DEPARTMENT OF HOMELAND SECURITY
U. S. COAST GUARD
CG-4229 (Rev. 3-03)

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APPROVAL: ■
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INFORMATION: □

From: CG-1

Date: SEP 19 2012

To: DCMS

Subj: SERVICING PERSONNEL OFFICE ALIGNMENT WORKING GROUP CHARTER

1. Enclosed, please find the charter for the Servicing Personnel Office (SPO) alignment working group (SPOA WG), prepared for your signature. This charter directs the SPOA WG to conduct a comprehensive review of existing SPO operations. The review shall include a performance analysis of existing processes, functions, and roles that reside at the 106 SPOs throughout the Coast Guard. The SPOA WG shall provide recommendations regarding alignment of SPO work and resources, and develop a comprehensive implementation plan that geographically merges SPO resources and functions under fewer commands to provide centralized, cost-effective, and efficient SPO support services.

2. SPOs were the result of the decentralization of approximately 40 PERSRUs to 106 SPOs working for various units (Bases, Districts, Sectors, etc.). Non-standardized support between units and inconsistencies in business processes combined with blurred roles and responsibilities resulted in errors in personnel management, record, and financial disbursements, which jeopardize audit compliance. The SPOA WG will be required to clearly define and separate SPO (military pay) work and personnel services (administrative) work.

3. The conceptual milestones for the SPOA WG are:

   a. Distribute signed charter: September 2012.

   b. Phase 1 SPO Alignment Concept of Operations developed: January 2013.

   c. Submission of SPOA WG recommendations to CG-1: February 2013.

   d. Submission of SPO Alignment OMR packages: March – June 2013.

   e. Approval of SPO Alignment OMR packages: June – August 2013.

   f. Implementation of SPO Alignment OMR packages: July – September 2013.

4. RDML Callahan and his staff at PSC, Dr. Wehrenberg and his staff in CG-1B, and I am available to answer any questions you may have.

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Enclosures: (1) Servicing Personnel Office (SPO) Alignment White Paper
(2) DCMS memo 5320: Charter for the SPO Alignment WG

White Paper
Servicing Personnel Office (SPO) Alignment

Purpose: This paper discusses the history leading up to our current SPO organization and the SPO Alignment Initiative.

Background: Between fiscal years 1999 and 2002, the Coast Guard traded 160 YN and CWO Pers billets to fund the acquisition of an automated military personnel service and pay system (PeopleSoft). Subsequently, we decentralized the yeoman workforce from approximately 40 PERSRUS to 106 SPOs working for various units: Bases, Districts, Sectors, Air Stations, and miscellaneous other units. Half these SPOs are staffed with 5 YN or less and support fewer than 200 personnel, while other large SPOs are staffed with 15 or more YNs and support 1500+ personnel. In some cases, multiple SPOs are located in the same metropolitan area, on the same base, or even in the same building.

This current decentralized SPO structure placed YNs at units which have benefited from the YN's availability for member support, unit collaterals, and other administrative duties. It has also created challenges in meeting specialty training, qualification, standardization, and audit requirements, especially at smaller SPOs where minimal rate specific supervision exists.

The combination of CFO audit requirements, technology advances over the past 10 years, the DCMS 2.0 bi-level Depot/Ops support model, and the shrinking budget environment call for a fresh look at our current decentralized SPO structure. The recently retired YN RFMC, YNCM Emily Jennings, started this work by conducting a SPO Consolidation Study and Yeoman Manpower Requirements Analysis (MRA). These works determined that the Yeoman workforce is understaffed and ineffectively utilized in its current decentralized structure.

The SPO Alignment effort seeks to reorganize the YN workforce by separating it into pay and personnel processes to provide stronger internal controls & audit functionality for military pay. The intent is to consolidate pay functions at fewer large SPOs, renamed Military Pay Management Divisions, and into smaller Personnel and Administrative Divisions at field units that will continue to serve in the front line, customer service role. These field unit divisions will handle the myriad of non-pay related personnel and administrative requirements at the unit.

