



Over Four Decades of Industry-
led Collaborative Research

Annual Report to Members

2015

CAM-I Vision:

To be recognized as the premier collaborative forum for innovative leading edge management solutions that create lasting value

STAFF

President - Ashok Vadgama

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Prior to joining CAM-I in 2005, Ashok G. Vadgama was a Program Manager for Strategic Programs at Motorola Semiconductor Product sector in Austin, Texas.

He has extensive experience in implementing integrated financial and business process modeling systems and driving strategic initiatives in USA, United Kingdom, Europe, Asia and Mexico. He has held various positions in finance and operations in multi-national companies in USA and UK. Previous to that at Motorola Semiconductor Product Sector, he was responsible for driving ABM (Activity Based Management) and process improvements at multiple global locations. He was elected to the Board in May 2004.

Ashok is a member of the Board of The Austin Chamber of Commerce and is on the Editorial Advisory Board of "Cost Management" a Warren, Gorham & Lamont of RIA publication.



BOARD

Srikant Sastry, Chairma - Grant Thornton

Mr. Sastry is a Partner in Grant Thornton's Global Public Sector practice and leads the Firm's Cost and Performance Management practice. In his more than 18 years serving the public sector, he has led cost management and performance improvement projects for several Federal agencies, including the Department of Labor, Department of Interior, Department of Transportation, US Patent and Trademark Office, Federal Deposit Insurance Corporation, Drug Enforcement Administration, U.S. Postal Service, and Department of Treasury. He has also led cost and performance management projects for the State of California, and for the Hongkong Post. Prior to Grant Thornton, he led public sector cost and performance management practices at IBM Business Consulting Services and PricewaterhouseCoopers. He began his career working in budget formulation and cost management capacities for the Environmental Protection Agency, Office of Management and Budget, and Internal Revenue Service. He holds a B.A. in political science from the University of Massachusetts, an MPA from Indiana University, and a JD from George Washington University. He is a Certified Government Financial Manager (CGFM).



Anthony (Tony) P. Scardino - United States Patent and Trademark Office, CFO

Anthony (Tony) P. Scardino is the Chief Financial Officer (CFO) for the United States Patent and Trademark Office (USPTO). He serves as principal advisor to the USPTO Director in leading and improving the financial management, accounting, budgeting, planning, and organizational performance systems of the USPTO, and manages the fiscal operations of the USPTO. In this role, Tony oversees an annual budget that exceeds \$2 billion, supporting over 10,000 USPTO employees. Prior to his current position at the USPTO, Tony served in several leadership positions at the Department of Housing and Urban Development (HUD), including acting CFO, acting Deputy CFO and the Budget Director. Tony holds a bachelor of art degree in political science from the State University of New York at Geneseo, a Master of Public Administration degree from the State University of New York at Albany, and is a Certified Government Financial Management (CGFM). Tony is also a graduate of Harvard's John F. Kennedy School of Government's Senior Managers in Government program.



George Millush - Daimler Chrysler (retired)

George B. Millush is now retired from being the Director of Financial Process Planning for Daimler-Chrysler, a unique position dedicated to process, systems, and organization development in pursuit of achieving Best Practice processes in Finance. He has been an active member of the CAM-I organization since 1993, including participation in the Target Costing, Process Management, and Value Quest publications. George was the CAM-I CMS Program Chairman for two years, and was presented with the Robert A. Bonsack Award for 1997.



Anthony Pember -- Grant Thornton

Anthony Pember is a lead for Grant Thornton's Cost and Performance Analytics Service Line. He has a wide range of experience in both the private and public arenas including cost and profitability modeling, model methodology and business rule development, strategic analysis, data analysis, and project management. Anthony has led cost management and performance improvement projects for many clients in the United States, Australia, Mexico and Great Britain. He has experience designing, building, and maintaining cost and predictive models for a number of clients within the Australian Department of Defense, the US Navy, the US Coast Guard, commercial clients, and numerous higher education institutions. Prior to working for Grant Thornton, Anthony was CEO of Pilbara Group, a boutique software and consulting company. He spent many years working for multinational pharmaceutical companies, including Bristol Myers Squibb and Schering Plough, where he gained experience in the areas of manufacturing, logistics, marketing, and sales. Anthony currently serves on the CAM-I Board and is the co-chair of its Environmental Sustainability Interest Group, currently investigating how methodologies like Activity Based Costing and Target Costing can be applied to environmental sustainability. Anthony holds a Bachelor of Science from the Australian National University.



