



All Things Financial Management

Episode 11: Financial Management Strategy of the Department of the Navy with Ms. Alaleh Jenkins

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 today’s guest. Today we have with us Ms. Alaleh Jenkins. Ms. Jenkins is Acting Assistant Secretary of the Navy Financial Management and Comptroller. In this capacity, she directly oversees the management of the Department of the Navy’s or, DON’s, annual budget and supporting processes, while providing independent analysis to her constituent clients. She also spearheads the DON Financial Management Transformation as an enterprise-wide initiative that has direct impacts to and requires actions by all commands within the DON, to include the U.S. Navy, U.S. Marine Corps, Defense Finance and Accounting Service, and other Department of Defense Agencies.

Prior to her current assignment, Ms. Jenkins served as the Principal Deputy Assistant Secretary of the Navy for Financial Management and Comptroller. In this role, she worked closely with the ASN, Deputy Assistant Secretaries of the Navy, and senior leadership throughout the Navy, providing recommendations on the efficient and effective allocations of assets, consistent with the national security priorities of the Secretary of Defense and the Secretary of the Navy.



Ms. Jenkins is a Certified Public Accountant and Certified Defense Financial Manager. She holds a Defense Financial Management Certification, Level 3, and is an accomplished leader with more than twenty years of experience in federal and private sector financial statement audit, business transformation, and large scale and complex financial management engagements. Ms. Jenkins has received various personal awards, including the Office of the Secretary of Defense Medal for Exceptional Civilian Service, the Association of Government Accountants Achievement of the Year Award, and the Federal Accounting Standards Advisory Board Pillar award.

Thank you so much for being here today with us, Ms. Jenkins. We really appreciate your time.

ALALEH JENKINS: Hi Tom. Thank you so much for having me here today. I appreciate it.

TOM RHOADS: Yes. Thank you again. And to start off Ms. Jenkins, would you be willing to share a little bit about your journey with us and what brought you to your current role as the Acting Assistant Secretary of the Navy Financial Management and Comptroller?

ALALEH JENKINS: Thanks Tom for that question. If you had asked me this question 10 years ago, what I thought I'd be doing today, I would've never guessed I would be the Acting Assistant Secretary of the Navy for Financial Management, but I cannot tell you how honored I am to serve this community, this organization; I am so proud to be part of the Department of the Navy team. My appreciation goes to the Navy on the Marine Corps and our entire workforce for everything that they do every day.

To answer your question, I started my career in the private sector. As you know, I used to work for you. So, I learned a lot from you Tom.

So, thanks for that.

ALALEH JENKINS: And then I moved to government, to DoD specifically. And I've been so fortunate, I'm blessed because throughout the career, I've had the greatest mentors and sponsors to make sure that I get the experience and the education that I need.

Coming into the government, I had the pleasure of being at OSD in the acquisition community. So I learned some of the nuances of the functional community and was involved with business process re-engineering and system



architecture, not necessarily within the Comptroller shop. And then from there on, I moved to the Comptroller after six years of being at AT&L.

I came to the OSD Comptroller as an action officer in our Financial Improvement and Audit Readiness office, and later served as the executive director in charge of that organization. I was responsible for advising our Deputy Chief Financial Officer, Mr. Easton at that point, on all issues related to financial management reform and really focused on audit readiness. My next career move was a twist in the road - I wasn't selected for a job that I wanted so I took a quick pause and went back to the industry and then the opportunity came back.

And I think about a year afterwards, I reapplied for the position, came back to OSD Comptroller, and then another opportunity presented itself, and I applied for it and I was blessed to become the Assistant Deputy Chief Financial Officer at OSD Comptroller. When I showed up, I knew that my primary role and responsibility was to support DCFO and the organization as a whole, in developing and interpreting the DoD accounting finance policy, promoting the standard processes and systems, and making sure that we had an enterprise-wide audit strategy for the Department of Defense. I did eventually move to the Navy, I wanted to get that Service perspective and learn what it was like to support operators more directly.

As a Director of the DON Office of the Chief Management Officer, I was responsible for business transformation of the DON with a specific focus on advancing the Department's progress towards auditability. It wasn't long after that I moved to the Financial Management and Comptroller organization, my current organization, as the Deputy Assistant Secretary of the Navy for Financial Management Operations, responsible for the DON's accounting, financial management, and leading the audit remediation effort.

Like I said, I've been blessed to have the support of a lot of good people to help me succeed. I got picked up as the Principal Deputy Assistant Secretary of the Navy for FM&C and that's technically my permanent job right now. I built a network we have with the Budget Submitting Offices, which are the Navy's version of major commands and ensure that efficient, effective resource allocations are in place to help them meet our priorities in support of the National Defense Strategy.

