

USAWC STRATEGY RESEARCH PROJECT

**TRANSFORMING ARMY FINANCIAL
MANAGEMENT SUPPORT TO BRIGADE
COMBAT TEAMS AND DIVISIONS**

by

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ABSTRACT

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The Finance Corps is at the crossroads of its existence. Recently, the Commandant of the Finance Corps published two memoranda that provide the concept and details of the latest approved Financial Management Redesign (FMR). The FMR recognizes and incorporates resource management as an integral part of deployable financial management while identifying procurement operations in support of sustaining forces as a priority. The FMR provides a deliberate transformation that expands force structure and the scope of operations without consideration to organizational changes in other activities or the technological advances in information available to alter internal processes. This paper proposes an alternative that accelerates the transformation by focusing on financial support provided to active duty division and brigade-level combat teams, and separate brigade-level units. It includes a review of recent facts and history; discusses the current operational environment; and establishes valid criteria to compare and analyze both the FMR and the alternative. Finally, this paper will demonstrate that the Finance Corps must drastically change its organizational structure by eliminating battalion and detachment commands while divesting rudimentary data entry and distribution tasks if it is to truly transform.

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TRANSFORMING ARMY FINANCIAL MANAGEMENT SUPPORT TO BRIGADE COMBAT TEAMS AND DIVISIONS

It is even more common for an organization...to set additional goals or expand the scope of their old ones. In doing this, the organization acts to increase the dedication of its members and encourage the recruitment of new members.

—Amitai Etzioni

Since the birth of the Finance Corps basic branch under Army Reorganization Act of 1950¹, its mission has been to provide timely and accurate services to soldiers and commanders. Finance Corps leaders have worked diligently and creatively to maximize efficiencies, leverage technologies, and enable combat power with the objective of continual improvements to the quality of service. Recently, the Commandant of the U.S. Army Finance Corps published two memoranda that provide the concept and details of the latest approved *Financial Management Redesign* (FMR).² The FMR identifies new force structure goals by expanding the scope of operations to include resource management and elevating support of sustainment operations as the main effort of financial management support to commanders. Unfortunately, the FMR expands the current organizational structure to match the increase in the scope without regard to the current operating environment or advances in information technology. In light of the post 9-11 realities of a nation at war and the advent of advanced information technologies (AIT), the Army Finance Corps (FC) must drastically change its force structure and the means used to support brigade-level combat teams, separate brigades, and divisions.

FACTS AND HISTORY

COLD WAR STRUCTURE

Throughout the 1980s, battalion level finance units under various names (Area Finance Support Command [AFSC]³ renamed Finance Support Command (FSC))⁴ were structured to provide a broad range of finance services in peacetime and wartime on an area basis. Figure 1 illustrates the width and breadth of services provided. In peacetime, the areas of commercial accounts and accounting were provided with the bulk of the work performed by civilian government employees augmented by military personnel. The disbursing section was robust with a generally equal compliment of military and civilian personnel supporting cash and U.S. Treasury check issuance operations for payroll, vendor payment, and travel operations. The travel section provided services for the computation of both temporary duty (TDY) and

permanent change of station (PCS) travel advances and settlements. The military pay section, on the other hand, was almost exclusively staffed by military personnel and performed all tasks related to military pay. This included starts, stops, and changes to allotments, housing allowances, rations, adjustments to leave balances, collections for field rations, government property lost or destroyed, and other pay adjustments.

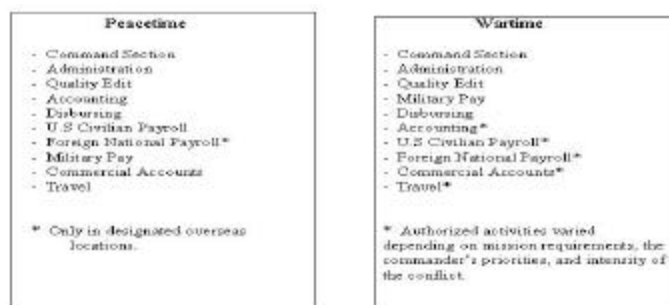


FIGURE 1. 1980'S PEACE AND WARTIME SERVICES OF A BATTALION LEVEL FINANCE UNIT

During wartime, the finance unit was structured to provide finance services through deployment of mobile pay teams (MPT). The MPTs were tasked to provide military pay and limited-disbursing services to supported units on an area basis – either at a logistical support base or be traveling to the supported unit's base camp. In other words, they supported all Army units resident or passing through their area of operations. As Figure 1 notes, the range of services was situational. As an example, military assets could be drawn from a finance unit and deployed to support commercial accounting activities in an area of operations. This capability made the units modular and could be tailored according to a commanders priorities and requirements.

In the early 1980s, payday and the corresponding activities were significant events with millions of dollars in cash disbursed through the use of agents provided by supported units and cashiers deployed throughout an are of operations. These agents and cashiers exchanged physical payroll checks for cash at designated locations twice a month. As the 1980s progressed, the full effects of mandatory direct deposit resulted in the reduction of payday check cashing services to the extent that by the end of the decade, the requirement was eliminated. Although "Sure-Pay" did not have an impact on the authorized personnel levels of the finance unit, it had a significant impact on supported units as they were no longer required to provide agents, armed escorts, and secure locations from which to disburse cash. For soldiers receiving payroll checks, it eliminated long lines and losses through theft or accident.

