



All Things Financial Management

Episode 9: The Future of the American Society of Military Comptrollers with Rich Brady

INTRO: Welcome to “All Things Financial Management,” an ASMC podcast sponsored by Guidehouse, where we discuss all things under the auspices of the Comptrollers’ Office and address top-of-mind issues in the Financial Management community.

TOM RHOADS: Good Morning, my name is Tom Rhoads. I'm a Partner with Guidehouse, where I work with clients across the DoD and other government agencies to transform and optimize their financial management functions. I will be your host for today’s podcast.

For those of you who may be new to this podcast series, let me take just a moment to provide some background on the American Society of Military Comptrollers. The American Society of Military Comptrollers, or ASMC, is the non-profit educational and professional organization for individuals – military, civilian, corporate, or retired --involved or interested in the field of defense financial management. ASMC promotes the education and training of its members and supports the development and advancement of the profession of defense financial management. The Society provides membership; education and professional development; and certification programs to keep members and the overall financial management community abreast of current issues and encourages the exchange of information, techniques, and approaches.

And with that, I would like to introduce our guest for today, Mr. Rich Brady. Mr. Brady is a CDFM, CGFM, CMA, and is the CEO of the American Society of Military Comptrollers (ASMC). ASMC is a global organization representing more than 14,000 finance and accounting professionals in the public and private sectors of the defense/aerospace industry.

Rich joined ASMC after serving 32 years in the U.S. Marine Corps, retiring as a Colonel in 2021. In his time in the Marine Corps, Rich served in a variety of command and staff positions throughout the United States and overseas, including a combat tour in Iraq, multiple tours in the Pentagon, and as an accredited diplomat in the country of Georgia. As a financial management officer, he served as the Commander/Director of the Marine Corps Financial Management School and as the G8/CFO of Marine Corps Installations Command. His last assignment was as the Commander of the United States Military Entrance Processing Command (USMEPCOM) where he was responsible for the accessions of over 250,000 men and women into all branches of the Armed Forces annually.

Rich holds a Bachelor of Science in International Business from Saint Louis University, a Masters of Science in Finance from the Naval Postgraduate School, and a Master of Science in Resource Strategy from the National Defense University. His military awards and decorations include two Defense Superior Service Medals, the Legion of Merit, three Defense Meritorious Service Medals, three Meritorious Service Medals, two Joint Service Commendation Medals, the Navy and Marine Corps Commendation Medal, the Navy and Marine Corps Achievement Medal, and various unit and service medals and ribbons.



Rich, thanks so much for joining us today. You recently became the CEO of the American Society of Military Comptrollers. Can you share with us a little bit about your journey and what brought you to the ASMC?

RICH BRADY: Good afternoon, Tom, and thanks for having me here. Thank you to Guidehouse for co-sponsoring this podcast with ASMC. This is really a great partnership and illustrative of the public and private sector working together to solve problems and create opportunities, for defense financial management. My career path to ASMC actually started about 32 years ago. I enlisted in the Marine Corps Reserve in 1989. I completed my degree from St. Louis University and was commissioned as a second lieutenant in 1993. While attending the basic school in Quantico I was assigned as a financial management officer as my primary MOS, and had the opportunity to serve all around the world in different financial management billets including at 1st Supply Battalion at Camp Pendleton, at Headquarters Marine Corps Programs and Resources at the Pentagon with Third Marine Division in Okinawa, Japan, where I had the opportunity to deploy to Iraq, participate in tsunami relief operations in Indonesia and mudslide relief operations in the Philippines, and all sorts of exercises throughout Southeast Asia. I served on the joint staff J8, Program Budget Analysis Division. I commanded the Marine Corps financial management school and I was the G8 Chief Financial Officer for Marine Corps Installations Command. I had the opportunity throughout my career to command at the platoon, company, battalion, regimental, and major command level, and I had the opportunity to do some other career broadening and educational experiences including an Aide De Camp for the Assistant Commandant of the Marine Corps and I served as the Marine and Naval Attaché in the country of Georgia. My last tour on active duty was as the Commander of the United States Military Entrance Processing Command. That's an organization of about 4,000 employees, both military, civilian, and contractors spread across 67 operating locations in the United States, Alaska, Hawaii, and Puerto Rico with a mission of supporting all the services, Army, Navy, Air Force, Marine Corps, Coast Guard, and Space Force in the accession of about 250,000 men and women in the Armed Forces each year. Obviously, that was a tremendous opportunity for a financial management professional. I got the opportunity to work in operations, medical, testing, talent management, IT modernization facilities, organizational change, union relationship, and obviously, managing a large global operation through the COVID pandemic. So, coming out of United States Military Entrance Processing Command and preparing to retire, I knew that I was coming back to the Washington DC area. It was obviously where my skills were most in demand, and I knew that I wanted to continue to work in the financial management community. I figured that I would end up with one of the audit advisory and consulting firms and I was actually speaking to quite a few of them. But the opportunity with ASMC came up. And as I looked at the position, the Chief Executive Officer position and thought about it, spoke to a number of mentors about it appeared that ASMC provided the opportunity to continue to work closely with the financial management community and to drive financial transformation in the defense sector. So, really from both a personal and professional standpoint ASMC was the perfect fit for me. I have been a member of ASMC since the mid '90s. Actually, I attended my first PDI in Indianapolis in 1992, that's a whole other story. I obtained my CDFM certification in 2006 and I've worked with, trained, led, and was led by ASMC members. So it really is a privilege for me to be here and to lead this organization that represents 14,000 financial management professionals in the defense sector.