A few months ago, RADM Hewitt signed Flag Voice 347 announcing the SPO alignment effort to the field. This effort is planned to be phased, starting at the 13 Bases and 1 Base Detachment where other SPOs are now collocated. Later phases will complete this YN workforce alignment throughout the entire Coast Guard as resources and technology improvements allow. This alignment must be done in cooperation with CG-7, CG-6, DOL, CG-81, and other stakeholders.

Recommendation: We have planned a DCMS/DCO chartered matrix workgroup led by PSC to implement phase I of SPO alignment at Base locations. This workgroup will then study how best to implement SPO Alignment across the remaining Coast Guard, taking into account available resources, planned Direct Access upgrades, future EI-PDR technology, and projected YN manning levels. This draft charter has already been shared with stakeholders and potential workgroup participants, and is currently being finalized for your review.

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5320

MEMORANDUM

SEP 2 0 2012

From: M. K. Brown, VADM
DCMS

Reply to Attn of: COMDT (CG-1)
RADM D. A. Neptun
(202) 475-5000

To: Servicing Personnel Office (SPO) Alignment Working Group

Subj: CHARTER FOR THE SPO ALIGNMENT WORKING GROUP

Ref:
(a) U. S. Coast Guard Commandant's Direction 2011
(b) DCMS Mission Support Strategic Blueprint for 2011-2015
(c) CG-1 Flag Voice 347 of 28 March 2012
(d) Boston SPO Imaging & Human Resource Process Pilot Memo 1000 of 25 Apr 2011
(e) Yeoman Manpower Requirements Analysis (YN-MRA)

1. Purpose: This charter establishes the SPO Alignment Working Group (SPOA WG), whose staff shall use references (a)-(e) and work started by DCMS-81 to conduct a comprehensive review of existing SPO operations. The review shall include a performance analysis of existing processes, functions and roles that reside at the 106 SPOs throughout the Coast Guard. This effort should be completed in two phases – phase 1 comprising a review of SPOs in the geographic area of the 13 bases and one base detachment (including those locations where multiple SPOs are located on the same property), and phase 2 comprising a review of remaining SPOs in geographically dispersed locations. If a course of action (COA) is identified that is more cost-effective and efficient than this two phased approach, that COA will be considered. The SPOA WG shall provide recommendations regarding alignment of SPO work and SPO resources, and develop a comprehensive implementation plan that geographically merges SPO resources and functions under fewer commands to provide centralized, cost-effective, and efficient SPO support services. Do not waste energy attempting to justify growth within the YN/SPO workforce. The recommendations and implementation plan will focus on maintaining the continuity of Coast Guard SPO and personnel services during implementation, while concurrently attaining milestones, objectives, and functional capabilities.

2. Background: Historically, the SPO provided a wide range of services - from acting as financial managers for over $3B in payroll disbursements to other personnel management functions including unit administration activities. Inconsistencies in business processes combined with blurred roles and responsibilities have resulted in errors that jeopardize audit compliance and create frustration due to non-standardized support between units. To correct these problems, the latest Chief Financial Officer (CFO) audit called for tighter controls of pay transactions with fewer touch points in order to minimize pay transaction errors to the maximum extent possible.

A key element in the Coast Guard's solution to correct deficiencies in the CFO audit is to consolidate physical SPOs and clearly define and separate SPO (military pay) work and personnel services (administrative) work. This division of duties requires realignment of the yeoman workforce as outlined in reference (c). Phase 1 of this realignment should be implemented over the next year; however, this timetable may be impacted by factors such as pending software changes to the Core

Accounting System, Electronic Imaging Personnel Data Record (EI-PDR), and Human Capital Management System (HCMS). The timetable might also be impacted by further organizational change, the austere budget climate, and other organizational considerations. Building on the SPO alignment efforts conducted by DCMS-81 and DOL-3, the overarching project goals for the SPOA WG to consider in this initiative include:

- Reduce the number of entry points for pay & personnel transactions to improve compliance and control.
- Meet CFO requirements for accuracy and completeness of pay and personnel transactions.
- Re-level workload to align with tasking and serviced populations.
- Align military personnel support within the DCMS Standard Base Construct.
- Improve business processes and the use of technology to improve efficiency and effectiveness in supporting our military personnel; specifically, capability of the EI-PDR system.
- Benchmark other services' military pay management operations and functionality.
- Provide personnel savings and program efficiencies while increasing program effectiveness in developing COAs.