POST-COLD WAR STRUCTURE

With the end of the Cold War, the structure of the finance unit changed dramatically. Figure 2 shows the revised peacetime and wartime services. Now called Finance Commands,⁵ the peacetime structure no longer maintained control over accounting, vendor pay (previously called commercial accounts), TDY travel, civilian and local national payroll, and daily disbursing operations. However, the unit was still required to be able to execute the functions of those operations in a wartime environment, based on mission requirements and the commander's priorities in the finance unit's area of responsibility.⁶ In contrast to the 1980's structure where the services provided in peacetime operations were greater than or equal to the wartime requirement, the services provided in the post-cold war peacetime were far less than the potential wartime requirement. Additionally, detachment commands were inserted as a supervisory level between the battalion commander and the MPTs, now called Finance Support Teams (FST).

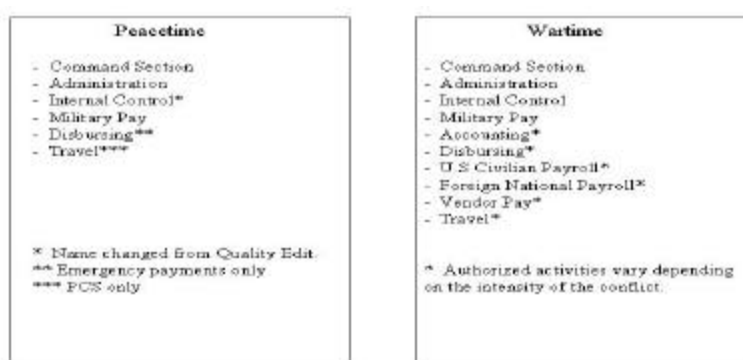


FIGURE 2. POST-COLD PEACE AND WARTIME SERVICES OF A FINANCE BATTALION.

The change was made possible by the creation of the Defense Finance and Accounting Services (DFAS) in 1991.⁷ Created as a means of reducing the cost of finance and accounting in all services, this Department of Defense-level organization was charged with obtaining savings through consolidation and centralization of tasks and structure that were previously considered installation or local support activities. These DFAS services included accounting, vendor pay, civilian and local national pay, and computation and payment of TDY Travel entitlements. As a result, the civilian and military manpower were transferred to the command and control of DFAS while the finance unit was left with the staffing to support peacetime military pay services and computation of PCS travel advances and settlements.

POST 9-11 FINANCIAL MANAGEMENT REDESIGN (FMR) STRUCTURE

The FMR, published in April 2003, slightly altered the structure of the finance unit to provide both resource management and finance operations capability at the tactical level - on an area basis. Now called the financial management battalion (FMB), the FMR expanded the structure by adding a comptroller team and a disbursing section to each detachment as well as identified support of sustainment operations as a priority for finance units. Figure 3 provides the peacetime and wartime lists of services. The result was an increase of seven members to fill comptroller team and two members for each detachment in the FMB. The mission of the comptroller team is to analyze a division-level commander's priorities and tasks, and identify financial and manpower requirements necessary for mission accomplishment.⁸ The disbursing section in each detachment is tasked with accounting for and providing currency (cash) to agents and subordinate financial management support teams (FMST, replacing the FST).⁹ The FMR, other than those two changes, leaves the structure the same as the Post Cold-War structure.

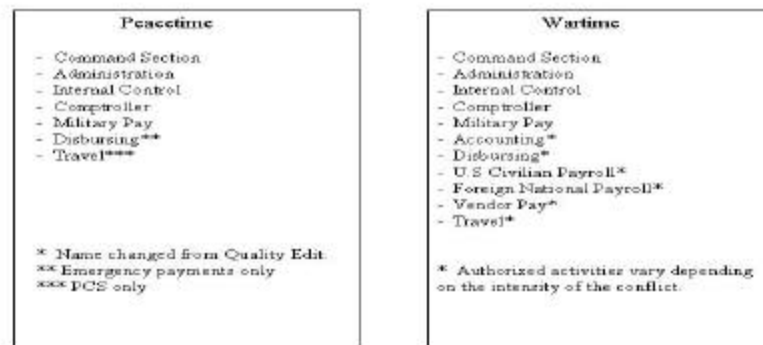


FIGURE 3. POST 9-11 PEACE AND WARTIME SERVICES FOR A FINANCE BATTALION (FMR).

The FMR focused on the wartime structure and justifying the changes as they relate to the wartime mission but omitted the impact on peacetime operations. By not addressing this impact, the FMR widened the gap between the peacetime and wartime operating services of the FMB. In identifying the need for a disbursing section within a detachment to support operations during wartime, the lack of need for a disbursing section in peacetime was conspicuously absent. In other words, while there is a valid wartime mission, due to the creation of DFAS and the centralization of all disbursing operations, there is no peacetime mission for this section. Yet, the structure still exists with no peacetime purpose. The same can be said of a disbursing

section at the battalion level. If a FMB disbursing section is not conducting operations in field support of a unit, there is no need for the section. If there is no need for the section, then structure does not need to exist until it is needed – in actual or training operations.

The force structure of the FMR does nothing to address the impact of initiatives outside the unit that have had and are having a dramatic impact on current peacetime operations. The Department of Defense, for example, is developing the Defense Integrated Human Resource Management System (DIMHRS) that will consolidate the personnel and pay systems of the all of the services into one database. In DIMHRS, military pay is a module subordinate to the personnel database with changes automatically updating pay records. Currently, there are two independent databases that are separately maintained with the resulting requirement for both a personnel clerk and a finance technician. For example, a soldier arriving at a new duty station requires a personnel technician to enter the soldier's arrival into the Army personnel database. That entry is followed by a transaction input by a finance technician into the DFAS military pay database. DIMHRS will eliminate the need for the finance technician.

