

ALL THINGS FINANCIAL MANAGEMENT PODCAST

The Value of Involvement

With Sue Goodyear, J8 Director and Financial Officer at Defense Logistics Agency and President of the ASMC Washington Chapter



Welcome to All Things Financial Management, an ASMC podcast sponsored by Guidehouse, where we discuss all things under the auspices of the comptroller's 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'll 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 nonprofit, 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 in the overall financial management community abreast of current issues and encourages the exchange of information, techniques, and approaches.

Today, our government guest with us is Ms. Sue Goodyear, the Chief Financial Officer at DLA. Ms. Goodyear, thanks for being with us today.

MS. GOODYEAR: Thank you, Tom. Appreciate it and appreciate the opportunity.

TOM RHOADS: Yeah. We've been excited for this podcast, been looking forward to it, and one of the things we wanted to ask you is if you could take just a moment and share with us your background and what brought you to your current position as the Defense Logistics Agency's Chief Financial Officer. In other words, could you tell us your story?

MS. GOODYEAR: Absolutely could. As long as you don't ask me how long it is-

TOM RHOADS: (laughs).

MS. GOODYEAR: ... and how long I've been in government service, I'll be good. Uh, no, but I started out as supply clerk a lot of years ago as a GS2. I don't even think they have those any more in civil service, but we moved to Indiana after a few years and then I got selected into the intern program at Fort McPherson, Georgia in the budget arena, the budget career field, and that's really my passion. That's where I like to work, obviously, spending a lot more of my time now in audit and accounting, which is a great learning opportunity for me. But after I went through the intern program, I also moved up into U.S. Army Forces Command which was stationed there at Fort McPherson in Georgia with me with where I was. In the Army Command, though, I stayed there, and this is something I tell people don't do what I did, but I stayed there almost 18 years. I did policy, I did systems, I did programming. I finally culminated my career in the comptroller field as the Deputy Budget Officer for U.S. Army Forces Command, and then I went to senior service college for a year here in the Washington, D.C. area, what is Eisenhower now, and then from there when I returned I went back to U.S. Army Forces Command as the Chief of Force Management. And that was a great opportunity because that was working with the tables of equipment and the structure, force structure of the army, and so I learned a lot more about manpower from the, the green suit army side of the equation. Then I was selected to be a senior member of the Senior Executive Service at Army Materiel Command, and that was about the same time that the Base Realignment and Closure Commission was closing Fort McPherson so I started looking for jobs elsewhere and found this one at Army Materiel Command as they moved from Washington, D.C. down to Huntsville, Alabama, so I was one of the first SES's to report to Huntsville, Alabama for the Army Materiel Command move there. I stayed there as the Deputy Comptroller, Deputy G8, for about five years and then moved up when my boss retired to be the G8 for Army Materiel Command for about another four years. Then I was selected to be the Executive Deputy, the Commanding General, at Army Futures Command out in Austin, Texas as the command stood up and as we really established an entirely new army organization to, to manage and shape modernization for the army. After about three and a half years in Austin, I moved for a very short stint to be the CFO at the Corps of Engineers, the U.S. Army Corps of Engineers here in Washington, D.C., and just recently about six months ago I moved over to the Defense Logistics Agency, so this is my first non-Army job and my first opportunity to see from this large of an agency, but it also brings me back into my logistics family and to where I kind of started my roots and where I spent a lot of my time Army Materiel Command. So it's been a great opportunity, and Defense Logistics Agency is a great place to work and I've enjoyed it so far.

TOM RHOADS: Can you imagine or I guess think about when you were a GS2 or an intern, did you think then that someday you would be the CFO of a multi-billion dollar organization?

MS. GOODYEAR: Never. Never would've thought of it. At that time, GS12 or 13 was my career aspiration, you know, and then when I got to a 13, maybe a 14, and then I never thought about a 15, but I had great mentors along the way that encouraged me to put in for opportunities and then especially pushed me to start, uh, going to senior service college and then applying for my SES position. So without them and without what I saw from them and how they pushed me, I never would've made it to where I am today, that's for sure.

