

**Army Cost Culture:
What Is It? What Should It Become?**

by

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USAWC STRATEGY RESEARCH PROJECT

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Abstract

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The Army and the Department of Defense are facing some very tough times due to the U.S. economic crisis and the normal drawdown after completion of military operations. However, the Army's mission to fight and win our nation's wars has not changed: In this challenging environment, an improved Army cost culture will enable senior leaders to preserve the nation's security. This Strategy Research Project explains what the Army cost culture is. It provides a road-map for a more effective Army cost culture. It uses John P. Kotter's Eight-Stage Process of Creating Major Change to assess what the Army has done to modify its culture. Most importantly, it recommends what remains to be done.

Army Cost Culture: What Is It? What Should It Become?

The fiscal choices we face are difficult ones, but there should be no doubt – here in the United States or around the world – we will keep our Armed Forces the best-trained, best-led, best-equipped fighting force in history.

—President Barack Obama¹

The Army has begun to experience a tremendous reduction in funding due to the weak economy and the normal drawdown expected of the Army after the completion of military operations. However, the President has stated that our Armed Forces will remain the best-trained, best-led, and best-equipped fighting force in history which seems to be at odds with funding reductions. The answer to this problem is the implementation of an Army cost culture.

The Army has started down this path of implementing an Army cost culture, but it still has a long way to go. This paper will start by describing Army cost culture and provide an assessment of the current environment. It will proceed to describe a comprehensive framework or model for implementing change that can serve as a guide to follow. The model will facilitate a review of the actions that have taken place, identify what remains to be done, and generate a series of recommendations for Army leadership that will facilitate completion of this task.

It is important to start with a common set of definitions when dealing with a topic related to change. This will ensure everyone involved is working toward the same goal. The term Army cost culture has been around for a couple of years; however, it has only been widely used within the resource management community. The definition of Army cost culture is important because many senior leaders and even resource managers

have a very different understanding of what it is. This lack of shared understanding has led to disjointed actions.

It also is essential to identify what has been done to date in the name of an Army cost culture. More importantly, it is critical to specify what remains to be done in order to create a roadmap for the way ahead. This paper provides a roadmap to ensure the Army's cost culture performs objectively in an uncertain future. Army leaders must have a clear understanding of the major roadblocks or impediments to strengthening the Army's cost culture. Army leaders must lead critical changes to strengthen this culture. In order to specify these critical steps, this paper uses John P. Kotter's "Eight-Stage Process of Creating Major Change"² to build a roadmap for the future Army cost culture.

To begin we must define key terms such as "organizational culture" and "Army cost culture." The definition of the Army cost culture must include the key elements that comprise it in order to determine where we are and what remains to be done. Another definition that is needed up front is "Cost Benefit Analysis" (CBA), since many regard it as synonymous with Army cost culture.

In order to define Army cost culture, we must first understand the terms "organizational culture" and "subculture." "Organizational culture refers to the values, assumptions, expectations, and definitions shared throughout an organization."³ Organizational culture deals essentially with people in an organization. It influences how they behave and includes the principles and beliefs that drive their behavior. The Army culture is an organizational culture with behaviors and beliefs that are characteristic of its members. In other words, U.S. Army Soldiers share common beliefs and behavior.

However, in a large and complex organization like the U.S. Army, there are also subcultures due to the diverse unit structure and mission requirements.

A subculture is a group of people within a culture (whether distinct or hidden); their subculture makes them different in some ways from the larger culture.⁴ The Army resource management community is a subculture that focuses on Army funding. Their mission is to seek the necessary funding for the Army and to ensure the Army spends within their limitations. In other words, it is a subculture of the greater Army culture. However, it is important to clarify that a subculture is not problematic as long as it observes the values of the larger culture.⁵

The Army cost culture, on the other hand, refers to a new value that we would like to adopt as part of the Army culture. It would ensure cost management becomes an integral part of the Army culture. This integration will take place when all Army leaders and managers incorporate cost considerations into their decision-making and day-to-day management.⁶ An Army cost culture must be inculcated by everyone in the Army through leadership, education, discipline, and experience. Its integration into the Army culture will ensure that Army leaders and decision makers:

- make cost-informed decisions
- make trade-off decisions for best possible use of limited resources
- hold people accountable for understanding all costs in their organizations
- focus on continuously improving the efficiency and effectiveness of operations⁷

In this culture, cost-management considerations become second nature in the Army decision-making process. For this to happen, Army cost culture must no longer be

limited to a value only embraced by the resource management community. Rather it must become a fundamental component of the Army culture.