Tony Stinsa – Navistar, Inc., Director of Finance, Integrated Product Development

Tony Stinsa serves as director of finance, for Navistar's Integrated Product Development organization. In his role, Stinsa is responsible for business guidance, financial planning, and reporting and control for the Integrated Product Development organization. Other responsibilities include leadership of the Product Costing function at Navistar. Stinsa began his more than 15 year career at Navistar working in the financial management development program. During the start-up and first three years of operation of Navistar's Huntsville, Ala. engine plant, Stinsa served as controller of engine engineering and controller and I.T. systems leader. He has also worked as the director of finance for Navistar's worldwide Ford account and director of finance for Navistar's engine group. In addition, Stinsa spent four years as a corporate controller for Lane Industries, also having oversight responsibility for their agricultural operations, and the accounting function of their hospitality subsidiary. Stinsa has bachelor's degree in economics and M.B.A, both from the University of Illinois at Urbana-Champaign. He is also a graduate of the National Automotive Dealer Academy and has passed the Certified Public Accountant (CPA) exam



Dan Hirner – The Boeing Company, Director – Acquisition and Finance Operations Engineering, Operations and Technology

Dan Hirner is Director of Acquisition and Finance Operations for Engineering, Operations and Technology, a \$6B division of The Boeing Company. In this position since October 2012, he leads a team of 140 Contracts, Estimating and Finance employees responsible for all U. S. Government and Commercial contracts for the division, Intellectual Property agreements for the company, as well as supplier cost/ price analysis, estimating, and affordability, along with finance process management and people development for this division. Dan began his Boeing career in 1984 with McDonnell Douglas Corp., where he advanced through a series of financial positions on production and development programs. He has held increasingly challenging leadership positions including senior manager of Financial Planning and Analysis at Boeing Corporate Headquarters in Chicago and CFO for Boeing Research and Technology, the research arm of Boeing. Dan was born in St. Louis and graduated from the University of Missouri-Columbia with a bachelor's degree in Finance. He received a master's in Business Administration from St. Louis University in 1989



President's Message

2015: A Year of Impact

Impact. It's a word often bandied about, but too rarely realized. The year 2015 was one in which the Consortium for Advanced Management-International (CAM-I) again produced quantifiably impactful management methodologies that its members can implement immediately to improve the performance of their organizations.

- ✓ If you want a roadmap for improving your organizational performance management, we've got one.
- ✓ If you are a buyer or seller of shared services, our approach can ensure you're getting the right value or charging the right cost for the services you are buying or selling.
- ✓ If you aren't managing risk, you need access to CAM-I's risk-crisis continuum before a crisis too negatively impacts your organization.
- ✓ If you are trying to figure out how to prioritize your data integrity initiatives, CAM-I has developed a way to help you do that by assigning a value to the data you collect.
- ✓ CAM-I is also testing a tool to improvement the measurement and management of corporate or organizational environmental sustainability initiatives.

Each one of these initiatives alone gives CAM-I members an enormous return on their investment in the organization. Together, this body of intellectual property can produce enormous benefits for those organizations that take advantage of them.

Perhaps more valuable than the management solutions we produce, our members consistently rate the connections and interactions with other CAM-I members as the number one benefit of membership in CAM-I. Networking, debating, and collaborating with representatives from a wide diversity of industries tackling shared challenges in a regular, intimate setting cannot be replicated in any other organization.

Don't take our word for it. The work of CAM-I is consistently validated. The organization was recently recognized with a British Airways Award of Excellence in International Trade, Investment, and Expansion given by the Austin, Texas Chamber of Commerce. The award recognized the global impact CAM-I as achieving with its products and services. "CAM-I can be regarded as a premier International Management Incubator," the award stated.

CAM-I enjoys a robust number of sustained members, though it continues to grow. Joining the other public and private sector members of CAM-I in 2015 were:

King County, Washington;

BCH Electric Limited;

Asher & Company, Mexico;

Binzagr; and

The Thrival Company.