TOM: What a broad and varied background in your military service and want to pause and thank you for your service, and the time that you spent in uniform. We do definitely appreciate that. In preparing for this podcast, I looked up the ASMC mission. It says, "To promote thought leadership, professional development, and ethical behavior in all aspects of defense financial management." With that mission to serve the defense financial management community, what do you see as the future of financial management within DoD, and perhaps even more broadly, the financial management community outside of the department?

RICH: Yes, this is really an exciting time in defense financial management and for the finance community as a whole. We are really at an inflection point. Automation has been around for a long time but amid COVID-19 and the long COVID environment, the urgency to automate has never been greater. So the COVID pandemic while it has been a challenge, also presents an opportunity and a mandate for the profession.

The headlines over the last 18 to 21 months really bear this out and many finance and accounting professionals have seen this firsthand. For example, auditing has changed. There's a lot more remote sampling taking place. There's change in closed procedures. There's been, obviously, an expansion in telework and remote work opportunities, and really embracing of all of the automation tools.

So, for the financial management professional, the nature of our work is really fundamentally changing. In the past, we tended to focus more on transaction processing, the capturing, recording, and reporting of cost and budgetary information. But in the future, we will be focused on more analysis. We will have systems that handle the more routine tasks and defense financial managers will focus on more value-added tasks. The constant in all this is really internal controls though. Internal controls and the requirement for them will not change and will still be necessary to prevent fraud, waste, and abuse, and improve data integrity. To sum it up, finance and accounting professionals are moving from not only being focused on operations and being stewards of resources, but also being strategists and catalysts for their organizations.

TOM: It seems like as we're moving from transactional processing to be strategic advisors, data will be a big part of that. Our ability to understand and interpret data and present it in a way that the decision makers could use it is going to be critical, and when we look at the Department of Defense, the defense financial management community the size and scale is enormous.

We're comprised of nearly 55,000 professionals in the financial management space in DoD. Approximately 80% are civilians, 20% are military. We have FM professionals operating in all 50 states, seven territories, and 40 countries. With that size and scale, what is the current operating environment for defense financial managers, and what are the challenges to achieving the vision that you just described?

RICH Brady: Great question. It's always important to do an environmental scan to both the external and internal operating environment. So, as I look at the external environment, issues effecting nearly all



organizations, I see a number of things. And we'll take a look at some of the internal pressures effecting the defense sector.

So externally, obviously we've talked about digital and financial transformation, we're really at an inflection point there where systems and processes are coming together. Digital systems are coming together to support financial management operations. The future of work -- that is another issue that's impacting how we operate. We all know that we're not going to go back to what things were in 2019, but we likely can't continue the road we're going down today. The future work environment is likely going to be some type of a hybrid environment that blends, both telework opportunities, remote opportunities, and in-person opportunities, to support an organization and its function. There is an incredible competition for talent right now. Many people throughout the COVID pandemic whether reassessing their personal situations or looking for new opportunities are deciding to look for different, for new work. And that's creating a competition for talent in both the public and private sector. So, we can't assume that we in the public sector are somehow going to be immune to those pressures. There are continuing diversity, equity, and inclusion commitments. And for me, this is really about, building teams and building strong teams, and having that diversity of thought on your team to come up with good ideas and opportunities to overcome challenges. There are growing environmental, social, and governance responsibilities, a lot of talk about this in the private sector. There's some expectations that the SCC is going to put out some mandates for ESG reporting, but I think we can expect to see some of that coming into the public sector in the near to mid-term as well. And finally, there's a reordering of the competitive landscape, how organizations compete to provide value to their customers and their members. And ASMC is not immune to that either. We have to look at how we compete within the association space and ensure that we are continuing to provide value, and added value, to our 14,000 members. So that's some of the things that are going on externally to us and now let's take a look and talk a little bit about what's going on within the defense sector, and what I see as some of the key pressures in the near term.

