PFM

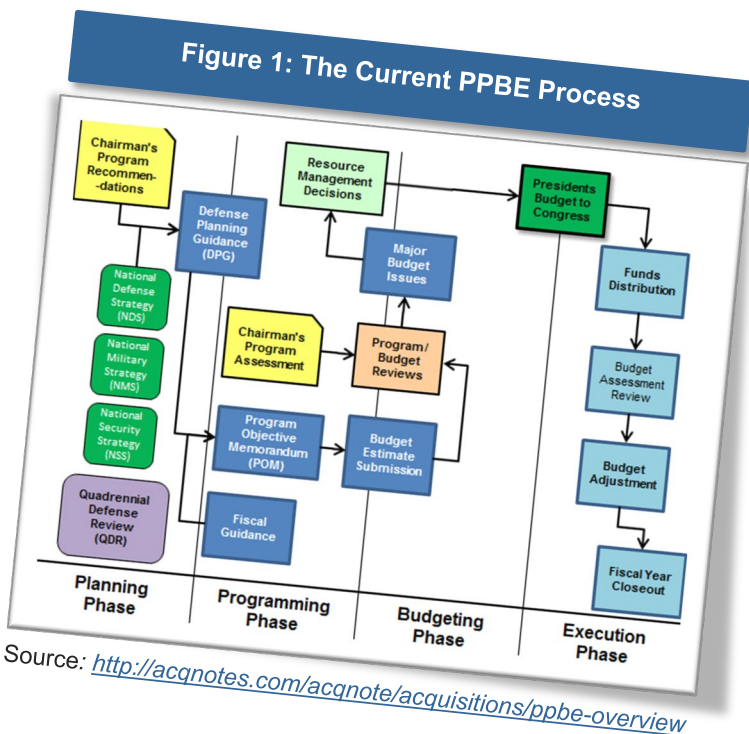**A PPBE Automation Software & Data Management Solution for DoD Agencies**

An Overview of our PPBE Solution

Figure 1: The Current PPBE Process

Source: http://acqnotes.com/acqnote/acquisitions/ppbe-overview

Introduction – The Current PPBE Process

The current Federal Budget process is manual, spreadsheet-based, and siloed, which is inefficient and difficult to manage. For many government agencies there is the added complexity of a four-phase Planning, Programming, Budgeting & Execution (PPBE) process that involves multiple stakeholders across multiple offices.

The PPBE process, known as "the most complex budget process in the world," was first instituted in the early 1960s in response to a "lack of a clear process to determine what programs to fund and how much to allocate." Sixty years later, the process and all its complexities remain.

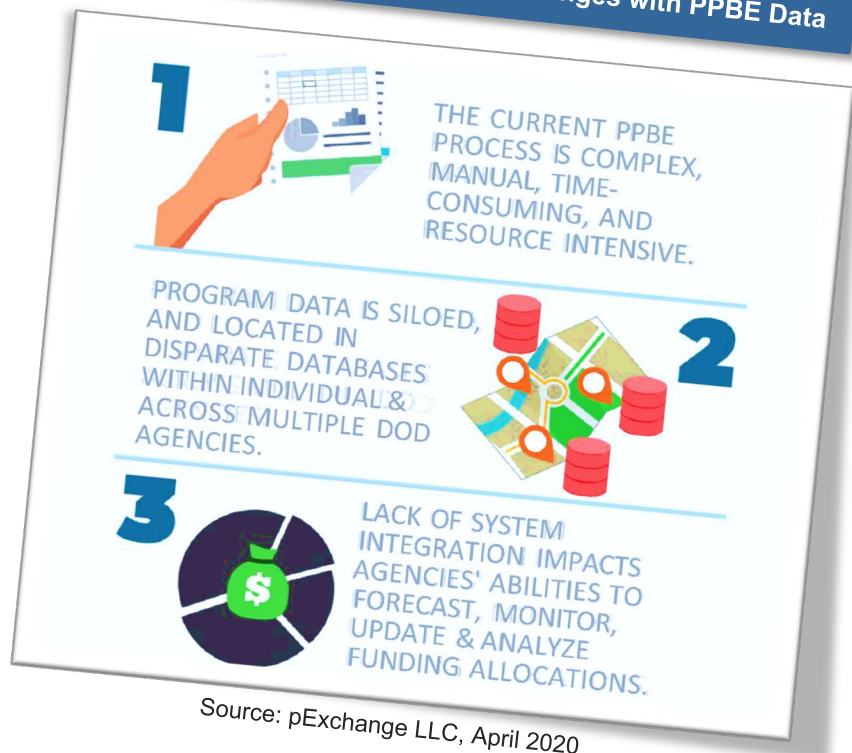Figure 1 provides a high-level overview of the current process.