While admitting that the implementation of human resource programs¹⁰ such as DIMHRS may alter the core competency of finance units (that being military pay), the FMR does not seize the opportunity to alter the present structure. While the Army Finance School was publishing its FMR that called for *increased* staffing,¹¹ both DFAS and the Air Force approved and published independent concepts of operation for service member support that looks for a twenty percent *reduction* in their staffing levels.^{12,13} The FMR, on the other hand, justifies expanding the structure based on a growing need to support sustainment through local procurement operations. Using recent experiences in Bosnia and Kosovo, the FMR argues that “other” organizations can reduce their structure while the FMB expands, since no other organization can provide both local procurement *and* military pay support. The FMR widens the disconnect between what the peacetime structure supports and what the wartime structure requires.

OPERATIONAL ENVIRONMENT

PEACETIME

Based on the FMR, Figure 4 illustrates the operating environmental factors affecting the FMB in peacetime. DFAS has an integral role in supplementing the daily operations of the FMB. In this capacity, DFAS has centralized control of the military pay and accounting databases (including security access); software development and fielding; and the creation and distribution of standard operating procedures and timelines for processing payrolls and accounting transactions. The FMB comptroller team can be expected to perform very few data

entry tasks since there are a variety of elements that feed their accounting reports, to include logistical data, acquisition information, and TDY travel payments.

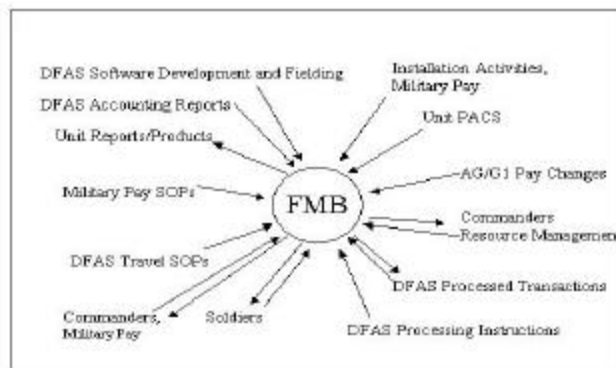


FIGURE 4. FACTORS AFFECTING THE PEACETIME OPERATING ENVIRONMENT OF THE FMB.

For military pay, under the FMR concept, the supported units, installation activities, and the local adjutant general and personnel offices provide the documentation. Commanders and soldiers have an interest in the quality and timeliness of pay changes, but they do not provide the documentation directly to the FMB. Unit personnel action centers bear that responsibility. As the middleman between the unit and DFAS, the FMB processes documentation for pay and entitlements through receiving, data entry, audit, and reconciliation of pay changes. Military pay is clearly labor intensive. Despite this reality, the FMR ignores the impact of the advances that information technology is having on the types of documentation that require processing by a FMB. Interaction between the FMB and commanders becomes greater as the resource management aspect of operations becomes the focal point, and as military pay issues are diminished.

WARTIME

In wartime, the FMB operating environment becomes far more complex and the disconnected from the peacetime requirements. Figure 5 illustrates the expanded role in supporting commanders and soldiers described by the FMR. Wartime requires an expanded FMB scope of operations, influences, knowledge, and customers. Where DFAS provides disbursing and vendor pay operations in peacetime, the FMB is capable of providing these services upon deployment. Under the FMR concept, the relationship to local vendors, banks, the U.S. Treasury, and the conduct of supporting operations are conducted with a

structure that is overwhelmingly skewed toward military pay. FMB performance potential is weakened in this environment¹⁴ since it cannot dictate where either a commander or the wartime situation may place the emphasis in operations. The FMB Commander will lack insight into the decision making process necessary to support the operation most effectively and efficiently. This imbalance between peacetime and wartime services and needed structures is pronounced and must be corrected.

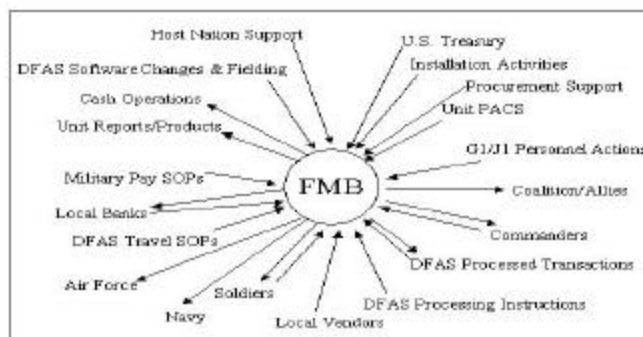


FIGURE 5. FACTORS AFFECTING THE WARTIME OPERATING ENVIRONMENT OF A FINANCIAL MANAGEMENT BATTALION (FMB).

BALANCING STRUCTURE AND REQUIREMENTS

As the Finance Corps reconsiders its role in supporting operations, the transition from peacetime to wartime services must be emphasized equally. Technological changes in processing data continue, yet the FMR structure ignores the growing imbalance. As the middleman in processing DFAS military pay data, the Finance Corps must be able to adapt and adopt technologies that free it from low level tasks that do not contribute to the conduct of wartime missions as well as divest structures that inhibit rapid deployment in support of field commanders.