TOM RHOADS: And I read a study recently that, that indicated that same thing, is that, you know, for long-term career growth, mentors are so important, and it sounds like they've played an important role in, in your journey as well.

MS. GOODYEAR: Absolutely have, Tom. I, I just can't thank them enough for, for pushing me. You know, I said the Base Realignment and Closure made me go look for another job. That also pushed me a little bit too because I was very content and very happy at Forces Command, but pushing me out the nest and letting me learn new things has been a really good opportunity.

TOM RHOADS: Yeah. I guess it's true when when one door closes, another one opens. So I guess-

MS. GOODYEAR: Absolutely.

TOM RHOADS: ... it worked out well. Ms. Goodyear, you're currently serving as the ASMC's Washington Chapter President. Can you tell us about your experience in this role and what you have learned and what are some of the ASMC initiatives that you supported?

MS. GOODYEAR: Yes. As the President of the Washington chapter, I've just really learned a lot about how ASMC can help and improve and change people's careers, again bringing them that opportunity for career growth and relevant and interesting training, but I had been President before in the Atlanta Chapter so this was not a new role for me, but what was new was the size of the Washington Chapter and how being in the DC area, it's a very influential chapter to the national Society of Military Comptrollers and their initiatives going forward. Having that tie has been really interesting and has helped our chapter kind of grow. Couple of the things that I saw as, as President that I really wanted to get after was chapter involvement. We have great luncheons, they're virtual now, and we have some amazing speakers in this area, but we're still not getting the depth and breadth of attendance that I was hoping to grow to. We have over 3000 members here, but we were still getting what I would consider under 100 or so small audiences for our... really what I think are some of the best luncheon speakers that I've seen across ASMC. So one of the things that I'm going to pass on to my successor is how do we grow the communications out to the membership about these opportunities and then, two, how do we get more chapter involvement because throughout my career being involved in the chapter I think has really broadened my horizons and helped me to grow.

TOM RHOADS: Do you think the pandemic had any impact on the attendance or do you think it's more of awareness issue?

MS. GOODYEAR: I think it's a little bit of the pandemic, but going to virtual should've opened up opportunities for people to attend when maybe they can't get away to drive somewhere for a luncheon.

TOM RHOADS: Mm-hmm.

MS. GOODYEAR: But what I'm seeing is people still don't seem to be able to make the time to attend. Even if you can, you know, go off camera and eat during a virtual luncheon, it still seems like they can't fit it into their schedule or they're not seeing it as a benefit being virtual where, you know, when it was in person there was a lot of networking that went on. So I think it's a mix of that potentially, and then we aren't good at getting the word out to everybody.

TOM RHOADS: Mm-hmm.

MS. GOODYEAR: But, you know, what we used to have in ASMC was the networking and, and how you learn from each other. We may be missing a little bit of that in the virtual environment.

TOM RHOADS: Interesting. As a longtime member of ASMC, can you tell us what you see as the value of active involvement over the course of your career?

MS. GOODYEAR: I personally think it definitely benefited my career. I've told this story before, but I believe and I was told by a selecting supervisor that one of the main reasons he promoted me from a GS12 to a GS13 and when I would move from the Garrison to the U.S. Army Forces Command Comptroller Office was because of my involvement in ASMC. I was on a committee and he was the committee chairman, and we were cleaning up after one of the committee-sponsored events and I stuck around and helped him with folding chairs and, you know, cleaning up trash and putting tables away, and he told me after he selected me that he knew I was a team player because of that event and what I had done on his committee and he knew that he could count on me to take on some of the jobs nobody else wanted, which I thought was a really interesting perspective, but I personally think ASMC did help me get promoted. Granted I had the technical skills he needed, but it gave me some exposure to him that I probably would never have had. It also gave me a lot of leadership experience on boards and committees. If you're looking for team leader experience or if you're looking for a little bit of supervision to put on a resume, ASMC gave me that along the way also. And then just the networking, and I know this is an old term, but I now have a rolodex of contacts from all of my years at ASMC, and especially here in the Washington Chapter, of people that I can call that I need help from in my job, and so every day, you know, I've made new friends, I've made new contacts and relationships, and I'm able to have a face with a name and they have the same with me, so it really has improved my ability to get work done for the agency, and a lot of what you do as an SES is about relationships and how you make those work and how you are using past potentially relations or past work that you've done together to help your agency and someone else's move forward.