The first is probably addressing the impacts of inflation. Inflation is at a 40-year high, and most defense financial managers have never operated in an environment like this. And it's an environment that will impact all areas of the defense budget. The programming phase, the budgeting phase, and the execution phase will be impacted by this. And it's going to require some real hard trade-offs between near term and long-term modernization efforts. We need, as a defense financial management community, to pivot on talent management. And this goes well beyond just talking about the workplace and where we're going to work, whether we're going to be working from home or we're working from the office. This really is about what type of skills are going to be necessary to leverage data in a digital environment. So, it's going to require responsibilities on the part of the individual to up-skill, to make sure they've got those skills, but also on the organization to ensure that they're providing the training and education to their workforce to manage these skills and to obtain these skills. The department's going to need to look at what I would call reimagining the PPBE process, the planning, programming, budgeting, and execution system. That's obviously, our resource allocation process that has been around for nearly 60 years. And it was developed in the dusk of the industrial age or the dawn of the digital age, whichever way you want to look at it and really hasn't changed too much since. It's changed on the margin, but fundamentally the system is the same. And the question that needs to be asked is the system a process that's going to support the department into the future as we move through the



digital age, the fourth industrial revolution, and into the fifth industrial revolution? We need to improve transparency in all that we do and we're gaining access to systems, the department and the services are gaining access to systems that are going to improve data transparency. That's as much in supporting our audit efforts as it is in providing decision support for the department and our leaders. And finally, we as defense financial managers need to do a better job of communicating return on investment and explaining to the American people why \$740 billion dollars a year, whatever the number ends up being, why that is a good investment. And I would argue, if you look over the past half century at some of the key technologies, whether it's the internet or GPS technologies, these technologies have been catalysts for the US economy to improve productivity and stay competitive in the global environment. And we just need to do a better job of communicating that return on investment. So there in looking at these external and internal environmental factors, there are numerous policy, process, system, and organizational challenges the defense financial managers to become the strategists and catalysts for the organizations that I talked about. But I would argue the greatest challenge or the greatest thing that we need to do change is to change our mindsets. We need to move beyond spreadsheets. There's truly nothing more frustrating for a leader of any organization than to be handed a stack of spreadsheets. And we've got the tools now to do much better than that to provide some data analysis, data visualizations, that bring out the data, illuminate the data and create decision support information for our leaders. We must continue to learn, unlearn, and relearn, really create a culture of learning, and investing in our most important assets, our people, to stay at the forefront of technology and change. We must operate in a risk informed or risk intelligent manner and not in a risk averse manner. We actually create more risk when we have an overly bureaucratic and fractured decision process that attempts to plan away all risk. It is truly an impossible task. So, we must be comfortable operating with uncertainty and some risk to drive change within our organization and achieve the outcomes we need to achieve within this current operating environment.

TOM: Thank you, Rich. What role does talent management play in the future of finance and what is ASMC doing to support talent management?

RICH: Talent management is central to the future of the financial management profession. As I mentioned earlier, knowledge is an asset like plant, property and equipment, and it can be depleted, consumed and expire like plant, property, and equipment. Or, organizations can invest in knowledge, like many successful companies are finding out. Last year LinkedIn conducted a survey on leading with learning. They found that successful companies, are showing increases in cultures of learning, support from the top, and having talent management as part of the strategic plan. And for the defense financial management community, investing in new skills will be necessary, including skills that are not common in most financial management offices. We're talking about data scientists, statisticians, data security, data analytics and visualization, behavioral scientists, information technology specialists. Again, blending both financial and financial skills. So, for the individual, the focus will really be on up-skilling, obtaining those skills once you've got a baseline understanding of defense financial management. And for the organization, the focus needs to be on defining the roles and responsibilities of these new skills, updating position descriptions, and getting the new positions approved and hired. You can imagine the challenge it's going to be to convince the human resources command that financial management office