During the Planning, Programming and Budgeting phases, agencies review previous years' budgets, apply current mission directives, and submit program funding requests to the President for submission to Congress. These requests, called Budget Estimate Submissions or justification books, include both justification passages and four-year financial projections.

Data Challenges with the Process

There are three primary data challenges inherent in the PPBE process that limit its effectiveness:

1. **Manual, disparate systems -** Program data lies in spreadsheets and Word documents in disparate databases across multiple departments. It must be pulled each year from separate systems that are not integrated and do not communicate with each other.

2. **Frequency of errors** - Data errors go undetected, given a lack of business rules that can alert analysts and prevent them from entering wrong/ incompatible data into each system.

3. **Inability to drive evidence-based decisions** - Not only is it difficult and slow for analysts to *gather* the information necessary, but it is nearly impossible to forecast and monitor funding allocations. Leaders can't identify trends and outliers *in real time* to make evidence-based decisions on how funds should be allocated and disbursed.

Figure 2: Three Primary Data Challenges with PPBE Data

Source: pExchange LLC, April 2020

Why Previous PPBE System Automation Efforts Have Failed

While there have been attempts to automate the PPBE process in the past, efforts have ultimately failed for three reasons:

1. **Expense and Timeframe** - Enterprise software projects are extremely expensive, especially when the vendor is not familiar with the Federal Budget process's intricacies and can easily turn into multi-year, multi-million dollar efforts.

2. **Changing Workflow** - Most commercial-off-the-shelf (COTS) systems promise improved functionality and reduced total ownership cost at the expense of requiring agencies to change their current workflow in order to "fit" within the limitations of the software. On the other hand, PFM is easy to adopt and implement as it can be customized to match each agency's current workflow process.

3. **Core capabilities** - To build a game-changing PPBE solution, the software/solution vendor must possess extensive knowledge in

    a. the entire PPBE process,

    b. Federal financial regulations and requirements, and

    c. database management, software development, business process improvements, and advanced analytics

pExchange is the first company to successfully deploy an integrated, logical and tailored workflow approach to automate the PPBE process.

