



Over Four Decades of Industry-led
Collaborative Research

Consortium for Advanced Management International (CAM-I)

CAM-I Projects

Cost and Profitability Management

Understand and Demonstrate the Value of Business Enabling Functions - the group's objective is to assist member organizations to understand and quantify the value business support functions bring to organizations. A principle-based Value framework has been designed for functions who want to understand how internal stakeholders view value. The framework has 9 value principles which enable member organizations to consistently define the value business support functions bring to an organization. This framework will thereby allow cost and value trade-offs to be quantified.

Defining Value for Services - Value Analysis is an optimization methodology of aligning resources (cost) in proportion to the relative importance of Customer Functional Requirements. Value Analysis historically has been applied to manufacturing. However, it is equally effective for Service Industries and general process improvement. Services can present nuanced challenges in quantifying the processes performed and the associated importance to the customer. The group will continue to expand pilots of value analysis for services.

Strategic Cost and Profitability Value Management Roadmap - CAM-I has contributed significantly to the field of Cost, Process and Performance Management. This group is using existing the CAM-I body of knowledge to create a maturity roadmap. By using the roadmap, member organizations can benchmark their position in terms of maturity and what next steps to take to improve their organization.

Plans are also being formulated to add data analytics, modeling and artificial intelligence.

Other areas include work on

- Developing a guidebook on Value Analysis that includes Value Management, Value of Business functions, Principal Based Value Framework and Cost and Profitability Management.
- Transforming Department of the Navy's Financial Systems – Department of Navy to write a paper for CAM-I publication. The paper will describe the FM&C Financial management transformation accomplishments structured around the CAM-I Value Management Framework.

Deliverables in Progress

Value Management

The group will continue to expand two pilot projects of the value for services and associated costs. Insights and applications will be shared with CAM-I members and incorporated in the Value Analysis Primer.

Understand and Demonstrate the Value of Business Enabling Functions –

More work on the application of “Principle Based Value Framework”.

- Survey write-up’s

- Linkage to CAM-I Value Management Curve and roadmap

- Produce draft paper at CAM-I

- Identify next steps and plan - October 2020

Primer on Value Analysis publication – December 2020

A Primer on Value Analysis that includes Value Management, Value of Business functions, Principal Based Value Framework and Cost and Profitability Management.

January 2021

Transforming Department of the Navy’s Financial Systems – Department of Navy to write a paper for CAM-I publication. The paper will describe the FM&C Financial management transformation accomplishments structured around the CAM-I Value Management Framework.

Roadmap -

Continuous development of Strategic Cost and Profitability Value Management Roadmap. Examine application of Data Analytics, Modeling and Artificial Management.

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Integrated Risk and Value Management Special Interest Group

To be in business is to face a constant stream of potential risks that can disrupt daily activity and put the future of the organization in jeopardy. However, what if the organization were able to assess their potential risks for enterprise value? Robust organizations know how to take on measured risks that boost returns to stakeholders. If handled properly, it may even be possible to increase stakeholders' perceived value when taking on incremental risk. The goal of the Integrated Risk and Value Management interest group at CAM-I is to explore this risk-value continuum, modifying existing thought and proactively to enable organizations to maximize value by optimizing risk.

Deliverables in Progress

The Integrated Risk and Value Management interest has two current projects. Each builds on previous work, and brings these tools into practical operation with CAM-I members.

- A management accounting guideline (MAG) in partnership with the Chartered Professional Accountants of Canada (CPA Canada).
- Implementation of risk and value management with PACE International.

These projects include discussions of concepts and theory associated with integrated risk and value management, paired with real-world examples, success stories, and lessons learned.

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Performance Management Interest Group

Recognizing that organizations face many conflicting priorities in effective strategy execution, the PM Interest Group has developed the CAM-I Performance Management Framework (PMF) to help organizations determine:

- WHAT initiatives to focus on to improve performance
- WHERE to best deploy scarce resources
- HOW to measure improvement to validate success

PMF is a holistic methodology that identifies and improves core business capabilities that influence any organization's performance. The 8-step implementation methodology identifies gaps in business capability maturity and, depending on the assessed level of organizational readiness, recommends specific techniques to improve performance. The final steps structure an improvement initiative project, select appropriate measures to track improvement and create the necessary culture for PMF sustainability.