CAM-I Members were asked what they wanted to hear and from whom, and CAM-I did not disappoint. Speakers spoke on relevant, directly applicable topics. Among the speakers in 2015 were:

- Dell Corporation's Executive Director for Global Value Creation and Innovation, who spoke on "Lean Application in Business"
- Navistar Vice President Aaron Larson, who spoke on the "Use of advanced analytics for business improvement"
- Royal Australian Navy Executive Manager Dave Robinson, who presented his paper, "Putting into Practice - Benefits and observations from application of CAM-I work in the public sector"
- Caterpillar's Innovation Incubator Operations Director, Barrington Owens, who spoke on "The approach to Innovation"
- Triniti Corporatoin CEO Srinath Alamela, who spoke about "How to Keep Data Clean"
- Decimal Technologies Vice President for Strategic Alliances, Derek Sandison, King County Finance and Administrative Service Manager, Chauntelle Hellner, and King County Director for Business Resource Center Carmell Call all gave CAM-I Members an "Update on the CAM-I Performance Management Framework"
- Austin, Texas Deputy Chief Financial Officer Ed Van Eenoo spoke about "How the City of Austin incorporates performance measures in the budget process"
- Census Bureau Deputy Director Nancy Potok, Former IRS Commissioner Danny Werfel, former Department of Labor Chief Financial Officer Doug Webster, Association for Federal Enterprise Risk Management President Tom Stanton, and former U.S. Office of Management and Budget Associate Director Robert Shea engaged in a spirited discussion of the state of and prospects for mature risk management in the federal government.
- Chartered Professional Accountants of Canada Vice President Gordon Beal presented CAM-I members with the "Evolving CPA Profession in Canada"
- Landmark Decisions President Mike Haley spoke about "Using CAM-I's Closed Loop Methodology for Planning, Budgeting, and Profitability"
- Ernst & Young's Cathy R. Cobey spoke about "Data Integrity and Cybercrime"
- Grant Thornton Director Jeff Lawton gave members an "Update on Intelligent Data Quality"
- Arkonas President John Miller presented the "Management Accounting Guideline from CPA Canada on calculating and reporting customer profitability"

These are just some of the activities and accomplishments CAM-I members shared in the year 2015. Like with any membership organization, you get back what you put in. This year, CAM-I members put in a lot. More of that progress is described below. Now organizations across the globe can reap the rewards.

Gratefully,

Ashok Vadgama
President
The Consortium for Advanced Management, International

CAM-I Interest Groups

Cam-I Interests Groups are member led groups of CAM-I members who collaborate in specific areas to identify solutions to common problems. They meet at least quarterly, but collaborate much more frequently throughout the year, to produce practicable, actionable management solutions. Their activities are described below.

Performance Management

Decimal Technologies Vice President Strategic Alliances Derek Sandison, Leader

The Performance Management Framework, which outlines the elements found in a mature organizational performance management program, has become a landmark application for all our groups. It has been applied by public and private sectors. Training has been offered to colleges, companies, governments, and other organizations. The Interest Group's next steps are -

- Polish and package the CAM-I Performance Management Framework Implementation Guidebook
- Establish requirements for the on-line Performance Management Readiness Assessment and investigate on-line tools and applicability
- Create a CAM-I Performance Management Framework Instructor Certification Program

Cost Management Group

SAS Product Manager Tony Adkins, Leader

Among CAM-I's most lasting contributions is in the area of cost management. This interest group is carrying forward the organization's strong legacy in this area. Among its activities are:

- Developing the best way to cost and charge shared services.
- Researching Cost as a core foundation for management decisions.
- Conducting a survey regarding Shared services and how organizations use cost to help define and evaluate their shared service programs.
- Future deliverables include: the completed shared services survey, publication in the Journal of Corporate Finance, and additional initiatives that benefit from sound cost management systems such as Activity-Based costing.

Integrated Risk and Crisis Management Special Interest Group

Grant Thornton Principal Greg Wallig

The goal of the Integrated Risk and Crisis Management interest group at CAM-I is to explore this risk-crisis continuum, modifying existing thought and practice to enable organizations to maximize value by optimizing risk. The next steps are -

- Develop a risk-crisis continuum graphical tool, maturity model, and scoring template that identifies where an organization is in terms of optimal risk taking
- Develop case studies that explore the phases of the risk-crisis continuum: Inefficient, risk optimized, smoldering risk and crisis.

Intelligent Data Quality Management Group

Grant Thornton Director, Jeff Lawton

Every organization is grappling with the massive growth in available data and how to leverage it to the benefit of the organization. The Intelligent Data Quality Management Group is developing solutions to data management challenges. It is developing a framework or equation that can put a dollar value on any record of data in any data system. The ability to value a record in quantitative, monetary terms to allow organizations to manage their data using traditional asset management techniques. Each element of the framework or variable of the equation is a deliverable of this group. The first two elements have been defined as deliverables.