Consider now the current role of Cost Benefit Analysis (CBA). It is gaining Army-wide recognition and can easily be regarded as a sufficient strengthening of Army cost culture. However, CBA is only an essential tool of the Army cost culture.

It is a decision-making tool, which provides a structured methodology for forecasting and comparing the anticipated costs and benefits of alternative courses of action in order to identify the optimum solution. Its main purpose is to provide a detailed analysis as to show that the benefits of the optimum solution outweigh its cost and risks. It also serves to identify the bill-payer for the optimum solution.⁸

CBA can best be categorized as an embedding mechanism that enables a change in culture to be successful. Embedding mechanism is a term used by Edward H. Schein in his book *The Corporate Culture Survival Guide* as a key element to culture change. It essentially refers to an item of high importance to the leader of the organization. In order for something to be considered an embedding mechanism it must be measured and controlled on a regular basis by a senior leader. The fact that the Secretary of the Army has instituted a policy mandating the use of CBA and that it is enforced throughout the Army makes it an embedding mechanism.

Our shared definitions of key terms such as organizational culture, subculture, and Cost Benefit Analysis enhance and clarify our understanding of what Army cost culture is and how it can be incorporated into the Army culture. Army cost culture is a value that needs to evolve into a cultural component of the Army culture. Making this happen requires a strategy that follows a clear process that can inculcate Army cost

culture into the Army culture. This strategy must be proven to be effective when implementing major change within a large organization. It must also be a strategy employed by high-quality leadership to ensure success at every step along the way.⁹

A recent U.S. Army War College (USAWC) research paper suggested that John Kotter's eight-stage process from his book *Leading Change* offers the best change methodology.¹⁰ While there are many alternative frameworks to choose from, Kotter's methodology offers a reasonable, clear, concise, and complete method for implementing organizational change. The fact that it had been selected by the USAWC for discussion during the block of instruction on culture change made it a candidate change methodology for this research paper. However, the deciding factor is that this book that was written in 1996 has been successfully used by top executives of organizations that remain relevant in today's corporate world. The most commonly known organizations are Tesco Technologies, Seaman Corporation, BBC News, and Harvard Business School.¹¹

The remainder of this paper uses Kotter's framework as the template for analyzing what has been done in order to change the Army culture – and, most importantly, to identify what remains to be done. This analysis proceeds through each stage of Kotter's eight-stage process¹² to create a road-map for the Army leaders to implement inclusion of this Army cost culture value into the larger Army culture. Kotter warns us that failure to complete each step of the process and to reinforce each step will decrease the urgency for change and jeopardize this entire institution.¹³

The first four stages are meant to soften-up the status quo.¹⁴ The Army has a 237-year history. In the past 10 years it has committed a large percentage of its troops

to military operations. This is definitely a difficult time for inculcating a value such as cost culture. The Army's mission to fight and win our Nation's wars by providing prompt, sustained land dominance across the full range of military operations and spectrum of conflict in support of combatant commanders inevitably puts Soldiers in harm's way. The costs of Soldiers' lives are immeasurable. Fiscal management is understandably trivialized in an era of protracted military operations.

STAGE 1: Establishing a Sense of Urgency

This is an extremely important stage: It is the foundation for gaining the cooperation needed to implement change. The reality is that the current economic crisis has established a sense of urgency to reduce government spending throughout the Army and society in general. This is not just dealing with the typical post-conflict peace dividend; it also has the challenge of reducing the deficit. However; in this current situation, the Army stands a good chance of averting the error of complacency that can obstruct the urgency to be fiscally responsible.