Recent publication (jointly with CPA Canada): The CAM-I Performance Management Framework Executive Overview – How to Evaluate and Improve Organizational Performance

Deliverables in Progress

The group is focused on these Phase III initiatives:

Key Performance Management Framework (PMF) Deliverables:

- PMF Awareness Training for quarterly meetings and conferences
- PMF Implementation Workshop facilitated in-house for member companies
- PMF Instructor Certification Process and Program (“Train-The-Trainer”)
- On-line Organizational Readiness Assessment tools and analytics
- Guidance on integrating PMF concepts with other IG’s methodologies

Current research and development:

- Updating PMF collateral with the revised graphical explanation of the methodology
- Packaging PMF materials into a practical Application Guidebook (joint publication with CPA Canada).
- Documenting business success stories in the application of the Framework.
- Developing PMF on-line webinars/ workshops.

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Forecasting for procurement of complex acquisition and support projects Interest Group (Using Defence procurement as a case study)

Many organisations have large budgets to procure new capabilities and support existing capabilities. The lifespan of these acquisition/build and support/run projects can run from a single year to 25 years and beyond in some cases.

Often these projects have a reputation for cost and time overruns, and variability of forecasting that present a major challenge to the Finance function in trying to manage the overall budget in any given financial time period.

The finance function has to apply its own professional judgement to try and ensure the summation of these projects does not result in a sub-optimal utilisation of the budget so that taxpayers/shareholders money is not wasted.

The aim of this project is to, using as a case study the MOD project, leverage knowledge across the defence sector end to end, including industry partners, international defence organisations and bodies that review Defence budgets, to identify common root cause problems. The intention is to also leverage the wider CAM-I network to highlight common issues and learning to aid the overall objective of improving the stability and quality of financial management and forecasting for such projects.

The interest group will then move on to proposing solutions by identifying skills, knowledge, tools and techniques that could be applied to eliminate unnecessary barriers to effective

financial management. Some of the solutions could be “quick wins” exploiting better communication of existing knowledge and information end to end through looking at the problems from different perspectives. The outcome should be to improve the quality of financial management, provide better stability to forecasting, and that we maximise the capacity and capability available to our Armed Forces in a timely manner from the budget available.

Deliverables in Progress

- Dependent on the type of acquisition maintenance- what are the best practices to give the most accurate projection of cost- to decrease the cost overruns?

This will be done by gathering historical data on the acquisition cost overruns over the past 5 years and ship/aircraft maintenance cost overruns. This will help us predict the future in terms of where were the overruns prevalent.

What are the common themes?

How do we fix these in the future?

- Understand the different drivers and perspectives, whether you are an industry supplier to other defence contractors, a direct supplier, a Government Defence Organisation responsible for procurement, or the end user as a Frontline Defence organisation or Department of State.
- Identify the challenges that face the Defence sector supporting our Armed Forces within constrained defence budgets.
- Understand how different Defence organisations operate when involved in international procurement or collaborative projects.

Chairs -

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CAM-I Higher Education Center of Excellence in Cost Management (CoE)

Higher Education is facing unprecedented economic pressures caused by increased operating costs, reductions in government funding, an increasingly competitive marketplace to attract & retain talented students and push back from families on the actual value of Higher Education. Additionally, the emerging COVID19 pandemic will have profound impacts on the Higher Education industry – stemming from reduced numbers of students, movement to online learning, and returned tuition fees and residential costs. Financial sustainability has never

been more critical. Traditionally driven more by mission-based values, university leadership must now understand the impact of their decisions on the bottom line to move their organizations forward sustainably while also remaining true to their mission.

The CAM-I Higher Education Center of Excellence is focused on developing actionable training for practitioners to navigate the higher education cost management landscape. The training will focus on:

- Value Proposition – understanding why it is important to undertake cost management on campus, and how these objectives relate back to the mission of the institution
- Management Challenges – identifying the practical issues faced by the institution that inhibit reaching objectives, goals, and the mission
- Cost Management Enablement – after developing an understanding of how cost management can support the long-term sustainability of an institution, present a set of tools that can help manage cost on campus. These tools will focus on:
 - Type of data required for cost management
 - Reporting outputs that can help drive enhanced decision-making
 - Best practices for interpreting reporting output, and how it can drive decision-making to ensure long-term sustainability of the institution

The CAM-I Higher Education Center of Excellence plans to host the first of these training sessions as part of the September 2020 CAM-I Quarterly Meeting in Alexandria, Virginia.

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