

**THE CFO VIEWPOINT**

# Meeting Change With Change

## Labor Thinks Ahead With New Financial System

In 1903, the second Industrial Revolution was drawing to a close. Two bicycle machine shop owners were hard at work on the intricacies of powered flight, an innovation that would shrink the world far beyond their imagination. One hundred years later, we again are experiencing the



By **SAM MOK**

early years of a new century and live in the midst of an ongoing revolution — the information age. Like the Wright brothers, we are fashioning changes through technology and attempting to envision what the future may bring. But there is a critical difference from 100 years ago. Gaining the perspective to peer over the horizon may not be any easier now than before, but the horizon is certainly much closer. The velocity of

change in this information age has quickened.

The Labor Department has begun a multiyear process of replacing its core accounting system. As accounting and financial-management professionals in the federal government, we set accountability of public funds as our top priority. We must keep this in mind as we forecast the needs and build the tools for a 21st-century workplace. Our watchword must be flexibility; we must be able to meet change with change. This is one certainty of the information age.

We cannot be complacent about what we currently know and currently do best. Labor's core accounting system has supported financial statements with six consecutive clean audit opinions and received three Certificate of Excellence in Accountability Reporting Awards from the Association

of Government Accountants. We are adept at generating accurate data and have finely honed our processing skills. However, if we merely

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replace or upgrade our core accounting system — if our new system merely improves the timeliness of only our data delivery — then we will have failed. The new system must provide accurate, timely and useful financial information and support higher analytical activities, such as what-if analyses.

Delivering the right information to the right people at

the right time to support the right decisions will not be easy. In the information age, success is all about working smarter. The replacement of a Cabinet-level core financial system is a major endeavor. The challenge is to maintain the quality of current operations while implementing a new, innovative system — and not faltering on either front. It is similar to debating whether to buy a new car. Perhaps your car has served you well for the past 15 years; but now your lifestyle has changed and instead of buying a current version of your old car, maybe life would be easier if you did not have a car to take care of at all. Sometimes, it is necessary to take a step back from what you have been doing and reorient yourself. You may have to implement a whole new business process to keep up with the times.

Many of the same human resources used to stoke the coals of the old system are essential to charting the course of the new system. At the Labor Department, we are seeking early and frequent involvement of client agencies and end users to identify needs and assist in the selection of both software and system integrators. During the development and implementation process, the need for outside expertise will be intense.

It will be a daunting challenge to gain that critical perspective to see beyond the horizon. When in place, the new system should serve Labor's needs for at least a decade. In the accelerated environment of the information age, a decade can be several product-cycle lifetimes. We cannot create a system that will limit future innovation or fail to accommodate unforeseen opportunities. This will be one of the enduring legacies of this administration.

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