needs to hire a behavioral scientist or an information technology specialist. But that may be who they need, again, to leverage the data and provide the decision support to senior leaders, and ASMC intends to play a central role in this. As you mentioned earlier, our mission is to promote education, training, and certification of the defense financial management workforce, in both the public and private sectors. Our mission is to drive financial transformation by bringing the private and public sectors together. Finally, our mission is to uphold the highest ethical and professional standards. So we are working to improve our product and educational offering mix, ensuring we stay relevant and at the leading edge. The data analytics decision support virtual conference we held in December is a good example of this and we intend to do more of that. We are working to improve our value proposition to our members, ensuring we provide value to a membership base that spans five generations, has different needs, consumes information in different ways, and defines value differently. And finally we are working to be at the forefront of thought leadership which will underpin all of our education and training offerings. So, as I mentioned at the beginning, this is a really exciting time in defense financial management and it's an exciting time to be part of the American Society of Military Comptrollers.

TOM: Rich, while you were discussing that, I was thinking the same thing. What an exciting time to be an FM professional within the department as we're moving to a strategic advisory role, working with data and being innovative being agile, operating in a culture of learning. Just an exciting time for now and then where it's going to take us in the future. Now I suspect that one of the items that takes up a lot of time and energy is planning the National PDI. Can you share with us any insights of what it's shaping up to look like?

RICH: Yeah, absolutely. Obviously, the PDI has been a cornerstone of the professional development offerings of ASMC for the past about four decades. As I mentioned earlier, I attended my first PDI in 1992 in Indianapolis and have attended a number since then as well. So our last planned in person PDI was in Nashville in 2020. Unfortunately, because of the COVID pandemic that hit in March of 2020 that PDI had to be canceled outright.

Last year ASMC planned and executed a fully virtual PDI, and it was very much a success. But we all recognize the importance of getting back together, the networking opportunities, the discussion opportunities that an in-person PDI presents. So, this year, in 2022, we are planning a hybrid event in Atlanta. We expect to have between 2,500 and 3,000 individuals in person at the event about 1,500 to 2,000 virtually.

RICH: So we are still in the planning phases of this. We're obviously watching the COVID pandemic and the Omicron variant very closely. But we expect to see the number in cases decline over the next few weeks and into the Spring and we are very hopeful right now that we will be able to continue to execute as planned with a hybrid event of both in-person and virtual. Now, how that shapes up is yet to be determined. We are having a number of discussions on the extent of the virtual experience. Obviously, if you hold a fully in person event or a fully virtual event, those are your lowest cost options for an organization. The highest cost option is actually the hybrid event and it's the most difficult to pull off. So, we're actually reaching out to some other organizations who've done this successfully recently to look at what they've done, to see their lesson learned, so that we can make sure that we provide that valuable



experience or a near equal valuable experience for those who are attending virtually compared to those who are attending in person.

TOM: Thank you for sharing. I know a lot of us our looking forward to that National PDI and the experience that we can gain there. Rich, for our last question we'd like to wrap up with what is the most interesting experience, you have had in your financial management career?

RICH: Great question and probably a difficult one also. As I look back on my career, I had a lot of great experiences. So I wouldn't say that it was necessarily a single experience. I would say it was an overall career path that put me, not only in financial management positions, but also command positions and career broadening positions. It's important, obviously, to be a technical expert in financial management, and I could've achieved that if I had served in only financial management billets. But I believe to be able to become a better financial manager and an advisor to my commander, and other senior leaders, by having a breadth and depth of experiences that took me outside of financial management really made me in many cases, the customer, user, and consumer at some points, really allowed me to grow within the profession and to be a better financial manager, and a better financial leader. So, if there's any piece of advice I would give to new people coming in the community I would just encourage them to continue learning take yourself out of your comfort zone put yourself in challenging positions. Challenge yourself throughout your career and you will be amazed at what you can accomplish.

TOM: Rich, thank you for your time today. So thoroughly enjoyed it. And congratulations on your new position as CEO of ASMC and we wish you the best of luck going into the future.

RICH: Yes. Thank you very much, Tom. And again, thank you Guidehouse for co-sponsoring this podcast.

TOM: Thank you.

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