In order to move on to the next stage, leaders of change must determine whether enough Army personnel believe that change is essential¹⁵. They must also consult well-informed outsiders¹⁶ who deal with the Army to determine their sense of urgency. Senior leadership in the Army such as the Secretary of the Army and the Chief of Staff of the Army agree that there is a sense of urgency to find ways to spend less. This can be confirmed through the following phrases used by them: "inculcate cost culture," "redouble efforts of good stewardship of resources" and "shrink and share."¹⁷ It is evident that in order for the Army to remain relevant it must manage funding as efficiently as possible. Integrating the value of cost culture into the larger Army culture provides the best way to manage the Army's fiscal responsibilities.

Action Required: This stage can be considered as completed enough to be able to proceed to the next one: There is a sense of urgency throughout the Army senior leadership that our nation has entered an era of constrained resources. There is no doubt that the Army needs to take some immediate action. Figure 1 depicts the steady decline in Army funding in both BASE and OCO since FY10. The FY13 appropriation has not yet been determined but the total requested shows a sharp decline from FY12. It is probably safe to assume that this sense of urgency is not at risk of dissipating any time soon. However, Army leadership cannot afford to lose sight of the fiscal reality in order to create true change.

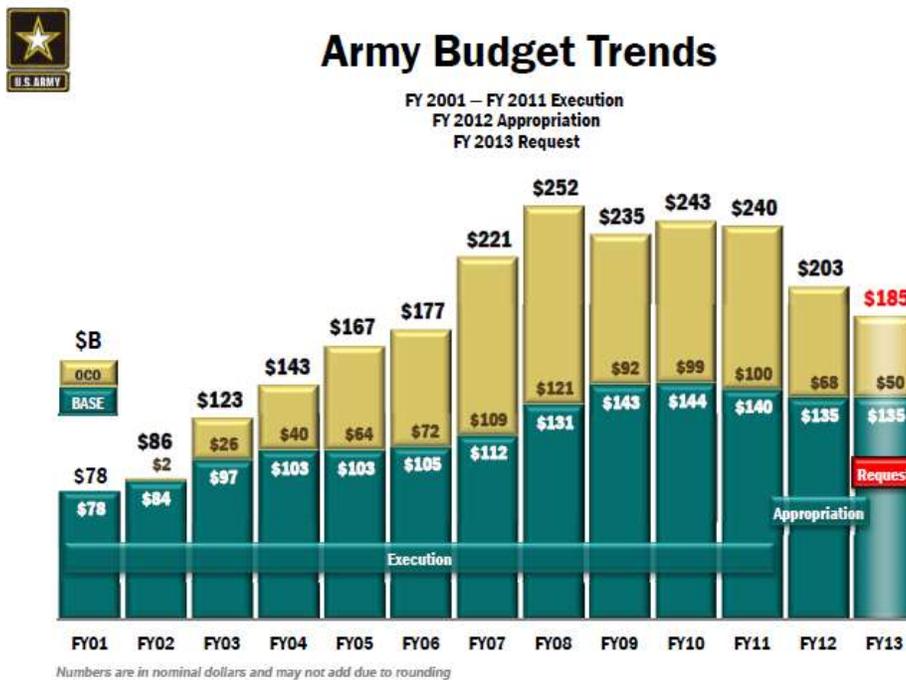


Figure 1. Army Budget Trends: Budget Authority since FY01¹⁸

STAGE 2: Creating the Guiding Coalition

For this stage to be successful, it is essential to understand that the Army is a large and complex organization within which it is impossible to expect one individual to

implement a major change. So the challenge is to form a sufficiently powerful guiding coalition for change. To be powerful, this coalition must include senior personnel with expertise, good reputations, and records of strong leadership.¹⁹

This coalition should be led by the Secretary of the Army and the Chief of Staff of the Army. It should include the leaders responsible for the Army Program Evaluation Groups (PEGs) identified in Figure 2. The Army has six PEGs which play an integral part in the Army Planning, Programming, Budgeting, and Execution (PPBE) process. The PPBE process essentially supports the Army decision making process concerning the allocation of resources using PEGs. PEGs help maintain program consistency during the Planning and Programming phases of PPBE and help track performance in the Execution phase of PPBE. The PEG leadership essentially controls the allocation of the Army resources which makes them ideal members of the guiding coalition.