- The group examined data lifecycle models throughout the industry and created a best-of-breed lifecycle model.
- Examine the maturity of an organization with regard to data management practices. Organizations that have higher levels of maturity are able to do more with their data, thus the valuation increases. The deliverable will be a companion approach to the Performance Maturity Model's information management enablement component

The Environmental Sustainability Interest Group

Grant Thornton's Mark Lemon, Leader

The Environmental Sustainability Interest Group seeks to leverage CAM-I's Body of Knowledge in cost and performance management to develop more effective and efficient tools and techniques to manage environmental sustainability initiatives. To that end, the group completed a market survey in January 2015 examining: a) what motivates companies to undertake environmental sustainability initiatives, b) the strategy employed to manage the initiatives, c) if/how they are utilizing cost and performance management tools and techniques to manage these initiatives, and d) best practices, challenges and pitfalls, and challenges identified in utilizing these tools and techniques.

The group is now preparing to kick-off a proof of concept case study with Weber State University to validate the 2012 whitepaper: *Measuring and Managing Environmental Sustainability Using Activity-Based Costing/Management (ABC/M)*. The group intends to demonstrate that the activity-based information generated by the model will help identify the relative environmental-intensity of activities at Weber State, and help managers and stakeholders at the university make more informed decisions to focus on activities and programs which are high-value and low-environmental intensity.

Target Costing

Targeted Financial Solutions, LLC President Elaine Jones

Growing out of its deep costing capacity, CAM-I has developed a methodology to assist organizations in the definition of the target cost of products and services and the approach to maintain that definition through the life cycle of the product or service.

The Target Costing Group developed a methodology to use Target Costing for Manufacturing, and for 2016 will focus on developing target costing for a Service industry. The group also developed a training module on Value Analysis.

Key Activities and International Outreach

2015 was also an excellent year in terms of domestic and international outreach and we continued to develop our presence and growth in the USA, Australia, Canada, United Kingdom, India, Mexico, Japan, and Saudi Arabia.

- CAM-I Director and U.S. Patent and Trademark Chief Financial Officer Anthony Scardino presented in Austin at a meeting sponsored by The Austin Chamber of Commerce on “Financing a world class IP organization”.
- CAM-I members met with Fellows of the National Academy of Public Administration and others to discuss the impact of the Digital Accountability and Transparency Act (DATA Act), Public Law No.113-101. Participants included representatives from the United States Air Force, the United States Army, the Departments of Energy, Transportation, and Agriculture, and Industry. The DATA Act requires the Treasury Department and the Office of Management and Budget to consult with public- and private-sector stakeholders as they establish government-wide data standards for U.S. federal spending. CAM-I’s interest is in understanding how future Interest Group projects could support or leverage data standards requirements.
- Conducted a meeting with Barclays International in the United Kingdom. Participation included officials from Grant Thornton LLP, SAS, Institute of Chartered Accountants of England and Wales, Barclays International, The Boeing Company, Binzagr, Decimal Technologies and other United Kingdom organizations.
- Workshop on the CAM-I Performance Management Framework in Delhi sponsored by the Institute of Cost Accountants, run by CAM-I’s Performance Management Interest Group Leader Derek Sandison.
- Derek Sandison and Ashok Vadgama participated in a CAM-I led visit with its newest member in India - BCH Electric Limited.
- CAM-I will work with the Confederation of Indian Industries on input to their Total Cost Management model. Ashok Vadgama spoke at their conference in their International Conference on Total cost management.
- CAM-I will also present at a conference in Chennai, India on December 15th and 16th at a conference by the Confederation of Indian Industries.
- The Institute of Cost Accountants of India and CAM-I signed a mutual collaborative agreement to collaborate and work together to pursue mutual opportunities in India and USA. A joint conference is tentatively scheduled in Delhi for 2016.

Training and Certification

CAM-I and CAM-I members are leveraging the organization's Body of Knowledge to share best practices and transfer knowledge to those interested in what they can learn from the work of the organization. We are expanding our footprint in Universities and Colleges for executive studies.