When the prior Assistant Secretary FM&C left his role about two years ago, I became the Acting ASN and my responsibility is to oversee the management of the Department of Navy's annual budget, along with having oversight of our systems, maturing our data as a strategic asset, taking care of our people, and of



course our financial operations and the audit remediations that are within my portfolio. Sometimes I look back and I'm just amazed. I feel blessed at the journey that I've been on, but I know it's only been possible because of the dedicated team that I've been fortunate enough to work with. Being part of the DoD FM community has just been amazing.

TOM RHOADS: It's an amazing ride that you've been on professionally. And it's so refreshing, at least to me, to hear you share your experience at OSD, where you may have felt like you stumbled a little bit, but you got back up and ultimately got the opportunity that you really wanted, and obviously a whole lot more. And I think it's a great example of leadership that sometimes we stumble and it's okay, as long as we get back up and keep pushing forward. So, thanks so much for sharing your journey with us.

ALALEH JENKINS: Thank you, Tom. Appreciate it.

TOM RHOADS: To quote Steve R. Covey, "To know, and to not do is not to know." And one of the things that I think I really enjoy about you is that, you know, and you do. And you bring passion and energy to work every day to accomplish the mission. Let's talk a little bit about your most recent activity. I understand that the Navy just released its financial management strategy. What prompted you to put this together? And maybe share with our listeners why it's important for the Navy to have an FM strategy.

ALALEH JENKINS: That's a great question, Tom. And thank you for asking that. One of the major responsibilities of leadership is to communicate - communicate often, early, well, and thoroughly. And then repeat what you just said to make sure that everybody on the team understands where we need to go. But we need to also communicate our mission, our vision, our goals to outside of stakeholders, too, such as Congress, OSD, our sister Services, as well as our service providers. It's a sports team. After all, their buy-in is critical to our success. We also need to make sure partner communities like the CIO or acquisition logistics, and personnel communities, understand what we intend, so that unity and synergy of efforts are there as well as the synchronization that we need.

Additionally, we're truly busy with competing priorities. We needed a way to clearly articulate our long-term goals. I wanted to make sure that everyone on my team knows why these goals are important and what they're designed to achieve, what success looks like, and how we'll measure our success. This strategy is also a way to visualize how you, your team, your customers fit into the long term, big picture. To know where you fit in, why you're doing things that way you are doing and how and why your impacts matter is exciting and



motivating. That's really why we put this strategy together. It was important for us to articulate how our goals support the Secretary of the Navy's own strategy and contributes to the One Navy-Marine Corps Team ideals that Secretary Del Toro has put forth.

We plan on issuing implementation guidance in the coming month, but it's also important to highlight the fact that we are already implementing many of these goals and initiatives in support of this strategy.

TOM RHOADS: You know, it makes perfect sense to me that the Navy's FM strategy sets the vision and the direction for the organization. And as you mentioned, clearly communicates that vision to the entire organization. Can you walk us through the strategic goals that you've laid out and what inspired you to pick them?

ALALEH JENKINS: Absolutely. Our vision for this strategy was formulated on a myriad of things. You mentioned failures. Definitely previous efforts failures with business processes, financial transformation lessons learned through our financial statement audit and remediation. Having to really wrestle with budget constraints in the face of growing missions and pop-up crises, seeing the benefits of data as a strategic asset to build the insight we really need for better decision making, and knowing that success really depends on nurturing a strong and capable FM workforce. We combine these elements against the backdrop of Secretary Del Toro's mantra for a One Navy-Marine Corps Team, which I've already mentioned. And these goals most recently laid out in the new DoD FM Strategy, which I'd like to talk about a little bit later.

This resulted in a five-goal strategy and vision for a DON FM community, where our FM workforce is inspired and empowered to drive innovative solutions for evolving business challenges. We know we need a workforce that's focused on high value projects to bring greater relevance and readiness to the Department. We can't have a workforce stuck in the trenches doing manual transactions. We have bigger problems to solve and the future to innovate. That's why our first strategy is to enhance our highly skilled and engaged FM workforce so we can support the DON's mission.

When we do this, we'll have the most agile CFO and Comptroller organization in DoD. We're driving resources, accountability, and efficiencies and execution of our mission. We've already begun to do this by increasing the breadth and depth of training content for our FM community, including analytics, artificial intelligence, and emerging technology. We're also committed to increasing the number of professionals with FM certifications, such as the DOD FM certification, CPA, CDFM, and CGFM.