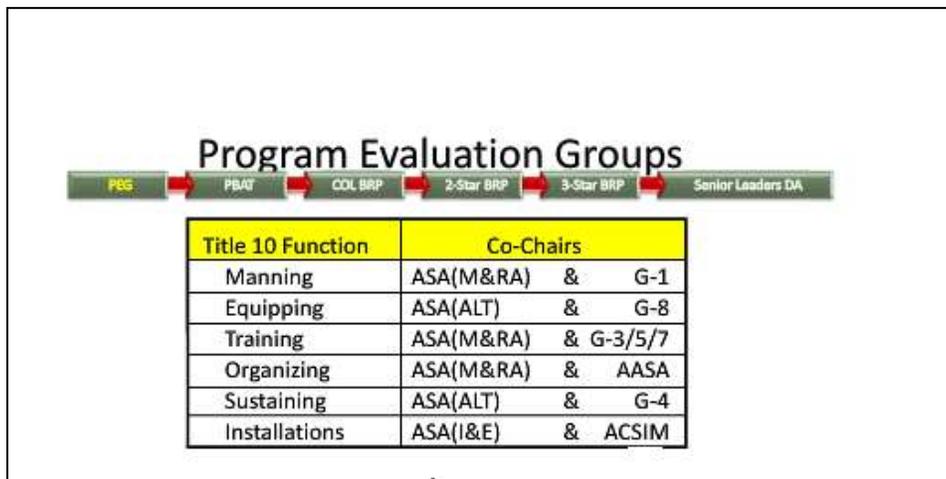


Figure 2. Army Program Evaluation Groups.

Fortunately, this coalition can easily be initiated; all of its members have a vested interest in ensuring that Army culture includes a cost consideration component in all future decisions. These leaders are motivated through a reinforcing mechanism which is

meant to support an embedded mechanism. This is evident in the 14 March 2011 Secretary of the Army memorandum, Consideration of Costs in Army Decision Making. This document acts as a reinforcing mechanism to Cost Benefit Analysis (CBA) which is the embedding mechanism. CBA is mandated for all new proposals or initiatives throughout the Army via this memorandum.

However, CBA in itself does not entail the needed change to the Army culture. CBA, as stated before, is only an embedding mechanism in the initiative to change Army culture. Even so, implementation of CBA indirectly assisted the change initiative by providing the projected coalition a means to enforce the need for cost considerations.

Action Required: This stage can easily be completed by briefing the Secretary of the Army and the Chief of Staff of the Army on the need to inculcate a cost culture in the Army and the usefulness an organizational change framework. The coalition members have already been informally joined under the Secretary of the Army's directive for Cost Benefit Analysis for all new proposals and initiatives. These leaders just need to be briefed on the concept in order to officially form the Army guiding coalition.

STAGE 3: Developing a Vision and Strategy

“A good vision has three important purposes: it simplifies the detailed decision, motivates people to take action, and it helps coordinate actions in a fast and efficient way.”²⁰ Vision provides a “picture of the future with some commentary on why the members of the organization should strive to create that future.”²¹ It is important to note that vision is the most important component of “a larger system which includes strategies, plans, and budgets.”²² Without vision, it can be almost impossible to design these other elements which are essential to changing culture.

