efficiency or the phaseout of older programs.

At the Panel level, program elements are organized according to mission, so an IT initiative is competing only with programs in a similar mission

area. At the Group level, an initiative competes with all programs, regardless of mission area. One challenge is that arguments that succeed at the Panel stage might not be persuasive at the Group stage.

Another challenge is that most deliberations at the Panel level transpire *before* Panels are given a top-line budget (or *bogey*) to meet across the Future Years Defense Program. The Panel, therefore, must entertain a range of options to be prepared for a range of bogeys. In addition, inputs to Panels often do not require offsets, meaning that the Panels receive requests for initiatives without corresponding means to pay for them.

How Elements of the Business Initiative Shape Success

Next, the author identified elements of the business initiatives that influence how they fare in the PPBE process. New efforts are more likely to succeed under the following conditions:

- **Offsets are identified to pay for most or all of the new program, and these offsets are realized over the long term.** Finding and realizing offsets for IT and business systems are particularly challenging. Exactly what efficiencies might be realized can be hard to estimate accurately, leading to later cost growth. If savings are not realized, an additional future bill will need to be paid. It is vital that these offsets be realistic and that they be sufficiently quantified to convince skeptical audiences. If they are not, IT and business systems can be attractive bill payers for other programs when deliberations rise to the Group level.
- **The PEM can present compelling narratives that justify the program and are tailored to the different levels of PPBE deliberation.** At the Panel level, the narrative should focus on how the program resolves issues at the Mission level and why it should compete favorably with other programs in the mission. A second narrative should be tailored for levels of review above the Panel level that focuses on national-level priorities and warfighting contributions.
- **The PEM is well informed and well prepared to address all questions about potential changes to resourcing over the Future Years Defense Program.** How will the program execute, given future budget uncertainties? Even with sound arguments for offsets and why a program should be resourced, the effort can fail if the PEM is not fully prepared to address all questions that might be posed during program review.
- **The PEM works closely with the user community to gain support.**
- **The effort is structured in such a way that incremental successes can be demonstrated.** Programs are more likely to enjoy continued resourcing during execution and avoid becoming a bill payer for another initiative if they are structured so that they regularly deliver working capabilities to justify continued funding and provide any offsets that they have promised.
- **The effort earns the continuing support and engagement of senior leaders.**
- **All the hidden costs of process realignment or software development to accommodate bespoke processes are identified and budgeted up front** rather than emerging as later program cost growth.

Recommendations

The findings led to the following recommendations:

- Ensure that rigorous analysis—comparable to that used to justify new weapon systems—is done to establish that the benefits and future savings of a technology-enabled HRM program exceed its obvious and hidden costs, such as process changes and temporary overlap of old and new systems.
- Develop a communications plan in which this evidence of cost-effectiveness can be presented effectively at all levels of the budget process.
- Structure programs to incrementally secure any efficiencies and sequentially retire any legacy systems.
- Ensure that the personnel representing the initiative are sufficiently knowledgeable to defend the program.

This brief describes work done in RAND Project AIR FORCE and documented in *Funding Technology-Related Business Initiatives in the Department of the Air Force*, by Don Snyder, RR-A1198-3, 2022 (available at www.rand.org/t/RR-A1198-3). To view this brief online, visit www.rand.org/t/RBA1198-3. The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. RAND® is a registered trademark.

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