PFM – The PPBE Solution

PFM is a COTS solution addressing the data challenges that federal agencies face: disparate systems, lack of traceability to missions, and inability to forecast, monitor, analyze, and make evidence-based decisions.
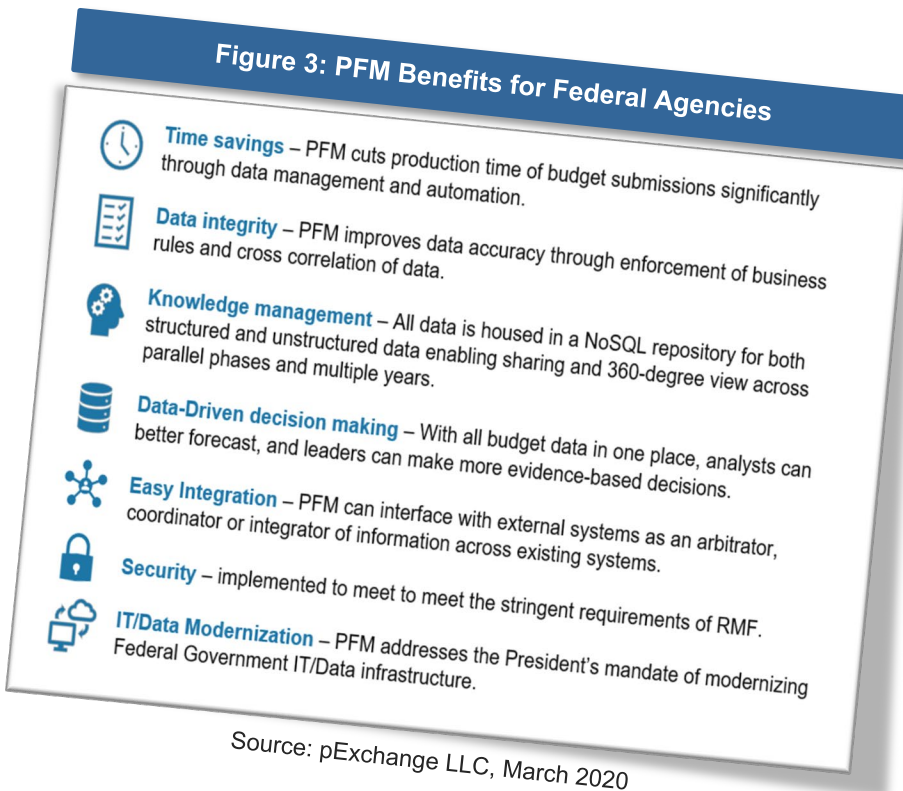
Since the solution can be customized to each agency's workflow, it is easily implemented by Finance/IT teams, as they don't have to completely change their established processes or displace their current legacy systems. PFM simplifies the process of gathering data by importing files from multiple existing systems and ensures data accuracy through built in business rules. The software also offers customizable role-based administration where each role is assigned permissions to keep information secure and limited to only those with the proper access.

This transformative solution:

- Leverages pExchange's DoD domain expertise and experience, offering integrated scope, funds, and schedule management across all phases of the PPBE process.

- Expands current PPBE capabilities to include assets, schedules, personnel, and integration with external references.

- Provides collection, coordination, access and retrieval of all elements of each PPBE phase via workflow capabilities.

- Provides analytics-based insights across the entire PPBE process.

- Provides an easy to use interface that can be customized by each agency/partner.

- Offers the ability to federate multiple instances of PFM to integrate and synchronize data.

- Is inherently transactional - enabling full auditing, analysis, traceability, and improved decision making in a role-based access control environment.

- Integrates with existing systems or can stand alone with minimal or no impact, while meeting stringent security requirements.

Figure 3 below highlights additional benefits to Federal Agencies of the PFM solution:

Figure 3: PFM Benefits for Federal Agencies

Time savings – PFM cuts production time of budget submissions significantly through data management and automation.

Data integrity – PFM improves data accuracy through enforcement of business rules and cross correlation of data.

Knowledge management – All data is housed in a NoSQL repository for both structured and unstructured data enabling sharing and 360-degree view across parallel phases and multiple years.

Data-Driven decision making – With all budget data in one place, analysts can better forecast, and leaders can make more evidence-based decisions.

Easy Integration – PFM can interface with external systems as an arbitrator, coordinator or integrator of information across existing systems.

Security – implemented to meet to meet the stringent requirements of RMF.

IT/Data Modernization – PFM addresses the President's mandate of modernizing Federal Government IT/Data infrastructure.

Source: pExchange LLC, March 2020

Conclusion

PFM will soon be the agency-standard solution for PPBE process automation and data management.

If you would like a demo of PFM's capabilities, please contact us at info@p-exchange.com. A member of the management team will contact you to schedule.

You can also learn more about pExchange by visiting our website at www.p-exchange.com.

Thank you for your interest.

About pExchange LLC

Founded in 2015, pExchange is a leading provider of budget software, database management & advanced analytics solutions to the U.S. Department of Defense. pExchange's team of highly skilled developers, data scientists, and database architects build solutions to modernize and automate highly complex business processes. Its solutions enable government agencies and commercial enterprises to save time, improve accuracy, drive higher productivity, and make better evidence-based decisions.

Over the past four years, pExchange has worked with two major Defense Agencies – Chemical & Biological Defense Program (CBDP) and Defense Threat Reduction Agency (DTRA) – to build a customizable PPBE software solution that automates the PPBE budget process.

Visit us at www.p-exchange.com.