Currently both the Office of the Secretary of Defense (OSD) and Army leaders have implemented policies mandating cost reviews. However, there is no mention of cost consideration within the Army vision. The Army vision is as follows:

The Army is globally engaged and regionally responsive; it is an indispensable partner and provider of a full range of capabilities to Combatant Commanders in a Joint, Interagency, Intergovernmental, and Multi-national (JIIM) environment. As part of the Joint Force and as America's Army, in all that we offer, we guarantee the agility, versatility and depth to Prevent, Shape and Win.²³

The first two stages, "urgency and a guiding coalition are necessary. But they cannot alone bring about major change."²⁴ The 2012 Army Strategic Planning Guidance mentions fiscal austerity in its introduction.²⁵ It also mentions a constrained DoD budget²⁶ under its general prioritization. But it lacks the power of a vision. Creating a vision of the desired change clearly has not been completed. The fact that very few Army leaders understand the difference between Army cost culture and Cost Benefit Analysis speaks for itself.

Action Required: Based on the fact that Army cost culture seeks to change the Army culture, it stands to reason, that instead of creating a new Army vision, the way ahead should be to modify the existing Army vision to include cost considerations. Kotter recommends that a single individual from the guiding coalition prepare the first draft of this envisioned change.²⁷ Currently of all the members of the recommended guiding coalition and other senior leaders, only the Assistant Secretary of the Army (Financial Management & Comptroller) mentions cost in her organizational vision statement.²⁸ So this official is the ideal candidate to advocate for the need to include cost consideration to a new Army Vision statement. The draft can say something like: "... and Win in the most efficient way possible". However, this first draft is only the

starting point. The real challenge will be in getting the guiding coalition to transform this draft into an end product that provides “direction for the future. This vision must be desirable, feasible, focused, flexible, and conveyable in five minutes or less.”²⁹

STAGE 4: Communicating the Change Vision

Communication of the vision is essential in order to “capture the hearts and minds of the organization’s personnel.”³⁰ Clearly, the power of a vision which is designed to clarify direction, to motivate people, and to coordinate actions can only be realized when it is communicated effectively. It is evident that this step of the process has not been completed because the Army does not have a cost culture vision, nor has the Army vision been expanded to incorporate cost culture.

However, an advantage of modifying the Army vision instead of creating a separate cost culture vision is that communication of the larger vision is in place. The Army vision has become an essential part of The Army Strategic Planning Guidance, The Army Plan, and The Army Campaign Plan. It is even posted in the Army Homepage. It is also common practice for commanders at all levels to review any changes to the Army vision that might necessitate changes to their organizational vision. This provides another way to communicate to the entire Army population the new Army vision.

Action Required: Kotter advises that it is essential to consider the following “elements when communicating the vision: simplicity, metaphor, multiple forums, repetition, leadership by example, explanations of inconsistencies, and using the give-and-take of two-way communication.”³¹ Army leaders should heed Kotter’s advice since the revised vision will include a new and controversial element - cost considerations. If not communicated effectively, cost considerations can be controversial for the

Warfighter: His mission has life and death consequences, not dollars and cents matters. No Soldier wants to feel like his safety is not worth some extra cost. To communicate the expanded Army vision effectively, Army leaders should consider the following:

1. **Simplicity:** Any communication concerning cost culture must be jargon free. Ensure that it does not contain financial acronyms such as CBA, PPBE, POM, etc.
2. **Metaphor:** An analogy or example could be helpful. Consider “A penny saved is a worthy mission.”
3. **Multiple Forums:** Use the normal vehicles that communicate the Army vision - Army Strategic Planning Guidance and the Army Home Page. Consider other vehicles like the Army Times, posters, AUSA conference, or social media such as Facebook.
4. **Repetition:** “Effective delivery of a message relies on repetition.”³² The guiding coalition members must take every opportunity to discuss and repeat the Army vision. They should incorporate it in all organizational briefings.
5. **Leadership by Example:** Senior leader behavior must remain consistent with the vision. All major decisions must exhibit unmistakable cost considerations. Communicate the cost considerations in these major decisions.
6. **Explain Inconsistencies:** Even perceptions of inconsistency must be addressed immediately. Explanations regarding uses of private planes and security details must be offered quickly to reduce perceptions of double standards. The privilege of lavish spending can no longer be one of the privileges of rank.