- CAM-I signed a Memorandum of Understanding with The College of DuPage to provide training for College of DuPage students.
- CAM-I will conduct more on site and off site training in the area of Performance Management, Target Costing, and Cost Management.
- CAM-I On-Line University - The Target Costing module is first among many future training modules available at the CAM-I online university. Many more will follow.
- Pennsylvania State University leveraged CAM-I to use the CAM-I ABCM Model for their ACCG340: Cost Accounting training.
- CAM-I and the University of California at Irvine provided training on Calculating and Reporting Customer Profitability.
- CAM-I worked with CAM-I Member Company Grant Thornton to provide Cost Containment and Shared Services training for the Transportation Security Administration.
- CAM-I offered training in "Transforming the Office of the CFO" in Johannesburg, South Africa.

Publications

One of the great benefits of CAM-I membership is access to its intellectual property and thought leadership. Among the many publications and articles that feature CAM-I or its work include:

- "Census Bureau offers primer on enterprise risk management," Emily Kopp, Federal News Radio, March 10, 2015. (<http://federalnewsradio.com/management/2015/03/census-bureau-offers-primer-on-enterprise-risk-management/>)
- "Target Costing: A Cost Management Tool," SmartPros Financial Management Network, July 10, 2015. (https://www.youtube.com/watch?v=yqGo_Vd7-vU&feature=youtu.be)
- The entire publication of the March / April 2015 issue of Thomson Reuters' "Cost Management" was based on CAM-I work. The May/June 2015 issue also featured a CAM-I article.

CAM-I will continue to publish articles for "Cost Management" and "The Journal of Corporate Accounting & Finance" a Wiley Publication and Cost Management "A Thomson Reuters' publication.

Trinit Corporation and CAM-I are working on an article on Data Integrity to be published by Gartner.

New Initiatives

Of course, CAM-I, in order to remain an innovator in management solutions, cannot rest on its laurels. In addition to the interest group work described above, among the projects we'll tackle in 2016 are:

- Launching an exploratory group to launch a Municipality focused project in March.
- Sharpening our focus on analytics.
- Benchmarking Chief Financial Officer metrics, due to be published for our members in June 2016.
- Single day sessions focused on issue relevant for our Washington DC based private and public sector members.
- Developing a model for use by those adopting Shared Services.
- Helping members use Target Costing for developing a measure of the Cost of Service.
- Developing a module for Value Analysis training.

2016 Meetings

We look forward to seeing our members and our first time guests at our quarterly meetings –

Q1. March 7-9 in Alexandria Virginia and hosted by Grant Thornton LLP and USPTO.

Q2. June 6-7 in Seattle Washington and hosted by King County.

Q3. September 12-14 in Charleston, South Carolina.

Q4. December 5-7 in San Antonio, Texas.

Summary

CAM-I is helping organizations achieve greater effectiveness by developing, through collaboration, innovative management improvement methodologies that can be applied to address the greatest emerging management challenges and opportunities. The progress we made in 2015 was particularly gratifying, but is also the foundation of even greater possibilities for 2016. We will continue to identify new areas to explore for the benefit of our members. The core outputs, coupled with practical application is how we differentiate ourselves from other organizations.



Caption: Danny Werfel, former Commissioner, U.S. Department of the Treasury's Internal Revenue Service and Doug Webster, former Chief Financial Officer U.S. Department of Labor, Co-Author of Managing Risk and Performance: A Guide for Government Decision Makers Tom Stanton, Co-Author of Managing Risk and Performance: A Guide for Government Decision Makers Dr. Nancy Potok, Deputy Director and Chief Operating Officer - U.S. Department of Commerce's Census Bureau



Caption: Gordon Beal Vice President of CPA Canada, Tony Adkins, Product Manager SAS



Caption: Discussion led by Anthony Scardino, CFO USPTO, at CAM-I meeting in Austin



Caption: Chauntelle Hellner, Finance and Administrative Service Manager, (King County), Carmel Call, Director for Business Resource Center (King County), Derek Sandison, Vice President, Strategic Alliances, Decimal Technologies, Tony Adkins, Product Manager, SAS



Caption: Ed Van Eenoo, Deputy Chief Financial Officer, City of Austin



Caption: Barrington Owens, Director of Innovation Management Resource Management of Caterpillar Inc.



Caption: CAM-I President Ashok Vadgama inaugurating the Performance Management Workshop on 26th Nov 2015 with CMA Manas Thakur, Vice President, Mr Derek Sandison, Vice President , Strategic Alliance , DECIMAL - Toronto Canada, Mr. Sanjay Gupta, Chairman, International Affairs and sustainability Committee, CMA. S.k Bhatt, Chairman, NIRC of the Institute of Cost Accountants of India, and CMA Ravi Sahna, Vice president of the Institute of Cost Accountants of India (From Left to Right)



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