3. Discussion: The Commandant's Direction provides the strategic framework to "complete organizational changes to achieve the most operationally effective CG." Specifically, the Mission Support Strategic Blueprint includes establishing organizational constructs, policies, and procedures to provide clear and consistent DCMS operating protocols through alignment with the tenets of the Mission Support Business Model.

One key Mission Support Initiative established the Standard Base Construct, which designed and implemented a SPO and Personnel Services Division model. This model incorporates important modifications that standardize how military pay management and administrative functions are performed, and who performs them. This modernization initiative defines clearer roles and responsibilities for pay and personnel processes, and provides stronger military pay internal controls/audit functionality at the base level. Within the Personnel Services Division, yeomen continue to provide a customer service role by handling unit specific administrative and non-pay related personnel issues. This separation allows bases to focus on the critical roles of supporting yeomen in the field, while also auditing and approving pay documents in a manner that will support an unqualified audit opinion in the future.

Although this WG does not constitute a formal Business Process Reengineering (BPR) initiative, the SPOA WG shall employ the following basic BPR elements:

- Identify SPO and Personnel Services Program strengths, weaknesses, and opportunities.
- Validate current state (functions, costs, staffing, & benchmark best practices).
- Establish performance requirements.
- Redesign future state.

4. SPO Alignment Working Group Membership: CAPT Robert Thompson, PSC-bops, will serve as the SPOA WG team leader. The team leader is responsible for managing the SPOA WG process, resolving significant issues as they arise, and ensuring interim and final deliverables are consistent with organizational modification request (OMR) timelines. Sub-team designations may be developed as appropriate, following the kick-off meeting. SPOA WG members should anticipate participation sufficient to accomplish all action items specified in paragraph six of this memorandum.

Organization	Member	Role
PSC-bops	CAPT Robert Thompson	WG – Team Lead; PSC Representative
DOL-3	CWO4 Robert. T. Downs	Office of Base Operations Division Representative
DCMS-81	YNCM Julie Gunderson	Workforce Management Division Representative
DCMS-54	Mr. Bruce Viekman	Business Transformation Division Representative (ad hoc)
CG-44	CWO2 Art Howard	Office of Logistics Representative
CG-741	LCDR Fernando Rodriguez	Office of Shore Forces Representative
PPC Topeka	CWO2 Jared Frazier YNCM Eric Norris	SPO Pay Technical Authority
Personnel Support Department Portsmouth	CWO3 Lois Bonner	Personnel Support Department Representative
CG-1B1	CDR Patricia Kutch	Future Force
CG-12A	Mr. Dave McLeish	Workforce Forecasting and Analysis Staff Representative (ad hoc)
CG-1A HCMS PMOCG-122	Mr. Dave Johnson	CG-1 Sponsor Representative for HCMSPMO Representative
FORCECOM	Ms Liz Medina	FORCECOM Representative (ad hoc)
CG-631	Mr. Mark Meiczinger and Mr. Dwane Simpson	Human Resources Systems Management Division Representative (ad hoc)
CG-66	Mr. Rick Foley	Enterprise Architecture and Governance (ad hoc)
CG-81	Mr. Carlos E. Cuesta	Office of Planning and Performance Representative (ad hoc)

5. Methodology: Using recommendations from reference (d) for staffing and work alignment, information from the CFO audit, and current military personnel management directions, the SPOA WG will:

- Separate and document the functions of the SPO and Personnel Services/Administrative staffs.
- Review, and where appropriate, incorporate lessons learned from the Base Boston SPO Consolidation report and YN-MRA (references (d and e)).
- Review and analyze DoD services' military pay operations and industry standard functionality to benchmark military pay management operations in terms of centralized

or decentralized locations, IT support systems and infrastructure required (consistent with CG-1 Activities listing and DODAF model for Program Management of HCMS / HR lines of Business), and yeoman workload management (staffing standards).