7. Two-way Communication: Adjust course if needed. Thoroughly review all suggestions for good ideas. Broadly and quickly disseminate any implemented changes resulting from these suggestions.

The next two stages are where actions are launched. Prior to these stages, all change efforts were designed to awaken the Army to the reality that leaders at all levels must change their behavior. From here on, we observe motivated personnel beginning to change old practices to align with the impending change.

STAGE 5: Empowering Broad-Based Action

This stage is designed to get leaders at all levels involved with implementation of the change vision. The involvement depends on whether the coalition has created an appropriate vision that has been communicated effectively. Kotter cites four likely “obstacles to gaining this support: structures, skills, systems, and supervisors.”³³ Fortunately, the Army’s organizational structure presents no obstacle to change. The Army is structured to empower all its Soldiers to take charge and accomplish the mission. Effectively led and properly informed Soldiers will support the coalition’s change initiative.

Concerning skills, Army leaders must provide Soldiers with the training needed to effectively incorporate the cost culture changes into the Army culture. Clearly, implementing this change will entail technical training for leaders at all levels: Cost management and cost accounting are performed throughout the organization. Fortunately, the Army has already developed a series of courses designed for leaders and action officers at all levels to help overcome the skills barrier.³⁴

For the change initiative to succeed, Army leaders should identify any system’s that could form a barrier against the change initiative. Without doubt, any change

related to cost management can be affected by an inadequate financial management system. In this case, the financial management system is considered an invaluable asset that favors the entire organization. The Army just completed fielding the General Fund Enterprise Business System (GFEBS), which provides access to real-time cost reports and cost information for all users. Significantly, GFEBS is accessible to all personnel, not just resource management personnel.

Troublesome supervisors tend to micro-manage and stifle any creativity within the organization. Luckily the Army encourages Soldiers to take charge within their area of responsibility. The Army structure is organized to enable Soldiers to use many avenues of recourse to deal with this problem of troublesome supervisors. Soldiers at all levels are encouraged to seek assistance if needed.

Action Required: This stage really requires little action. Much of the heavy lifting has been completed. Once the new Army vision is communicated, all Soldiers are well aware that they have the power to take the necessary steps toward a successful implementation. However, the following actions can sustain the momentum for change:

- **Technical training must target operational personnel**, not just Resource Managers.
- **Every leader from NCO to officer must gain access to GFEBS.** Resource managers no longer have a monopoly on the Army's fiscal business. Since the Army's financial information is totally accessible, it is the Soldier's responsibility to remain informed. The intention is to get leaders involved with cost considerations as early in their career as possible.

STAGE 6: Generating Short-Term Wins

Major change within a large and complex organization like the Army undoubtedly requires years for full implementation.³⁵ So predictably some members of the change coalition and others will start to lose interest unless they see progress. The best way to demonstrate progress and retain organizational focus is to identify short-term wins that document progress of the change initiative. “Short-term wins must be visible, unambiguous, and clearly related to the change effort.”³⁶ The following is a review of several key initiatives completed by the Army that can be designated as short-term wins for the Army cost culture.

The creation, distribution, and implementation of Army policies that mandate cost reviews can be cited as tremendous short-term wins. The bottom line is that all new initiatives include a CBA in order to proceed through the validation process. The initial policy was distributed in 2009 in a memorandum entitled Cost Benefit Analysis to Support Army Enterprise Decision Making.³⁷ The latest policy was distributed in 2011 in a document entitled Consideration of Costs in Army Decision-Making.³⁸ These documents clearly signify short-term wins because of their distribution, topic, and guidance. They were distributed Army-wide through the Army senior leadership; they clearly focus on cost considerations; their guidance is clear: All new initiatives must include a CBA, which is indisputably a cost consideration.