Our team will be an integrated one, and FM team that exemplifies a culture of trust and innovation where collaboration and diversity and inclusion are celebrated. I want us to be highly regarded stewards of taxpayer dollars with transparent and efficient budget formulation and execution that our Sailors, Marines and civilians trust are giving them maximized and optimized support. So, our objective with this goal is to recruit and retain a diverse, empowered, and high performing FM workforce of the future, and also to strengthen and diversify DON FM workforce knowledge and skills. This includes identifying skills and competencies to inform our hiring priorities and recruitment plans, as well as increased retention.

We need to define emerging technical and leadership skills to keep our professional edge. And we need to foster a culture premise on innovation to encourage problem solving, analytics, automation, and employee shared services. We really do believe that people are our greatest resources. Without a strong FM team, achieving the rest of our goals would not be possible. We're working a fast pace, challenging environment, and we need a team with a broad set of skills to meet our goals.

In short, I want the Department of the Navy FM community to be the number one career destination for FM professional in the federal government, and perhaps private sector. This will be what success looks like for our FM workforce goal. So, to enable this kind of team, we need leaders and our personnel using standardized business processes that regularly pass audit because of the strengthened internal controls that improve accountability. So, this is our second goal of this strategy. And why is this important? To put it bluntly, standardized processes and effective internal controls create an auditable and transparent financial IT environment that supports mitigating mission risk. When we do this, we increase mission readiness, and provide a secure foundation that brings accountability and affordability.

Very briefly our strategy outlines three objectives for pursuing this goal. Number one, is re-engineering and optimizing business processes to transform financial operations and address our audit findings, root causes, and promote and expedite remediation will deploy technology solutions and advanced analytics along the way to optimize these operations. An example where this is already happening includes sustained remediation for Fund Balance with Treasury reconciliation, and our work here is allowing the Marine Corps to target an audit opinion in FY23, and for the Navy, as soon as FY 2028. Just a few years ago, we couldn't even imagine a timeframe for an audit opinion.



The second item is this strengthening and sustaining internal controls. Processes, policies, and solution that improve controls naturally increase our oversight and monitoring capabilities to effectively manage risk across the enterprise. And lastly, we'll improve financial reporting compilation and the fidelity of underlying financial data. Our goal here is to demonstrate our transactions and data are complete, accurate, and reliable. As I always say, data is what makes us relevant, and this auditability at its most basic. Congress and taxpayers deserve this from us.

Now how will I know when we've achieved this goal? When we have a fully transport FM environment built on consistent, secure, and reliable operations that enable us to earn an audit opinion on our financial statements, that's when we know well, we've succeeded.

TOM RHOADS:

You know, Ms. Jenkins, I think it's really insightful that you start with people and operations. And that you highlight people as your greatest asset. Early in my career, I had a mission manager tell me one time that his budget officer needed to be his best friend. That the budget office was critical to getting resources, to get mission needs done. I'm guessing that one of the next goals involves budget. Would that be right?

ALALEH JENKINS:

Oh, absolutely. And great minds thinking alike, Tom. You're right, our strategy envisions a budget that's transparent and executed with fiscal discipline and sound stewardship. So, our strategic goal number three is that we optimize stewardship and trust in the DON's budget process. Trust in the DON's stewardship of resources is foundational to good governance. Improved performance and transparency provides the American people, Congress, and war fighters confidence in the DON's ability to develop defensible budgets and properly execute these taxpayer dollars.

There are two ways we plan on doing this. The first is easier said than done, and that is to reform the DON Planning, Programming, Budgeting, and Execution process. We need to implement a more integrated PPBE process to maximize our buying power and effectively address our most pressing priorities. Let me give you an example of this. We've recently implemented something called the CERMC, which stands for Commanders Enterprise Resource Management Council. This council teaches commanders how to use our analytics and our single source of truth database. It brings together subject matter experts from all disciplines to help commanders look at things like stale obligation or unexpended funds.



The more they understand root causes and how their dollars are just standing still or not being executed for one reason or another, the sooner they can redirect them toward more pressing priorities. This integrated look at budget execution is increasing our buying power.

Our second objective to optimizing budget stewardship is to improve the operational responsiveness of the DON's budget process. What do I mean by this? Well, suppose you have an emerging crisis or contingency that's not covered in the budget. Call it Red Hill, or Ukraine, or COVID, and we need to work closely with acquisition, logistics, and operational communities to accelerate responsiveness to dynamic operations and bring agility into that process. We must be able to fund emerging and quickly changing program requirements to support our warfighting capabilities while we maintain the transparency needed.