Rather than expanding the structure of the FMB as the FMR suggests, redesign should be devoted to the tasks and functions in a merged organization that closes the gap between peacetime services and wartime requirements. This would be akin to a commercial business "horizontal merger."¹⁵ Horizontal mergers occur when "two firms that produce closely related products and sell them in the same market" merge with the objective to fill gaps in each other's product lines *and* achieve economies in distribution, sales, and management. With the organizations merged, integrating operations and eliminating redundancies achieve economies of scale. Web-based information technology provides an excellent starting point for enabling

divestiture of non-core tasks that can be performed in centralized locations. The DFAS and Air Force initiatives provide recent examples of maximizing the web to reduce the need for a localized force.

Shaping the armed forces and the Army into modular combat formations are key elements contained in *Joint Vision 2020*¹⁶ and the *Army in 2020 White Paper*¹⁷ and necessitates reduced structure across all supporting activities, not just logistics. As the Army eliminates the current division and brigade designation and creates modular Units of Execution (UE) and Units of Action (UA) in their place, it will require new concepts in providing support. The Army will restructure ten combat divisions and 33 brigades to ten UEs and 48 UAs.¹⁸ Each UE will have four UAs. These new units will be rapidly deployable, self-contained, and tailored to suit the mission requirements, regardless of the type of operation. To be more effective, the Finance Corps must have a vision that encompasses a significantly reduced structure yet maintains the capability to provide commanders and soldiers with timely resource management and finance operations support. The following sections provide the framework for a comparison of the FMR to an alternative using criteria focus on the twin objectives of mission capability and reduced structure.

CRITERIA FOR ANALYSIS

In selecting the criteria used to compare the FMR with my proposed course of action, I emphasized the need to effect changes as rapidly as possible in active duty units. Using active duty force structure as the basis for comparison, Figure 6 lists the criteria in the order discussed with extra weight given for its relative importance to the other criteria on a four, three, two, one scale. Applying the criteria to the reserve component force structure is outside the scope of this paper and merits further study. Mission supportability is deemed most important and has a weight of four. Use of outside agencies was given a weight of two in order to promote joint interdependency as specified in the *Army in 2020 White Paper*.¹⁹ Reduction of the footprint was given a weight of three and corresponds to the Army goal of reducing the logistical support required to conduct operations. Disruption to current personnel is least important with a weight of one but still merited inclusion because of the cascading effect that organizational changes have on the people involved. Advanced information technology permeates all criteria and was therefore not included as a separate item.

Weight	4	2	3	1	
Criteria	Mission Supportability	Joint Interdependency	Reduced Footprint	Personnel Disruption	Total Points
Option					
FMR					
Embedding Personnel					

FIGURE 6. CRITERIA MATRIX INCLUDING WEIGHTS AND OPTIONS.

Mission Supportability. Mission supportability in peacetime and wartime is of paramount importance. The FC requirement for force structure is to provide the human and technical resources to support the full range of military operations under all conditions. This includes possessing an intimate knowledge of the supported unit functions, roles, mission, tasks, and knowing where financial management fits in.

Joint Interdependency. Joint interdependency between the Army community and Department of Defense agencies and/or other services to support operational requirements is a necessary quality of current and future operations. Streamlining force structure to take advantage of resident expertise and capabilities available in other organizations provides synergies that eliminate tasks and routines that are not part of the core requirement. Through joint interdependency, commanders become more focused on their specific mission.

Reduced Footprint. Deploying the right number of personnel and equipment necessary, without sacrificing lives or causing unacceptable risk, is the objective of every Army organization, regardless of function. The reduced footprint criterion describes the speed and flexibility afforded by lowering the logistics tail that typically accompanies forward deployed forces. Lower personnel and equipment requirements result in lower life-support and force protection requirements. This, in turn, results in lower air lift and/or sea lift requirements. Speed and mobility are thus increased with the smaller footprint.

Personnel Distribution. Personnel are our most important resource and minimizing the disruption in personal and professional development is a consideration that affects any redesign effort. This requires balancing human resource management requirements with mission capability to achieve mission success. People will be the implementers of all changes to processes and systems. If they do not understand the purpose and the impact, they will be naturally hesitant execute the changes. Although minimizing disruption is important, I gave it

the least weight because financial management specialists remain an integral part of mission support, albeit at a different location and within a different administrative structure.

THE ALTERNATIVE – EMBEDDING FINANCIAL MANAGEMENT PERSONNEL

I propose an alternative to the FMR. The FC should strive to embed financial management personnel into brigade combat teams (BCT), separate brigades, and division staff. Separate battalion and detachment command structure and organization would be eliminated while financial management tasks are horizontally merged to staff or divested to centralized locations or sanctuaries. Eliminating the command structure does not mean eliminating financial management core requirements of resource management and finance operations or the associated expertise necessary to support commanders. On the contrary, there is a requirement for commanders at all levels to have immediate access to FC expertise – operations and expertise that must be available to support the mission. For echelons above divisions, structure and support requirements remain unchanged. Corps and theater level financial management requirements still flow to/from the Finance Command. For divisions and below, the wartime FC tasks of contracting, host nation support, banking and currency, and control of funds require specialized training. By embedding financial management personnel into BCTs and separate brigades, the expertise is available for use throughout the decision-making process. By divesting rudimentary tasks such as data entry, the daily routine and structure is simplified while brigade task forces become more autonomous (an Army future force goal).