TOM RHOADS: So valuable to have that those resources and those relationships where, to your point, when you need to you can reach back and, and counsel with others that you've formed relationships over the years, and out of those counseling sessions or, or discussions I imagine you've probably seen neat ideas come out or at least a way forward to whatever challenge you were facing

MS. GOODYEAR: I would agree, Tom. One of the biggest things you get is an ability to compromise or an ability to at least understand the other person's point of view, especially when it's something that's really hard or thorny or you need new policy or you need to have a partnership agreement or, in the case of audit, we're dependent on a lot of other

organizations for successful audit and they're dependent on us, and so that back and forth conversation is much easier if you can have it with a frame of reference of, "Well, we were on the same committee together at ASMC or I met you at a luncheon or so-and-so introduced me to you." You have that bond and it really I think does make a difference, and so ASMC gives you that but it also gives you people who have similar issues so that you can say, you know, "I can't solve this problem," and they give you new ideas on how potentially they solved it, and that works all the way from the GS5 all the way up to up to the SES. I've constantly been in ASMC events where somebody said in the case of the army, you know, "I can't get this GFEBs transaction to work." And, you know, "I was having the same experience in our organization," so you get to hear about how other people have solved similar problems and then you also find out your problems are not unique through those relationships.

TOM RHODES: That's great. In your current role serving at DLA and I guess in terms of speaking of audit and audit writing as I know you're making great progress at DLA with your audit remediation journey, can you share with us some of the recent successes and challenges that you've been facing there.

MS. GOODYEAR: I would love to. You know, for those who don't know, Defense Logistics Agency is the combat support agency for all logistics, consumables, spare parts, fuel, medical, food, uniforms, clothing, construction, and equipment, and the largest part of our budget is fuel and energy support to all services and to the whole of government. We do a lot of work with all of government. So we do have three funds that we're currently under audit. The Defense Working Capital Fund is about \$47 billion in revenue a year, our General Funds are about \$1 billion, and then we have the National Defense Stockpile, which is a national asset to stockpile critical minerals, critical components for national defense, should they ever be needed, and that's about \$300 million. So throughout all of this, as everybody else did, we started our audit journey in 2017, and again, as I said upfront, I'm new to DLA, only been here about six months, but I've really seen a lot of progress just since I've been here. Our goal for this year is to get a modified opinion for our Transaction Fund. Again, a very small fund, but a very unique inventory challenge. Understanding how to weigh titanium or how to count blocks of tin, things like that that we have stored, you know, are really critical, aspects of, of a unique audit that we have, but we're working through that. We're figuring out how to value some of these items that are sold on the open market and how do you come up with what is a reasonable and acceptable value for our financial statements from that Transaction Fund, so we've really made a lot of progress in this very small area in Transaction Fund. But we have made progress in the other areas too, and one of the biggest ones that I see is we are having really good conversations with our auditors and our audit coaches also and the DoD IG, but we are working really hard to hear what the auditors are telling us. I could see as I came in, the partnership had been there since 2017 and we were starting to talk past each other. The auditors would ask, would, would give us a finding, but we wouldn't really understand it. We'd interpret it in our language, in DLA speak, and so now we're really sitting down and making sure we're hearing what the auditors are trying to tell us that we need to fix and we need to repair, and we're really making great strides in looking for the systemic issues and the things that they're telling us are, are very much of a concern with them as they give us, you know, a continual disclaimer of opinion. So we're trying it out, as I said, with the Transaction Fund, but we're starting to make I think leaps and bounds of progress. And then the other real positive that we've had somewhere about \$24 billion of own inventory that DLA has in our warehouses, but we also have about \$50 billion or more of other service inventory in our warehouses. We know what we have, we've counted it, our accuracy of our book to floor, floor to book is extremely high. What we're struggling with, of course, is valuing that inventory and then also modernizing our inventory management system, our warehouse system, and then linking our data