A measure of success includes having innovative budget tools that facilitate a quick response to new requirements and increased budget execution visibility that lets us monitor funds execution with greater and timely accuracy. How will we know we've reached our goal for greater budget stewardship? Success will include having decisively managed and executed funds throughout all of the Navy's echelons along with deliberately placed program controls and improve visibility of resources so that our management of resources is exceptional and responsive to dynamic operation. This is a tall order, but necessary to operate today and in the future.

TOM RHOADS: You know, ptimizing the budget process to preserve buying power and be responsive to pop-up needs is a challenge that everybody faces. I'm glad to see that the Navy is tackling such an important goal. What would be some of your other strategic goals?

ALALEH JENKINS: Well, Tom, no matter how great our workforce is, and no matter how much we standardize our processes, we'll never have that financial excellence we want without having modern and secure enterprise IT systems. We simply cannot do the complex jobs that we're up against without the support of these modern platforms to simplify the work and give us reliable, timely data to give us the insight we need for the best decision making.

We need modern system per environments to replace our disparate components and the mishmash of legacy systems we have that make us dependent on manual intervention. That's why consolidating our financial systems and enhancing cybersecurity controls is our next goal. To get there from here, we need to optimize the FM systems architecture using



consolidations and system reductions. We've already been hard at work at this. For example, we've consolidated nine general ledger systems into three general ledgers in just three years while also decommissioning legacy feeder systems.

The impact has streamlined our systems environment and increased compliance with all of the federal IT standards. Of course, we've also simplified DON's FM systems and operations by consolidating them into modern ERPs. For example, DAI for the Marine Corps and Navy ERP for the Navy. When you reduce the number of feeder systems, you get improved data quality. We're minimizing the cybersecurity risk and increasing the adaptability to the new functionality for emerging business needs.

We would be extremely remiss if we were to bring on these modern systems and neglect their governance. That's why one objective we're measuring is that we enable delivery of an improved FM system portfolio with an improved governance structure. Governance matters if we're to ensure interoperability and policies that facilitate this decision making while maximizing our business process and system functionality. If we do this right, our reward will be a reduction of the huge backlog of requirements and software development requests that we have.

We'll also be able to have an integrated governance structure that benefits both the user and the system owner with documented processes. Once we get these objectives in order, we'll have an agile system environment that can evolve quickly to meet our changing needs, produce the timely data that we need for decision making and eliminate or rapidly resolve issues. That's what success will look like, and I guarantee that it will minimize the burden on sailors, Marines and our civilians. The last school in our new FM strategy is certainly not the least, but a gateway to financial management excellence and is leveraging the data analytics and the automation to improve our DON financial operations. Data as I've said before is at the core of everything we do. So harnessing the power of data analytics is imperative to improving our operations and decision making.

We have the DoD Advana data platform and Jupiter. It's been a great partnership with OSD and its DON's counterpart at OSD that are now giving us accurate analytics at the speed of relevance. They're allowing the Department of Defense and Department of Navy, in our case, to understand our data while being confident that it is of high quality, accurate, complete, timely. Our objective under this goal leverages this very relationship by instilling trust in FM data through governance and transparent standards. We'll publish data standards and implement FM data governance across the DON enterprise that



aligns with DoD and other Treasury standards. The impact is to improve data quality, reduce manual corrections.

We'll also ensure analytics and metrics can rapidly evolve to meet the demands of changing operations. Why? If we can reduce time spent preparing information and doing the spreadsheets, we'll be able to spend more time on communicating and acting on the data. The bottom line to this revolution in data is something that even the CFO Act of 1990 envisioned. That real time access to consolidate financial information will enable better decision making. That is real success.

TOM RHOADS:

This is so impressive Ms. Jenkins, and I'm really excited to see the benefits that are going to come from your strategy. It's so simply stated, but yet so comprehensive. I don't think anyone could disagree with the goals that you've set forth. How does your DoD FM strategy compare? And are there a lot of differences with your Navy FM strategy?

ALALEH JENKINS:

Actually, I'm really excited that DoD FM Strategy was finally published. I joined Mr. McCord at Comptroller to roll out the DoD FM Strategy and send my congratulations to our colleagues at OSD when they publish this because it's been a long time in the making. What I like about the DoD FM Strategy is that it provides a long-term overarching vision and framework to ensure that we as DoD are all pulling in the same direction towards defense enterprise goals. I see the DoD strategy as a kind of forcing function to help clarify and drive priorities and policy changes that are realistic, implementable and benefit all Military Departments working toward transforming the DoD financial management.