ANALYSIS

In comparing the FMR and the alternative, I apply the criteria individually and then collectively in the sequence listed in Figure 6. I apply the criteria first to the FMR followed by my proposal. An underlying theme within each is the impact of information technologies on the ability for the FC to support operations. At the conclusion of each, I rate a plus, check, or minus to signify its effect on the desired outcome. A plus indicates that there is a clear benefit and the criterion receives the full numerical weight. A check indicates marginal benefit and the criterion receives half of the numerical weight, and a minus is no benefit and receives no numerical weight.

FMR (ALTERNATIVE A)

The FMR provides mission supportability for peacetime operations and initial mission supportability for wartime requirements. Under the FMR concept, the FMB is identified as

supporting a division or division equivalent. The FMB provides habitual peacetime support to units on installations; hence, detachments support particular brigades. The detachment affiliation with supported units is stable and predictable. For example, a brigade on rotation to the national training center (NTC) can request and expect to have its peacetime affiliated finance detachment rotate with it, consistent with the exercise objective.

However, in wartime, this habitual relationship begins to fail when peacetime affiliated units deploy from installations. Since the FMB is required to support units on an area basis, the supported units will change as they pass through. As units move into and out of the FMB area, support for resource management becomes difficult. The source, use, and status of funding for those particular units must become resident in another FMB. For finance operations, the procurement, cash, and military pay contacts must be re-established, perhaps perpetuating previously identified issues and duplicating the efforts of others. For financial management echelons above division-level, resources are expended coordinating, analyzing, and eliminating requirements that result from duplication of effort as units pass through areas of responsibility. Under this criterion, I rate the FMR force structure a "check" and give it a numerical value of two.

Under the second criterion, the FMR does not promote joint interdependency. The FMR identifies the ability to provide the full range of resource management and finance operations as its purpose. While doing so, the FMR does not take advantage of information technology and organizational innovations developed by DFAS and the Air Force. DFAS is working aggressively to provide all service members with the capability to take control of discretionary pay changes (allotments, direct deposit accounts, bonds, the thrift savings program, and exemptions claimed for federal and states taxes) as well as distribution of pay statements through its "myPay" web-site. This secure web-site provides members of all services with the ability to access and make changes to their own pay. The Air Force will require mandatory use of myPay for pay statement distribution beginning in July 2004.²⁰ By ignoring the advanced technology initiatives of DFAS and the Air Force, the FMR fails to capitalize on the possibilities of building interdependencies among DOD-level organizations and among sister services. Data entry tasks for discretionary pay changes should be performed by the member or at a central "joint" site. The redundant capability provided under the FMR serves no useful purpose and only complicates customer service. Under this criterion, I rate the FMR alternative a "minus" and give it a numerical value of zero.

Under the third criterion, the FMR does not support a reduction in the number of deployed personnel. In fact, the FMR increases the size of the FMB detachment structure by more than

21% over the Post-Cold War level. Adding the comptroller team to the FMB adds another 7% to the structure. The approach taken by the FMR is to argue for the expansion of the FC footprint so as to reduce the footprint of other logistical units. In peacetime, the expansion will increase the FMB structure but have no impact on operations (recall that DFAS controls all aspects of peacetime vendor pay and disbursing). The "logistics footprint" at installations has already been reduced through use of unit credit cards to procure supplies from local vendors. In effect, there is nothing for a detachment disbursing section to do in peacetime. Additionally, the FMR does not support the Army intent to transform to UAs. Within the current FMR, the habitual relationship established between the FMB and the supported UE will require the creation of an additional subordinate FMB detachment to service the additional UA. Expanding the FMB by an additional detachment will increase the structure by more than 20%.

In wartime, the FMR's expanded footprint presumes that a FMB will provide procurement support on an area basis by deploying either detachments or the whole FMB. Assuming that supplies are available for local procurement and local procurement will be authorized, the FMB has a third alternative for supporting local procurement. Unit field ordering officers accompanied by a unit paying agent can perform the same functions as the detachment. Units requiring local purchase provide their own agents as a temporary duty. If supplies are not available, the FMR alternative is still flawed since there is now a structure but not a requirement. Since there is no guarantee that local supplies will be available for procurement, the logistics community will argue that they must retain structure anyway. Under this criterion, I rate the FMR alternative with a "minus" and give it numerical value of zero.

Under the last criterion, the FMR limits personnel disruption. As previously stated, the FMR expands the role of the FMB by adding resource management, a detachment disbursing section, and identifies procurement as a growing requirement. Despite the expansion, the FMR successfully maintains a structure that provides a career path for finance personnel without really changing anything. The lack of turbulence in a time of discussion about rapid changes has a calming effect that allows personnel to adjust gradually to the new goal without seriously challenging the status quo.

An additional effect of the FMR is to provide resource management experience to detachment commanders and sergeants earlier in their careers. This increases their competitiveness for future positions outside of the basic branch. The interaction with their affiliated brigade staff also broadens their professional experience. Last, the FMR formalizes the requirement for a disbursing officer that hasn't existed since the late 1980s. Lieutenants

now have an actual position of entry upon completion of the basic course. Under this criterion, I rate the FMR a "plus" and give it the full numerical value of one.