between the warehouse system to our financial system. You asked about challenges. That is a really big challenge for us is how do we link that data to create and ensure we have accurate financial statements about the value of our inventory and then how do we ensure the other services so that they can continue their audit with their inventory values and their inventory count of items that we hold for them in our inventory? And we're making great progress with our auditors right now on understanding the controls we have in place inside our inventory and then the controls that we're going to have in place as we do value. The couple other challenges that I see, and I think everybody's experiencing this, but I was really surprised when I got to DLA about how much audit fatigue, I would say, and impacts on morale. As we've gone through these last seven years of audit, we're on year seven, as we've gone through these, we... our teams thought they were fixing things and the auditors would come back and say, "No, you fixed this, but there's still all these other issues." And it just felt to the team like they weren't getting anywhere, and they would be in pursuit of an audit opinion forever. We're starting to see progress and we're starting to see some strategic changes in how we do the audit journeys are about 10 years, and we've turned that corner I think, as I mentioned earlier. We're starting to see progress and we're starting to see some strategic changes in how we do the audit, so I think hopefully the audit fatigue is now moved on to a much more positive way of thinking about audit and thinking about the progress we have made because we are good. We've closed a couple CAPs [corrective action plans] this year, some big ones. We haven't downgraded a material weakness as of yet, but we have an intent to downgrade some of our material weaknesses, especially in Transaction Fund. I think as we do that, people will see that there is positive progress in our audit and hopefully that's going to help improve the morale. In the meantime, we're just trying to make sure everybody understands how critical what they do every day is to audit. And the other challenge that we're facing, you know, just like everybody else, our systems modernization. EBS is an old system. It is in SAP, but it needs to be upgraded to the newer, more modern platform of SAP, and right now our plan is to do it right in the middle of when we are trying to get to modified or unmodified opinions on at least two of our funds and then our Working Capital Fund will be affected also, so there's a lot of work coming for us and just understanding how modernizing the system while you're in the middle of an audit is going to actually work and how do we clean up our history of bad data? It's a working capital fund; we have data from the date of inception of the working capital fund. How do we archive that? How do we clean that up so that we don't bring bad data into our new system? And on top that, we're still working closely with our auditor to get to some kind of an audit opinion and, and there's a standard testing that they're going to be asking from us at that same timeframe. So lots of challenges, but a lot of positives I think for us in DLA, and, and we really are starting I think to have turned that corner.

TOM RHOADS: I guess there's no shortage of challenges, and I thought it was really insightful when you talked about, audit fatigue and how staying the course you've been able to kind of push through that and start to see progress and see where the journey can take you, and seems like DLA has the right person at the helm to kind of push through challenges and to be successful, so we do wish you all the luck, and success in you audit readiness journey.

MS. GOODYEAR: Thank you, Tom. And we have obviously Mr. Lennon is our FIAR Director for the agency, and he's really been bringing everybody up to speed on just what it does take to get to be auditable so he's a big play in this also.

TOM RHOADS: That's great. Ms. Goodyear, we like to wrap up each episode with some advice for early careerists that may be listening. Knowing what you know now, what advice would you share with those who are just starting out their careers?