Another significant short-term win has been the implementation of a Cost Management training curriculum for all levels of leadership (junior, mid-level, senior, and executive). This effort is extremely important as the Army transitions from a mainly mission-oriented environment to a mission and cost-oriented one. So Army guidance now uses new terms such as “direct cost,” “indirect cost,” “full cost,” etc. This

educational program has awakened Army leaders to the fact that cost culture is no longer only resource managers' responsibility. Army leaders now realize that the Army cost culture can no longer remain a focus of only the resource management community. So this educational initiative can also be categorized as another short-term win that has been validated through Army policy and the specificity of the topic.

The Army also has a long-term win for Army cost culture. Implementation of the General Fund Enterprise Business System (GFEBS), a financial management system, is closely related to the Army cost culture. GFEBS provides all the Army's financial data in a single data base real-time. It is available to all Army personnel, not only resource managers. This system is definitely visible, unambiguous, and clearly contributes to Army cost culture since it contains a cost module that enables cost analysis at all levels within the Army. Without GFEBS cost analysis would be extremely laborious and limited to resource managers.

Action Required: This stage can also be considered as complete enough to proceed to the next stage: The Army can cite numerous wins that relate to the Army cost culture. The only action required is to ensure that everyone understands that these wins came not from separate initiatives. Rather, they were won on behalf of the Army cost culture. This message is critical because many Army leaders have confused CBA with the Army cost culture. With the benefit of an effectively communicated change vision, they can perceive that GFEBS is not merely a tool to enhance CBA. Rather it is part of a culture shift to integrate Army cost culture into Army culture.

GFEBS is mainly viewed as a solution to the Army's lack of auditable financial statements. Very little information has been released about its contribution to cost

culture since it is mainly related to one module within the main system. The only action needed is to emphasize the relationship these wins have to cost culture through every communication outlet available.

“The main purpose of the first six stages was to build momentum sufficient to cause a breakthrough and obtain a significant change in a large and complex organization like the Army.”³⁹ The last two stages serve to implement changes and ensure they will endure during periods of resistance.

STAGE 7: Consolidating Gains and Producing More Change

This stage is extremely important because it helps leaders avoid declaring victory too soon.⁴⁰ It requires a careful balance between celebrating the short-term wins to ensure momentum is not lost and making sure the vision is clear enough to keep all leaders from thinking the war is over. Some short-term wins can be so significant and difficult to implement, such as the CBA, that leaders mistakenly think the change initiative has been fulfilled.

Action Required: Based on the impact of the short-term wins, the Army must really focus on this stage. The “success of stage 7 depends on the following key elements: more change, more help, leadership, project management, and reduction of interdependencies.”⁴¹ Accordingly, Army leaders may want to consider the following suggestions:

- **More change** can be introduced through improvements to current GFEBS reports or through creating specialized cost reports in GFEBS. Another change could be to establish a link between the Lean Six Sigma program and the cost culture that combines financial benefits and cost considerations.

- **More help** can be obtained by ensuring that personnel in key leadership positions take advantage of the training opportunities available. But do not exclusively send your resource manager or the least busy person to fill these seats. Another way to gain this much needed help could be through the addition of cost management education as an elective at the Army War College. This provides a perfect opportunity to ensure that the new crop of future senior leaders is well-informed on cost management and can continue the momentum. In fact, appropriate course material has already been designed for post-graduate instruction. This instruction can be implemented as a single class or as a series, such as the course on Advanced Defense Management (ADM) course series. Instructors can be exported from the Naval Postgraduate School until the Army War College is ready to take over the instruction.
- **Leaders** at all levels can sustain their focus by incorporating in their organizational vision cost considerations. They can support the change by aligning their command and unit visions with the new Army vision.
- **Project Management** could maintain an active system of lessons learned on CBA, cost management training programs, etc. to ensure continuous improvement. The Army leaders (guiding coalition) must be made aware of progress or lack thereof concerning Army cost culture.
- **Reduction of unnecessary Interdependencies** can be achieved through a complete review of the financial reports prepared prior to GFEBs. Now that GFEBs is available to all leaders, could it be possible that some of those reports are unnecessary? Prior to having the CBA requirement the Army convened

numerous validation boards for new initiatives, could some of these boards be unnecessary?