EMBEDDING FINANCIAL MANAGEMENT PERSONNEL (ALTERNATIVE B)

Embedding financial management expertise in BCT, separate brigade, and division-level staffs provides mission supportability for peacetime and wartime requirements. The staff positions within the brigade and division contain an expanded knowledge of mission requirements through day-to-day interaction with command and staff elements. As members of the command and staff team, the financial management personnel maintain total focus during the decision making process. The successful injection of both resource management and finance issues may be critical to planning and execution of the mission. During initial course of action development, for example, the ability to procure supply items in the area of operations might impact the acceptability of a particular support choice. As embedded members of the staff, financial management support of units would no longer be provided on an area basis. As a result, the units are more "self-sustained"²¹ and rapidly deployable as the expertise and knowledge of unit requirements remains regardless of the physical location of the unit or the mission.

During operations that require the deployment of more than one division, a finance command may be established at the Corps or theater level to coordinate and consolidate vendor pay, procurement support, and disbursing operations and pay policies. As financial issues are identified, echelons above division maintain a clear understanding of the resources necessary to support the each division's mission and achieve economies where possible. The structure of the finance command remains unchanged as it deploys only in the event of a significantly larger, Corps-level or higher mission. In the event that only a single division or separate BCTs are deployed, the finance team has the capability to operate autonomously within the context of mission constraints. Under this criterion, I rate the embedded alternative "plus" and give it the full numerical value of four.

Under the second criterion, joint interdependency will streamline daily operational requirements. Embedded personnel in brigades and divisions are free to perform resource management and finance operations that center on financial management vice low-skill level data entry tasks. As an example, DFAS operates 26 finance offices²² at Army installations that perform the same peacetime functions as the FMB - military pay support and PCS travel computations. DFAS is removing its data entry functions at the installation level and centralizing the tasks in Indianapolis, Indiana. By using available imaging technology to scan and transmit

documentation to the central site, DFAS will be able to offer services to members of the Air Force and Navy assigned to Army installations and still *decrease* the footprint. For example, Wright-Patterson Air Force Base, Ohio, currently supports Air Force members assigned to Fort Knox, Kentucky. By removing data entry into databases from the multiple locations, DFAS will promote joint interoperability by standardizing services at installations while enhancing customer service. Coupled with the continuing improvements to the web-site, DFAS will realize additional savings if the use of myPay becomes mandatory in the Army.

For military pay and travel support provided by embedded personnel, the staff team offers a "customer service assistance center"²³ that performs an advisory role in both peacetime and wartime. With myPay as the backbone, FC personnel (well versed in its features) are able to assist and advise customers. In fact, the FC staff can support members of other services as well since myPay *is the same* for all. Instead of data entry technicians, the FC embedded staff can serve as a data collection point that can receive and image non-discretionary pay changes to the DFAS central site processing for entry into Army, Air Force, Navy, and Marine databases. This "one-stop" processing provides forward support for members of other services and further promotes joint interdependency among the different service financial communities while leveraging DFAS-level support and expertise. This alternative reduces the number of peacetime military pay and travel tasks for data entry and the distribution of products. The additional time and personnel resources can then focus on training and preparing for wartime financial management functions. For this criterion, I rate the alternative a "plus" and give it the full numerical value of two.

For the third criterion, embedding financial management personnel into BCTs, separate brigades, and divisions reduces the overall number of personnel required for tactical FM support. The FMB command and staff structure contains 35 headquarters positions. There is a minimum of two detachments per FMB with 23 positions in each.²⁴ With 13 FMBs currently supporting ten divisions and 33 brigade combat teams (BCT), Figure 7 provides a crosswalk of a current FMB headquarters command and staff positions to the staff of both the division and BCTs. The division requirement of 12 was determined by using the FMR comptroller team of seven as the baseline. Five positions were added to provide operational oversight of the BCTs, resource management and finance customer service to separate (battalion and company) units, and liaison to echelons above division. These activities include disbursing, vendor pay, and internal control functions, and military pay service.

The BCT-staffing requirement of seven was determined by incorporating the joint interdependency described above that eliminates data entry tasks and related positions.

Currently, 18 of the 23 positions within the detachment are data entry, audit, or unit liaison positions with the residual providing command and administrative functions. Eliminating these positions reduces the detachment-staffing requirement from 23 to five. The five positions provide resource management, disbursing and local procurement support to the BCT. Providing two personnel to perform scanning, transmission, and reconciliation duties brings the total to seven personnel required to staff a financial management team in a BCT.

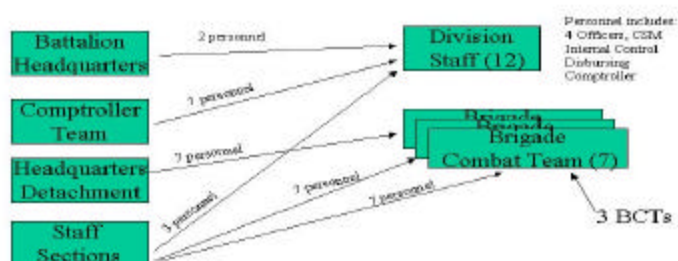


FIGURE 7. EMBEDDING FMB HEADQUARTERS COMMAND AND STAFF IN DIVISIONS AND BRIGADES.

By embedding personnel, this alternative supports the current division/BCT structure while eliminating the need for some detachments. As figure 7 illustrates, there are sufficient human resources in one FMB headquarters to support embedding personnel in one division and three BCTs. As senior members in the battalion, these personnel possess the necessary experience to migrate to the staffs of the division and BCTs. The top two FMB positions, a senior noncommissioned officer from internal control, and two senior members from disbursing migrate to the division staff. The comptroller team moves all seven positions to the division. Led by a captain, the FMB Headquarters, Headquarters Detachment of seven co-locates and supports a BCT. Led by an officer with a sergeant first class (SFC) as the senior enlisted soldier, the personnel within the remaining FMB staff sections fill out the two seven-member teams of the other BCTs.