MS. GOODYEAR: Wow. There's a lot. Let me see. I think the thing I tell most people when I mentor them is don't do what I did. I stayed, as I said, 18 years in one location, and really, I was in one organization but I was not in one job for that whole time, but still I made a personal choice to stay in the Atlanta area and not move for a long time during my career, and I guess if they hadn't BRAC'd [Base Realignment and Closure] out from under me, I probably would still be with them but I'd still be that GS15 deputy budget officer probably. But don't do anything where you are staying too long in an area and a location. Get a variety of experience, get a variety of experience at different levels. If you're young and you're mobile, overseas tours is really interesting to go learn how things work in an OCONUS environment, volunteer for deployments. I didn't do any of that. I stayed kind of in that location. Luckily, I was able to through reputation or through really good interviewing strategy I guess, was able to get into other jobs in other locations as I moved up into the SES, but it still could've hampered my career and my career path, so if you want to be an SES or if you want to grow or if you don't know if you want to be an SES yet but you want to grow in your career field, taking opportunities is good. The other thing I would say no matter where you are, volunteering or taking on any of the IPTs or team efforts where they're looking for volunteers to do some really hard projects or some really integrated things, I learned more from any one of those. I took a couple developmental assignments in my career where they were only three or four months, but I learned a lot, I met a lot of people, I found more people to add to my contact list. And then volunteer to lead in those efforts, and then that gets you more, experience on your resume, and then you can always use that team lead experience because until you get that you're not going to move up to the higher grades, and then getting the supervisory experience even if you're just leading or supervising a small team at a time on a project. The other thing I tell people when I mentor them is be best at something. Even if it's just the person everybody goes to because the system eats your record or it doesn't do what you want it to do or you're the expert on whatever system that you're working in inside your agency. For a lot of people on the defense side it's DAI. Become that expert that people always go to when there's a problem and be ready to help them. Be that person that's best and is the one that's put out in front to brief a particular topic, even it's ugly, even if it's something nobody else wants to do, but that's how you get name recognition and that's how you get exposure to some of the senior leaders who might be the selecting official in the future. They remember you, they remember what you were able to do, how you were, can-do attitude. Those kinds of things will help you in your career. The other thing that I tell people that work for me is never come in and just dump your problem on my desk. Come in and offer a recommendation so it makes me think that you've thought about it. Your problem is now not my problem. You've actually come in with some suggestions and recommendations. They might not be feasible or they might not be good, but if you want to go do a developmental assignment offer and then say, "Hey, Sally's been asking me questions about my job, you know? If I go to do this job, maybe Sally would like to take my job for three months." So now the boss is not left with a gap and you're able to go do your developmental assignment and maybe Sally gets something out of it. Then never stop learning, whether it's through ASMC, AGA, other people, opportunities. I've taken more leadership courses over my career but every time I learn something new, and so always be a learner. Nowadays with data analytics, AI, all the things that are coming out, data acumen is going to be most critical if you want to advance in our career field, and so keep learning.

And then the last guidance that I tend to give people is, you know, sometimes it's okay to put your career on slow for a while if you've got children or you've got elderly parents or you've got something. I've had people come in and tell me, you know, "I want to get promoted someday, I want to be that GS15, but right now my kids are my priority. I'll come tell you when I'm ready to be a 15, and then I need you to help me. I would like you to help

me get, get there. I would like you to help me on my career path or building my IDP to get there. It's sort of okay to put your career on hold. The decisions you make, like I did, I made the decision not to leave the Atlanta area until much later in my career, but I knew I had made that decision and I knew it could be limiting to my career opportunities, but it's a choice you make and then if you're ready to change that choice, talk to your mentors, talk to the people that have an ability to help you get there. And I think for early careerists, there's going to be a huge amount of opportunities for growth over the next few years. It's an exciting time to be part of the comptroller field. And the last thing just because here at DLA we are having trouble attracting talent, so tell your friends, tell your family what a great place it is to be part of the comptroller career field across OSD and help us sell it. We need, we need more people whether they're new graduates or they're someone working for another federal agency, across DoD is an absolutely fantastic place to work, and, help us to encourage others to take that same opportunity.

TOM RHOADS: Such great advice, Ms. Goodyear, and I totally agree with you. It's such an exciting time to be in the in the workspace, especially, serving DoD and the missions that DoD has. And I want to just thank you for your time. I know how busy you are, and for you to carve out this time to spend with us, we just greatly appreciate it and thank you so much.

MS. GOODYEAR: Well, thank you, Tom. I really appreciate the opportunity, as I said upfront.


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