- Where applicable, coordinate SPOA WG efforts with the CG-741 led effort to rebalance sector staffing based on workload assessments and the Sector Staffing Model.
- Where applicable, coordinate SPOA WG efforts with the Financial Management BPR Project Team.
- Employ and adhere to the guidelines of the Mission Support Business Model.
- Identify population distribution and status (reserve, active duty, etc) of personnel to be supported.
- Align SPO locations with base locations. If an alternate siting plan is being considered, brief CG-1.
- Identify non-base locations that are candidates for SPO alignment.
- Identify yeoman billets available in each geographic region.
- Develop COAs to right-size SPO and personnel services delivery structures. Recommend reprogramming of YN billets to optimally resource both the SPO and Personnel Services Divisions at bases and alternate locations by balancing work, leadership, and workforce pyramid requirements.
- Consider HCMS 9.X software upgrades and implementation timeline when developing SPO Alignment COAs.

6. Action: The SPOA WG shall conduct a baseline assessment of the current state of SPO and administrative: functions, policies, processes, procedures, and responsibilities throughout the Coast Guard and develop a transition plan for the establishment of a new SPO construct. The FY12 base organizational charts, billet maps, and functional statements are depicted in enclosures (1) - (3). Additional SPO and administrative support billet maps, as needed, are available through CG-833. Deliverables and/or issues to be resolved include, but are not limited to the following:

a. Establish objectives to meet overarching project goals.
b. Review existing COMDT, PSC, and PPC Topeka manuals, memorandums, and instructions as they relate to the deployment of a new SPO alignment construct.
c. Develop an overarching SPO alignment construct by consolidating input from SPOA WG team members, the Base Boston SPO Consolidation Pilot report, DoD benchmarking results (geographic site optimization, IT infrastructure and staffing standards), sector and base concerns, and applicable policies and practices.
d. Map key SPO organizational structures and process functions. Propose changes to organizational structure and/or design new processes.
e. Identify/rectify gaps and seams in procedures and processes.
f. Develop transition plans for achieving phase 1 initial operating capability (IOC).
g. Develop a concept of operations (CONOP) and new organizational construct for SPO establishment. The CONOP, organizational charts/billet maps, and functional statements should clearly define the functions and roles between program management and the chain of command; ensuring responsibilities do not overlap, and address optimal hierarchy and span of control in each organization.
h. Conduct a review of all civilian position descriptions, where appropriate, to ensure accuracy and completeness.
i. Prepare billet maps, functional statements and organization charts for incorporation into the OMR submission process. The FY13 billet map and organizational chart templates will be provided to the working group, when available.
j. Study space requirements feasibility and incorporate relocation considerations into final report.

k. Upon approval of a COA, submit updates to the Sector Staffing Model if there are changes to the SPO YN business rule requirements.
l. Develop key messages to clearly communicate the progress, impacts and outcomes of the SPOA WG efforts.

7. Assumptions / Constraints:

a. Recommendations should remain resource neutral by providing offsets, where appropriate.
b. The working group will use technology to reduce the necessity for travel to the maximum extent possible.
c. The SPOA WG will use a tracking tool of their choosing to document their work.
d. Key SPO alignment organizational stakeholders, who have a vested interest in the success of SPO alignment, will be informed on a regular basis about workgroup progress.

8. Schedule: The following represents conceptual milestones for the working group.

a. Distribute signed charter: 21 September 2012.
b. Working group kickoff meeting (VTC or TELCON): 2 October 2012.
c. First off-site/initial project plan developed: 7 November 2012.
d. Identification of business rules, sub work-groups, and current policies guiding SPOA WG duties and responsibilities: 16 November 2012.
e. Interim brief to CG-1: 27 November 2012.
f. Phase 1 SPO alignment concept of operations (CONOP) developed: 4 January 2013.
g. Submission of SPOA WG recommendation package and brief to CG-1: 1 February 2013.
h. Review, assessment, and adjustments of SPOA WG recommendations: 1 March 2013.
i. Submission of SPO alignment OMR packages: March – June 2013.
j. Approval of SPO alignment OMR packages: June – August 2013.
k. Implementation of SPO alignment OMR packages: July – September 2013.

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Encl: (1) Base FY12 Organizational Charts
(2) Base FY12 Billet Maps
(3) Base FY12Functional Statements
(4) CG-1 Activities Listing

Copy: CG PSC
DOL
DCMS-5, DCMS-8
COMDT (CG-1, CG-4, CG-6, CG-7, CG-8)
Base Portsmouth (psd)
CG-FORCECOM