For separate brigade-level units such as division artillery and division support commands, embedded teams provide resource management and finance operations support. Figure 8 illustrates the human resources available from a detachment to support additional brigades. The former commander of the detachment leads the team with a SFC as the senior enlisted soldier. Note that one detachment provides the human resources for three additional brigades. Using the 4th Infantry Division, with its three separate brigades,²⁵ as an example, Figure 9

illustrates the migration of personnel from a FMB headquarters and a detachment to the division, BCTs, and separate brigades. Note that embedding the personnel from one detachment completes the staffing requirement. The second and third detachments in the FMB are disbanded with the personnel redistributed to echelons above division or retrained into other skills.

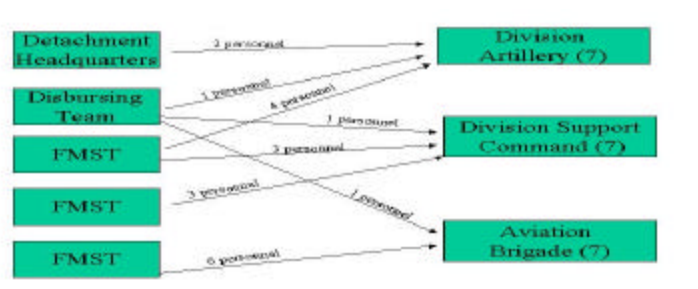


FIGURE 8. EMBEDDING FMB DETACHMENT PERSONNEL SEPARATE OF FUNCTIONAL BRIGADES

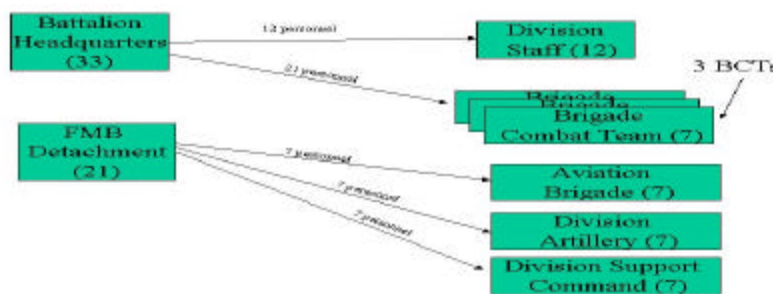


FIGURE 9. MIGRATION OF FMB PERSONNEL TO DIVISIONS, BCTS, AND SEPARATE BRIGADES

With 13 FMBs in the active Army inventory and 33 finance detachments currently supporting 33 BCTs, embedding personnel provides the human resources to staff each division, BCT, and separate brigade without requiring additional personnel. As figure 10 illustrates, the Army migration to UEs and UAs will *not* require an increase in personnel to support FM services. Using the 4th Infantry Division as an example again, the 33 personnel from the FMB headquarters migrate to the UE and three of the UAs. The first detachment provides the personnel for the fourth UA and two of the separate brigades. Only seven of the 21 available in the second detachment are required to staff the third separate brigade. The third detachment is not needed. Theoretically, there are sufficient resources within the present FMB structure to

support embedding personnel in all 10 UEs, 48 UAs, and 95 separate brigade-level units. The number of separate brigades was derived by computing the personnel available under the current structure less the requirement for UEs and UAs, then dividing by seven (the number required for each team). Figure 11 provides the computation. While the actual number of separate brigades is not available for this paper, I estimate that the Army has no more than sixty based on a search of Army web-sites. If the estimate is accurate, there is an excess of 245 positions (95 teams available minus 60 required equals 35 x 7 positions per team) that can be reutilized at echelons above divisions or reallocated to other fields. Under this criterion, I rate the alternative a "plus" and give it the full numerical value of three.

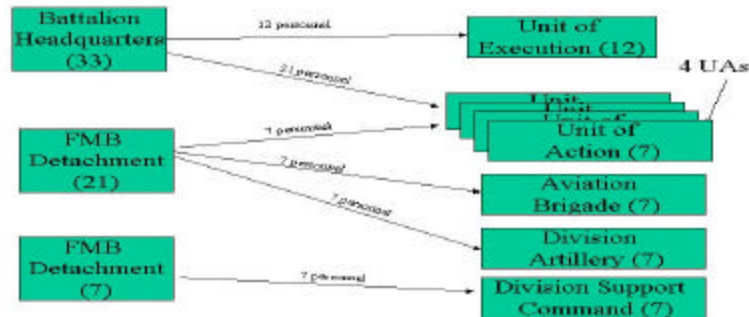


FIGURE 10. MIGRATION OF PERSONNEL FROM FMB FORCE STRUCTURE TO EMBEDDED IN UE/UA FORCE STRUCTURE.

Unit	Army Inventory	Staffing	Staffing Requirement
FMB Headquarters	13	33	429
FMB Detachment	33	21	693
	Total Staffing Available		1122
UA requirement	10	12	120
UE requirement	48	7	336
	UE/UA Staffing Requirement		456
	Available after UE/UA		666
	Available for Separate Brigades		666
	Number of 7-member teams available for separate brigades		95

FIGURE 11. COMPUTATION OF AVAILABLE SEPARATE BRIGADE SUPPORT.

