Over time, large organizations have accumulated multiple, disparate and often redundant processes that have been established to accomplish the same purpose throughout the organization. This development generally leads to sub-optimal effectiveness and efficiency and a lack of ability to deliver products and services in a consistent fashion.

Through Accenture’s business process standardization efforts, we have helped organizations improve overall financial performance by enhancing operational efficiency, people efficiency and governance efficiency, thus decreasing cost and reducing cycle times. Where companies can simplify and standardize their processes, they can see typical operating expense reductions of 9 to 10 percent in those areas; up to 30 percent in some cases, and up to a 20 percent improvement in quality.

Business process standardization efforts apply to the public sector, and are especially relevant due to recent budget cuts and pressure for financial transparency. Federal agencies face challenges in identifying consistent processes within a complex organizational structure, and then in implementing these processes with reduced funding for training. The Department of Defense (DoD) is the largest organization in the world, accounting for 56 percent of the federal government’s discretionary budget and holding 86 percent of the federal government’s assets. The size and complexity of the DoD allows for huge variation of non-standard processes, including those with financial impact.

Case example: U.S. Department of the Navy

The United States Department of the Navy is committed to fiscal accountability through the institution of efficient, sustainable business processes that promote effective financial management. Accenture supported the Department of the Navy Assistant Secretary of the Navy Financial Management and Comptroller Office of Financial Operations (ASN FM&C FMO) to perform business process transformation and risk mitigation activities to support this goal in an environment of evolving accounting and management information systems. Accenture recognized the need to document, standardize and communicate business processes in a consistent yet adaptable manner to engage a variety of Commands and organizations, while considering the importance of reaching target dates.
Business challenge

Under both the U.S. Government Accountability Office (GAO) and U.S. Department of Defense mandates to achieve audit readiness for Statements of Budgetary Resources (SBR) by the end of 2014, the Department of the Navy is working toward a full audit in fiscal year 2017. The Navy’s finance organization faces a rapidly changing environment of evolving systems that requires improved performance while also lowering costs. Both the administration and Congress are demanding more value-added insight, and regulatory bodies and the public want greater transparency and accountability about how tax dollars are being spent. The challenge is even more difficult in the current economic climate. To meet the challenge, the Navy needed to identify and transform its business processes with financial impact. Its goal: enable faster, better decision making and more effective oversight of taxpayer dollars with more timely, reliable and accurate financial information.

A complex hierarchy exists within the Navy that includes several layers within organizations and functions, various partners and service providers, and leadership structures that may vary based on funding or mission. Variance exists at each of these levels within a given financial process, from systems to execution to terminology. This environment needed to be understood and considered when a strategy to implement the process standardization effort was developed.

How Accenture helped

A key component of enabling an auditable Navy without increasing staffing and cost is to establish standard financial processes across the 21 major organizations. To help the Navy transform its financial business processes, Accenture applied a field-tested framework, outlined in Figure 1, to bring rigor to the effort.

Accenture’s Business Process Standardization Approach Strategy aimed to incorporate existing process documentation, organizational goals and objectives, governance and compliance requirements, and leading practices to develop a baseline standard process with the associated financial controls. In collaboration with Navy leadership, Accenture scoped financial processes into segments, using terminology familiar to process stakeholders. The team developed an actionable plan, an execution timeline to evaluate complexity, and initial measures for monitoring progress of the effort and quality of the submitted documentation.

Applying a field-tested framework

To accomplish standardization of the financial segments, the Accenture team executed the framework in segment iterations due to the size and complexity of the Navy processes. As shown in Figure 1, for each segment the team led a three-day workshop to address the major financial processes. These workshops, facilitated by Accenture, built on pre-workshop documentation, which combined the inputs of several subject matter experts, existing documentation, Accenture research, and governance developed in the “Preparation” phase. Accenture’s facilitation strategy

Figure 1. Accenture Business Process Standardization Approach

<table>
<thead>
<tr>
<th>1st Year</th>
<th>Monitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation</td>
<td>Facilitation</td>
</tr>
<tr>
<td>Approx. 60 Days</td>
<td>Approx. 8 Months</td>
</tr>
</tbody>
</table>