So overall our vision and the strategy align quite well with the DoD FM Strategy. Each has five goals that at a high level are the same and involve improving the workforce skill set, data use, systems, budget, and financial operation. We're both striving to produce a set of near and midterm priorities for implementing this strategy. The Navy will publish the detail implementation guidance over the next several months, and we will be working closely with DoD as they're publishing their implementation guidance.

There's a lot of congruence between our goals. For example, the DoD initiatives for cultivating a skilled workforce includes increasing workforce engagement, enhancing the proficiency. Both of us are doing this by encouraging developing the workforce as a force multiplier, whether it be through recruiting the best and the brightest or growing a skillset centered on analytics and financial management and other transformation efforts. The DoD strategic goal to



simplify and optimize the end-to-end business environment is much like ours in that FM transformation depends on it.

As I've mentioned, we've already consolidated nine general ledgers down to three. We are in the last phase of what we call our "Cattle Drive," which is our campaign to shed legacy systems and move quickly to simplify modern and auditable system. We also completed the Marine Corps migration to DAI this past year and are wrapping up efforts to stabilize the environment and fully integrate it into how we do business. OSD Comptroller has been doing much of the same urging Components to simplify their system environment.

Data is a Navy priority, which aligns to OSD's goal to empower data driven, fiscally informed decision making. I'm proud to say the Navy realized the value of a single source of truth early and working with the OSD team. In fact, Navy partnered with the Advana to evolve Jupiter, our platform off of which we deploy not only our universe of transactions, but also our dashboards for improved data transparency and the DON's common site picture.

To drive database decisions even more, we recently deployed an audit roadmap dashboard that links all our audit findings and corrective actions to our roadmap milestones. We use the dashboard at our governance meetings and in status updates to spotlight and drive progress and discussions in each of our priority areas. Finally, the Navy and the Marine Corps are absolutely aligned to the DoD goal to increase the integrity of financial results. The DON is making steady progress in executing the audit roadmap by remediating our most significant audit findings and improving the data quality through automation and transformation.

Those are just a few of the ways that the DON FM Strategy is in sync with the DoD FM Strategy. I'm looking forward to partnering with OSD. Other components within DoD were a common strategy, goal, objectives, and policy changes make all the difference in achieving this accelerated implementation of the things that we all desire for our agencies.

TOM RHOADS:

This is excellent Ms. Jenkins. And I want to thank you so much for sharing the Department of the Navy's new FM strategy with us, and also how it dovetails with the DoD strategy. I think anytime you can get written guidance that outlines the vision, the goals, and desired impacts for an organization such as the DON's FM&C community, we are that much better off in serving our stakeholders. And one last question, before we close, if you could give some advice to our early careerists that are listening, what would it be? Or if I said it another way, what is some advice that you would give to your younger self?



ALALEH JENKINS:

Oh gosh. Listening to advice and giving it advice are very different, aren't they? I wish I had listened to more of my mentors when I was younger. Certainly, having a better balance between work and life. I guess that's the first piece of advice I offer - to find yourself a mentor and to listen to what he or she has to offer. You don't have to do everything they say, but at least listen to it and seriously consider what words of the wisdom they're offering you.

Second item is embrace change. If you don't change, you don't grow. And if you can't grow, you'll get left behind. Your team, your organization needs you to learn from change and to mine the opportunities that come from change. Be a change agent.

The third item, I would say, is to focus on what matters and what's most significant or impactful. You can't do everything and not everything matters. So, pick and choose what you do with your energy and time wisely. You can never get time back so ask yourself if what you're doing will matter in a month, in a year and five years. If the answer is no, then perhaps look for other things to invest in. Stay passionate and motivated, the people you surround yourself with will feed off your energy and you will do the same. Feed your soul every day with challenging work and people that keep you interested and engaged.

In the course of trying, remember, that it's okay to fail. We've said that before. Failure can be a sturdy building block, just like success. What matters is that we learn from our failures and use it to shape the future. I've really enjoyed my time with you, Tom. Thanks so much for letting me talk about all things financial management and our strategy. And I do miss working for you. Thanks for the opportunity.

TOM RHOADS:

Thanks so much, Ms. Jenkins. I was just reflecting back while you were providing this advice that through our association with ASMC and working in the DoD FM community, our professional careers have had several touchpoints over the last dozen or maybe even more years, and I just want to thank you for the example that you've been to me personally, and I've always just admired the passion and the energy and the dedication that you bring to the mission every single day. And I know you're incredibly busy and I do want to thank you on behalf of ASMC for your time today. Thanks so much Ms. Jenkins.

ALALEH JENKINS:

Thank you.

OUTRO:

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