For the last criterion, embedding personnel directly into brigades and divisions will have an adverse impact on FC human resource management. Eliminating commands at battalion and detachment level eliminates a clear professional development plan for both officers and

enlisted. The elimination of low-level data entry technicians will eliminate the requirement for lower enlisted soldiers. Soldiers manning customer service centers are expected to be experts in all aspects of financial management. Junior service members fresh out of advanced instructional training (AIT) or officer basic training will be without that expertise. If that is true and junior enlisted and officers are eliminated, the leadership development path becomes unbalanced, as there are no soldiers to lead.

To compensate, the FC must become a financial management functional area. A functional area is defined as a grouping by technical specialty or skill that requires education, training, and experience.²⁶ Officer and enlisted soldiers will begin their careers in other disciplines and then transfer to financial management, consistent with the Army functional area designation program. Upon completion of core leadership requirements such as company command or platoon sergeant, soldiers would apply, be selected, and trained for positions using modified versions of the officer career course and advanced noncommissioned officer course (ANCOC). In effect, both officer and enlisted FC personnel become senior financial management specialists within a single-track career field that begins at the grades of NCO and mid-level captain. Career progression continues through positions of increasing responsibility at the Corps, Theater, and Army level. For example, the financial management team leader in a BCT is a captain with future career opportunities as a division deputy comptroller (major), division comptroller (lieutenant colonel), and Corps comptroller (colonel).

Embedding financial management personnel in brigades and divisions will require a complete revision of training and doctrine as well as the Army active and reserve force structure. The resulting trauma is significant as eliminating the basic branch has a cascading effect on all aspects of the Army – including recruiting and retention, operations and maintenance, command and control, and force structure. There impact on the reserve component, although outside the scope of this paper, must be studied further. For this criterion, I rate my alternative a "minus" and give a numerical value of zero. Figure 12 provides the results in applying the weight of the criteria with the effect of the option to satisfy criteria.

Weight	4		2		3		1		Total Points
Criteria	Mission Supportability		Joint Interdependency		Reduced Footprint		Personnel Disruption		
Option									
FMR	√	2	—	0	—	0	+	1	3
Embedding Personnel	+	4	+	2	+	3	—	0	9

FIGURE 12. COMPLETED CRITERIA MATRIX .

RECOMMENDATION AND CONCLUSION

The Foundation might simply have disbanded, but instead the organization found a new goal.

—Amitai Etzioni

The choice is clear, despite the impact on human resource management and the Finance Corps as a basic branch, embedding financial management personnel in divisions, brigade combat teams, and separate brigades supports the Army and joint vision goals of reduced footprint, joint interdependency, and interoperability. While the FMR clearly changed the mission from primarily military pay to sustainment and resource management operations, it did not achieve needed efficiencies or effectiveness. Embedding financial management personnel into staffs as rapidly as possible better supports synchronization of the peacetime and wartime mission. The Finance Corps is in a unique position to control its destiny. By offering to dissolve battalion and detachment commands, it will take a radical step that will lead to the restructure of units and ultimately the elimination of the Corps as a basic branch - yet enhance the effectiveness and efficiency of financial management for the Army. The Finance Corps should offer to dissolve its battalion and detachment commands; divest data entry and routine distribution tasks; and provide timely and effective analysis and advice to commanders by horizontally merging financial management personnel into the BCT, separate brigade, and division staffs. To truly transform, the Finance Corps needs to adopt this alternative.

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¹² Jerry Christensen jerry.christensen@dfas.mil, "Imaging", electronic mail message to Ronald Mixan ronald.mixan@us.army.mil, 15 December 2003.

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¹⁴ Mary Jo Hatch, *Organizational Theory* (New York, Oxford University Press, 1997), 78

¹⁵ Leon A. Wortman, *A Deskbook of Business Management Terms* (New York, NY, American Management Associations, 1979) 256

¹⁶ Joint Chiefs of Staff, *Joint Vision 2020* (Washington, D.C.: U.S. Joint Chiefs of staff, 10

¹⁷ LTG John M. Riggs, "The Army in 2020 White Paper," memorandum for Army Leaders, 1 November 2003, 1

¹⁸ Paul Crawford, "A Campaign Quality Army with a Joint & Expeditionary Mindset," Briefing slides. Carlisle Barracks, U.S. Army War College, 23 February 2004

¹⁹ Ibid, 8

²⁰ Gregory Morgan, "Past Problems, Present Initiatives, and Potential for Improved Service in the Future," Briefing slides, DFAS-Denver, DFAS, 14 November 2003

²¹ Douglas MacGregor. *Transformation Under Fire* (Westport, CT: Preager, 2003), 103

²² Jerry Christensen jerry.christensen@dfas.mil, "Imaging", electronic mail message to Ronald Mixan ronald.mixan@us.army.mil, 15 December 2003, 5

²³ Scott, 8

²⁴ Colonel Robert M. Speer, "Revised Financial Management Redesign Organization Design Paper," 29 April 2003, 3-4

²⁵ 4th Infantry Division, available from <http://www.hood.mil/4id/division/contents/units.asp>, Internet, Accessed 10 March 2003.

²⁶ Department of the Army, Commissioned Officer Development and Career Management, Department of the Army Pamphlet 600-3 (Washington, D.C.; U.S. Department of the Army, 1 October 1998), 31

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