- Review and Analyze
  - Existing process documentation
  - Organizational policy, goals and objectives
  - Government regulations
  - Subject matter input
  - Identify candidate processes

- Conduct Pilot Session
  - Define the process metrics and objectives
  - Develop standardization roadmap
  - Identify stakeholders

- Compile Baseline Process

- Document Standard Process
  - Conduct one-week facilitation workshops with process owners and stakeholders each with a specific deliverable/outcome
  - Workshop focuses on targeted process/sub-process analysis, consensus and variation reduction and minimization of non-value added activities

- Consensus Building
  - Develop and apply consensus rules with organizations, process owners and stakeholders
  - Create synopsis of agreements and blueprint standard process to gain buy-in
  - Prepare and align organization for transition to standard

- Deliver Standard
  - Develop governance and compliance metrics and plan
  - Plan deployment and publish timeline, expectations and new guidelines
  - Deploy new processes and training across organization

- Operate to Standard
  - Monitor process implementation
  - Verify process performance and adherence
  - Validate alignment to compliance requirements, goals and objectives
  - Escalate, govern and change
  - Ensure sustainability
provided flexibility and was adjusted based on the maturity of the existing business processes and compliance requirements. The facilitator implemented a mix of live Visio mapping and the use of post-it notes to actively engage Commands while documenting the process to the appropriate level of detail.

After the standard process was documented during the workshop, the Accenture team worked with Commands, service providers and Navy leadership to gain consensus from key stakeholders. A key component in documenting the standard was ongoing discussions with the Navy Assurance and Risk Management Division to identify financial controls. Finally, the Accenture team, in coordination with the Navy's Office of Financial Operations, assessed compliance with Generally Accepted Accounting Principles (GAAP) and the Office of Management and Budget Circular A-123.

Accenture developed process-adherence metrics for Command use, which built on internal controls and financial events to provide a test plan.

To sustain these processes beyond Accenture's contract, the team provided the Navy with tools to execute the "Monitor" phase on an ongoing basis. The sustainment plan included the development of a Change Control Board to determine necessary updates to documentation and incorporate them as appropriate. Accenture created a detailed training guide to support these updates that could be used by any resource assigned to maintain the documented standards.

**Unique collaboration requirements across tasks and contractors**

A unique aspect of the business process standardization effort is that it requires collaboration across multiple parties external to Accenture and the client. The effort was awarded across multiple phases and contractors under the IDIQ contract. Figure 2 highlights the roles and responsibilities of Accenture across three projects within the effort. This collaboration was necessary both internally across Accenture projects and externally with other contractors including a Project Management Office (PMO) to accomplish the client's requirements.

In this environment, relationship development, clearly collaborated roles and responsibilities, and an awareness of knowledge ownership reduces the time and cost burden on the client. Constant collaboration across support contractors has allowed Accenture to identify challenges, resources and Department of the Navy subject matter experts prior to speaking with the organizations to ensure valuable use of time and effort.

**Delivering process transparency**

Accenture delivered Navy-wide standard financial processes, agreed to by all key stakeholders and capable of meeting the rigors of financial auditability. The Assistant Secretary of the Navy (Financial Management and Comptroller) signed these processes as the Navy standard via a memo to Commands. With the sustainment framework in place, stakeholders are expected to initiate updates as processes change due to evolving policy, operations, or other factors.

Some of the Department of the Navy's key processes now include:

- Funds Receipt and Distribution
- Contract and Vendor Pay
- Financial Statements Compilation and Reporting
- Hire to Retire

The standard process documentation delivered by Accenture provides the Navy with tools for financial transparency throughout the organization. The detailed process documentation, internal controls identification and adherence metrics are currently in use to train Command stakeholders. These items promote consistency across the Navy in executing financial events that comply with relevant regulation and policies. Additionally, the documentation can be used to explain Navy processes to external auditors, reducing the total cost of audit.
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