These are just but a few recommendations in order to ensure completion of this stage without losing momentum.

STAGE 8: Anchoring New Approaches in the Culture

Anchoring change assumes that the new behavior becomes solidly rooted within the Army culture. “However, these new behaviors will start to dissipate once the change effort is removed.”⁴² This dissipation can be compounded by the normal turnover within Army senior leadership. Every couple of years a member of the guiding coalition will be replaced, so it is extremely important that this stage is done right. Luckily the core of the old culture (funding of validated requirements) is not incompatible with the new version (cost-informed decisions). “The challenge will be to graft the new practices onto the old roots while eliminating any portion that is inconsistent.”⁴³

Action Required: The only way to ensure all this work does not go to waste is by making sure the cultural change is permanent – that the change is anchored. To firmly “anchor change in a culture, leaders must realize that cultural change comes last, that change depends on results, that change requires a lot of talk, that change may involve turnover, and that decisions on succession during the process are crucial.”⁴⁴ Consider the following suggestions for anchoring the change to incorporate the Army cost culture into the greater Army culture:

- **Cultural change comes last:** Genuine cultural change will be anchored when the Army has gone through several budget cycles like FY13 during which it was forced to review all areas of the budget for potential savings. The Army must learn to prioritize and ultimately eliminate missions and programs that are useful

but not valuable enough to be retained. Only then will the cultural change be anchored.

- **Cultural change depends on results:** The Army must assess its budgetary decisions against the Army mission (to fight and win our Nation's wars by providing prompt, sustained land dominance across the full range of military operations and spectrum of conflict in support of combatant commanders) as they implement cost consideration into the Army vision. In the final analysis, despite the elimination of some missions and programs, the Army must still be able to meet its mission.
- **Cultural change requires a lot of talk:** Army leaders must discuss the new Army vision at every opportunity. They must also clearly articulate what programs have been eliminated and why. Most important they must discuss the success stories.
- **Cultural change may involve turnover:** This basically means that the Army must dismiss any leader that attempts to resist the inculcation of a cost culture. However, this circumstance does not really apply to the Army. Army senior leaders clearly understand that mission comes first. Based on the current fiscal constraints, all leaders agree that cost considerations are absolutely necessary.
- **Cultural change makes decisions on succession crucial:** This refers to influencing the promotion system to consider only personnel that are on board with inculcating a cost culture. This is not directly applicable in the Army since promotion is based on past performance. However, in this time of constrained

resources only leaders capable of efficiently using the unit's limited resources will be able accomplish their mission in an effective and distinguishable manner.

Conclusion

This is a critical time for the Army and our Nation. Budgets are declining, and we are all called upon to do our part in this crisis. What can the Army do to continue its mission to fight and win our Nation's wars by providing prompt, sustained land dominance across the full range of military operations and spectrum of conflict in support of combatant commanders in this era of fiscal austerity? The answer seems clear: The Army must change its culture. The Army must inculcate a cost culture. This is not an easy task, especially for an organization as large and complex as the Army. But it is necessary. This research project seeks to shed some light on how this can be accomplished. The Army has obviously made much progress toward this cultural adaptation. But there is still a long way to go. To cross the finish line of cultural change, Army leaders should accomplish the following tasks:

- **Brief senior leaders on the concept** to gain support.
- **Modify the Army vision** to incorporate cost considerations.
- Properly **communicate** the new **vision**.
- Offer appropriate **technical training** for **operational personnel**.
- Clearly **declare short-term wins** in policy, in training, and in the implementation of GFEBS.
- Make **more change** such as including cost management as an elective within every Senior Service College and modifying GFEBS reports to contain specialized cost data.

- **Anchor** the separated Army cultures, prioritize budgetary items, and eliminate less valuable initiatives. These actions must be well published to gain traction from all senior leaders.

Endnotes

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